GGR CONTRACT
TERMS AND CONDITIONS

DRAFT – Version 1

August 2025

[***This draft of the GGR Contract 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. This draft of the GGR Contract remains subject to further financial, legal and technical review.***

The draft provisions do not indicate any willingness or agreement on the part of DESNZ to enter into, or arrange the entry into, the GGR Contract. 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.]

CONTENTS

PRELIMINARY

The Conditions as applicable to an Eligible Developer are to be read in conjunction with:

(A) the offer to contract made to the Eligible Developer by the GGR Contract Counterparty pursuant to a direction given under Section 68 of the EA 2023 and the acceptance of that offer by such Eligible Developer; and

(B) the GGR Agreement entered into between the GGR Contract Counterparty and the Eligible Developer.

Part 1
Introduction

1. **DEFINITIONS AND INTERPRETATION**

Definitions

1.1 In these Conditions:

"Acceptable Collateral" means: (i) a Letter of Credit; and/or (ii) a cash amount (in pounds) transferred to the credit of a Reserve Account;

"Acceptable Compliance Scheme" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

[**"Achieved CO_2 Storage Rate"** means the CO_2 storage rate (*expressed as a percentage (%) to one (1) decimal place*) for the Facility during each Reporting Unit, except each Reporting Unit in which: (A) a Capture Outage Relief Event occurs; or (B) the Installation is fully unavailable, whereby the Achieved CO_2 Storage Rate shall not apply, calculated in accordance with the following formula:

$$ASR_i = \frac{CO_2\_Out\_T\&S_i}{CO_2\_In_i}$$

where:

ASR_i	=	the Achieved CO_2 Storage Rate (*expressed as a percentage (%)*);
$CO_2\_Out\_T\&S_i$	=	the Metered CO_2 Output to T&S (*tCO_2*) in the relevant Reporting Unit (*i*); and
$CO_2\_In_i$	=	the Measured CO_2 Input (*tCO_2*) in the relevant Reporting Unit (*i*),

which shall not exceed one hundred per cent. (100%);]

"Achieved Sales Price" has the meaning given to that term in Condition 9.4 (*Achieved Sales Price calculation*);

"Additional Revenue" means any additional revenue generated by the Developer which does not arise from the sale of GGR Credits generated by the Facility including (but not limited to) [additional revenue from the sale of electricity, waste heat, steam, oxygen and other forms of energy generated by the Installation, its provision of balancing or flexibility services to the Electricity Transmission System Operator, Electricity Licensed Distributor and/or Gas Licensed Transporter and/or any other marketable outputs that result from the operation of the Facility];[1]

"Additional Revenue Report" means a report prepared by the Developer (in form and content satisfactory to the GGR Contract Counterparty, acting reasonably), which shall include, as a minimum, the following:

(A) the total amount of Additional Revenue (*expressed in pounds (£)*) received by the Developer in the relevant Fiscal Year; and

(B) details of such Additional Revenue;

[1] **Note to Reader:** This definition will be further considered in the context of different technology types which can generate GGR Credits.

"Adjusted Output Period" means a period of reduced or increased generation by the Facility of GGR Credits occurring during the Term as a direct result of a Qualifying Change in Law;

"Affected Operational CP" has the meaning given to that term in Condition 3.11 (*Operational Conditions Precedent: General Reporting Obligations*);

"Affected Person" means any direct or indirect shareholder of the Developer who is able to evidence to the satisfaction of the GGR Contract Counterparty 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 subsidiary, subsidiary undertaking, associated undertaking or a holding company of the relevant Party from time to time or any company which is a subsidiary, subsidiary undertaking or associated undertaking of a holding company of that Party from time to time;

"Affiliate Offtaker" means an Offtaker who is:

(A) an Affiliate of the Developer; and/or

(B) any Lender or any agent or trustee of the Developer;

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

"Agreement Date Provisions" means [Part 1 (*Introduction*), Part 2 (*Term*), Part 3 (*Conditions Precedent and Milestone Requirement*), Condition 8 (*Definitions: Part 5*), Condition 17 (*Billing Statements*), Condition 18 (*Settlement*), Condition 19 (*Default Interest*), Condition 20 (*Set-off*), Condition 21 (*Deductions and withholdings*), Condition 22 (*Payment accounts*), Condition 23 (*Developer representations and warranties*), Condition 24 (*GGR Contract Counterparty representations and warranties*), Condition 25 (*Developer Undertakings: General*), Condition 30 (*Developer Undertakings: Supply Chain Reporting*), Condition 31 (*Developer undertakings: Information provision and no cumulation of Subsidy, State aid, Union Funding and/or International Funding*), Part 9 (*Termination*), Part 11 (*Dispute Resolution*) to Part 13 (*Miscellaneous*) (inclusive), Annex 1 (*Conditions Precedent*), Annex 2 (*Testing Requirements*), Annex 3 (*Calculation of Default Termination Payment*), Annex 4 (*Change Control Procedure*), Annex 5 (*Form of Direct Agreement*), Annex 8 (*Pre-Capture Meter Operational Framework and Technical Specification*), Annex 9 (*Stack Meter Operational Framework and Technical Specification*), Annex 10 (*T&S Meter Operational Framework and Technical Specification*) and Annex 12 (*Pro forma notices*);][2]

"Alternative Feedstock" means any other alternative feedstock, other than Facility Feedstock, which the Developer proposes to use at the Facility during the relevant Fiscal Year;[3]

"Alternative T&S Network Review Notice" has the meaning given to that term in paragraph 48.13(C) (*Termination for T&S Prolonged Unavailability Event*);

---

[2] **Note to Reader:** This definition is subject to further review and development by DESNZ.

[3] **Note to Reader:** The treatment of permitted feedstock sources in the GGR Contract remains under consideration as the GGR Standard is developed.

"Alternative T&S Network Solution Plan" means a plan developed by the Developer setting out the required milestones and actions in order to connect the Facility to an alternative T&S Network delivery point and/or alternative T&S Network (either directly by pipeline, or indirectly by other means of transportation), in order to remedy a T&S Prolonged Unavailability Event;

"Alternative T&S Network Solution Plan Deadline" means the date which falls eighteen (18) Months after the date of a T&S Prolonged Unavailability Event Notice issued by the GGR Contract Counterparty in accordance with Condition 48.8 (*Termination for T&S Prolonged Unavailability Event*);

"Amendment Notification" has the meaning given to that term in paragraph 2.1 (*Amendment Notifications*) of Annex 4 (*Change Control Procedure*);

"Annual Audit" has the meaning given to that term in Condition 38.4 (*Annual Audit*);

"Annual Audit Documents" has the meaning given to that term in Condition 38.4 (*Annual Audit*);

"Annual Auditor's Certificate" means a certificate from an Auditor addressed to the GGR Contract Counterparty certifying that the Annual Compliance Audit Report has been prepared in accordance with Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*);

"Annual Compliance Audit Report" means a report prepared in accordance with Condition 38.4 (*Annual Audit*) and Annex 11 (*Annual Audit Reports*);

"Annual Compliance Documents" has the meaning given to that term in Condition 38.3 (*Annual Compliance Report*);

"Annual Compliance Report" has the meaning given to that term in Condition 38.1 (*Annual Compliance Report*);

"Annual Compliance Report Deadline" has the meaning given to that term in Condition 38.1 (*Annual Compliance Report)*;

"Annual Compliance Report Minimum Requirements" has the meaning given to that term in Condition 38.1 (*Annual Compliance Report*);

"Annual Compliance Report Non-Compliance Deadline" means:

(A) if Condition 38.9, Condition 38.10 or Condition 38.11 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension*) applies, the date which falls thirty (30) Business Days after the date of the Annual Compliance Report Non-Compliance Notice; and

(B) if Condition 38.13 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: termination*) applies, the date which falls sixty (60) Business Days after the date of the Annual Compliance Report Non-Compliance Notice;

"Annual Compliance Report Non-Compliance Notice" has the meaning given to that term in Condition 38.8 (*Annual Compliance Report Non-Compliance Notice*);

"Annual Compliance Report Response Notice" has the meaning given to that term in Condition 38.5 (*Annual Compliance Report Response Notice*);

"Annual Compliance Report Supporting Information" has the meaning given to that term in Condition 38.5(C) (*Annual Compliance Report Response Notice*);

"Annual Compliance Report Termination Event" has the meaning given to that term in Condition 38.13 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: termination*);

"Anticipated Expiry Date" means the fifteenth (15th) anniversary of the Target Commissioning Date;

"AOP Estimate" means a good faith estimate of an Adjusted Output Period (including a good faith estimate of the date on which such Adjusted Output Period will commence and end);

"Applicable Connection Documents" has the meaning given to that term in the GGR Agreement;

"Applicable Planning Consents" means:

(A) a Development Consent Order or, in respect of relevant works in waters in or adjacent to Wales up to the seaward limits of the territorial sea, a TWA Order;

(B) a Planning Permission;

(C) a Section 36 Consent; and/or

(D) where any relevant works involve a licensable marine activity, a Marine Licence;

"Applicable Standards" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

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

"Approved Alternative T&S Network Solution Plan" has the meaning given to that term in paragraph 48.13(C)(i) (*Termination for T&S Prolonged Unavailability Event*);

"Approved Registry" means a registry for GGR Credits which is approved under the GGR Standard;[4]

"Approved Scheme of Funding" has the meaning given to that term in the GGR Agreement;[5]

"Approved Storage Rate Breach Rectification Plan" means the draft Storage Rate Breach Rectification Plan which meets the Storage Rate Breach Rectification Plan Minimum Requirements and is approved by the GGR Contract Counterparty pursuant to either Condition 27.6(B)(i) or Condition 27.6(B)(ii)(a) (*Rectification of Minimum CO_2 Storage Rate Obligation breach*);

"Arbitral Award" has the meaning given to that term in Condition 57.2 (*Arbitration Procedure*);

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

"Arbitration Dispute" means any Dispute other than an Expert Dispute;

[4] **Note to Reader:** The definition of Approved Registry is subject to further consideration as the approach to the GGR Standard and associated carbon crediting programme is developed.

[5] **Note to Reader:** If applicable, the Approved Scheme of Funding shall be notified to, and verified by, DESNZ on a project-by-project basis and shall refer to any funding provided to the Developer and/or its Affiliates which is incurred in respect of the Project prior to the Agreement Date.

"Arbitration Procedure" means the rules, obligations and procedures set out in Condition 57 (*Arbitration Procedure*);

"Arbitrator" means any person to whom a Dispute is referred in accordance with the Dispute Resolution Procedure;

"Assumed Load Factor" means the percentage calculated as follows:[6]

$$ALF = \frac{IGGRCSC}{INRCE * TD}$$

where:

ALF	=	the Assumed Load Factor (%)
$IGGRCSC$	=	the Initial GGR Contract Sales Cap (tCO_2)
TD	=	the total number of Days in the period between the Target Commissioning Date and the Anticipated Expiry Date
$INRCE$	=	the Initial Net Removal Capacity Estimate (tCO_2/Day)

"Auditor" means an auditor who:

(A) is a firm of reputable auditors of good standing;

(B) is not the Developer (or any of its connected persons where, for this purpose, "connected person" shall be construed in accordance with sections 1122 and 1123 of the Corporation Tax Act 2010); and

(C) complies with any other requirements specified by the GGR Contract Counterparty (acting reasonably);

"Automated Data System" means an automated data system to monitor the operation of the Facility and to provide access for the GGR Contract Counterparty to the following data that is in machine-readable form (including CD-ROM, magnetic and digital form):

(A) Measurement Data;[7] and

(B) any other data that the GGR Contract Counterparty and the Developer agree (each acting reasonably);

"Available Registered Capacity" has the meaning given to that term in the CCS Network Code;

"Average Achieved CO_2 Storage Rate" means the average Achieved CO_2 Storage Rate (*expressed as a percentage (%) to one (1) decimal place*) for the Facility during a Calculation Period, calculated as follows:

---

6 **Note to Reader:** The assumed load factor is the ratio of the quantity of GGR Credits the Facility is forecast to generate over the operational period of the GGR Contract to its theoretical maximum net removal, and therefore GGR Credit generation capacity over the same period. It is expressed as a percentage. This definition is subject to further consideration by DESNZ.

7 **Note to Reader:** This reference is subject to further consideration by DESNZ in the context of the types of measurement data required under the GGR Contract.

$$AACR = \frac{\sum_{i=1}^{n} ACO2\_Out_i}{\sum_{i=1}^{n} ACO2\_In_i} \times \frac{Vn}{n}$$

where:

$AASR$	=	the Average Achieved CO_2 Storage Rate (*expressed as a percentage (%)*);
$ACO2\_Out_i$	=	the Achieved Metered CO_2 Output to T&S in each relevant Reporting Unit (*i*) in the relevant Calculation Period;
$ACO2\_In_i$	=	the Achieved Measured CO_2 Input in each relevant Reporting Unit (*i*) in the relevant Calculation Period;
Vn	=	the total number of Valid Reporting Units [8] in the relevant Calculation Period; and
n	=	the total number of Reporting Units in the relevant Calculation Period;

"Base Rate" means the rate of interest published from time to time by the Bank of England as its base rate;

"Base Year" has the meaning given to that term in the GGR Agreement;

"Base Year CPI" means the value of the CPI for October in the calendar year immediately preceding the Base Year;

"Base Year Terms" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"BECCS Facility" means a Facility which deploys BECCS Technology and **"BECCS Facilities"** shall be construed accordingly;

"BECCS Technology" means a process which produces energy vectors (such as power, heat, hydrogen, biofuels, biochemicals) from biogenic feedstock, with carbon capture applied to any associated CO_2 emission streams for subsequent permanent geological storage;

"Billing Period" means a Month, except that the first Billing Period shall commence on the Start Date and end on the later of: (i) the last Day of the Month in which the Start Date occurs; and (ii) the last Day of the Month in which the GGR Contract Counterparty notifies the Developer pursuant to an OCP Response Notice or a Further OCP Response Notice (as relevant) that it has determined that all of the Operational Conditions Precedent have been satisfied or waived in accordance with Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*) (as applicable) and the last Billing Period shall commence on the first Day of the last Month of the Payment Period and end on the last Day of the Payment Period;

"Billing Statement" means a GGR Billing Statement and/or a T&S Billing Statement (as applicable);

"Billing Statement Dispute Notice" has the meaning given to that term in Condition 18.3 (*Billing Statement Disputes*);

---

[8] **Note to Reader:** This variable is subject to further consideration as the metering provisions are developed.

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

"Business Interruption Proceeds" has the meaning given to that term in the CCS Network Code;

"Calculation Period" means:[9]

(A) in respect of Condition 27.1 (*Undertaking: Minimum CO_2 Storage Rate*) and for the purpose of determining whether there has been a Minimum CO_2 Storage Rate Breach and/or Storage Rate Breach Rectification, each Billing Period where the Achieved CO_2 Storage Rate is applicable for at least one (1) Reporting Unit within such Billing Period; and

(B) [●].

"Capex Strike Price" means the Initial Capex Strike Price, as may be amended from time to time in accordance with the GGR Contract;[10]

"Capex Strike Price Adjustment Calculation Period" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"Capex Strike Price Indexation Adjustment" has the meaning given to that term in Condition 13.5 (*Capex Strike Price Indexation Adjustment*);

"Capex Strike Price Indexation Anniversary" has the meaning given to that term in Condition 13.6 (*Capex Strike Price Indexation Adjustment*);

"Capture Outage Event" means an event where the Capture Plant is unavailable, curtailed or derated (which, for the avoidance of doubt, shall include a Full Capture Outage Event);

"Capture Outage Reduction Factor" means in each Relief Event Reporting Unit, the reduction (if any) in the Metered CO_2 Output to T&S (*expressed as a percentage (%)*) as a result of any Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event;

"Capture Outage Relief Event" means a T&S Outage Event (including a T&S Planned Outage), provided that such T&S Outage Event does not arise out of or in connection with any act, omission, breach or default of the Developer or its Representatives (including any breach by the Developer or its Representatives of an Industry Document);

"Capture Outage Relief Event Notice" has the meaning given to that term in Condition 14.1 (*Capture Outage Relief Events);*

"Capture Outage Relief Event Response Notice" has the meaning given to that term in Condition 14.5 (*Capture Outage Relief Events);*

"Capture Outage Relief Event Supporting Information" has the meaning given to that term in Condition 14.5(C) (*Capture Outage Relief Events);*

---

9 **Note to Reader:** This definition remains subject to further consideration and development by DESNZ.

10 **Note to Reader**: The Capex Strike Price, which will be the Initial Capex Strike Price (as amended pursuant to the relevant indexation adjustment in Part 5), will only be used in the Monthly TCDE Relief Amount calculation. The Initial Capex Strike Price will be set out in the front-end agreement and will represent the capital expenditure and return components of the Strike Price (expressed in £/tCO_2), which shall be notified to, and agreed by, DESNZ on a project-by-project basis.

"Capture Outage Relief Event Update Notice" has the meaning given to that term in Condition 14.3 (*Capture Outage Relief Events);*

"Capture Plant" has the meaning given to that term in the GGR Agreement;

"CCP Affected Parties" means, in respect of a General Amendment, the developers which are party to those CCUS Programme GGR Contracts to which the General Amendment is proposed to be made;

"CCS Network Code" means the network code that the Developer is required to comply with in accordance with the Code Agreement;[11]

"CCUS Programme" means a programme, as such programme may be updated from time to time, to deploy a system comprising the following:

(A) either:

(i) the capture of CO_2 that has been produced by, or in connection with, processes including:

(a) commercial electricity generation;

(b) commercial industrial processes; or

(c) commercial hydrogen production; or

(ii) the removal of CO_2 from ambient air using chemical and/or physical separation methods, such as absorption or adsorption; and

(B) the transport of such CO_2 that has been captured; and

(C) the disposal of such CO_2 that has been captured, by way of permanent storage;

"CCUS Programme GGR Contract" means a [carbon capture revenue support contract] (as such term is defined in Section 67(2) of the EA 2023);[12]

"Change in Applicable Law" means:

(A) the coming into effect, amendment, supplement, termination, repeal, replacement or withdrawal of or to: (i) any Law or Directive; or (ii) any Industry Document; or

(B) a change in the interpretation or application of any Law, Directive or Industry Document by any Competent Authority;

"Change in Law" means:

(A) the coming into effect, amendment, supplement, termination, repeal, replacement or withdrawal of or to: (i) any Law or Directive; (ii) any Industry Document (other than the CCS Network Code); or (iii) any Required Authorisation;

(B) any termination, repeal, replacement or withdrawal of, or any Modification (as defined in the CCS Network Code) to the CCS Network Code;

---

11 **Note to Reader:** The Developer is expected to enter into the Code Agreement in order to make the CCS Network Code binding upon the Developer.

12 **Note to Reader:** Relevant legislative reference to be confirmed.

(C) any amendment to the T&S Construction Agreement or T&S Connection Agreement pursuant to a Modification of the CCS Network Code which is expressly stated to apply to and be incorporated into the T&S Construction Agreement or T&S Connection Agreement (as applicable) (but excluding any other amendments to those agreements); or

(D) a change in the interpretation or application of any Law, Directive, Industry Document or Required Authorisation by any Competent Authority,

in each case after the Agreement Date and save (in each case) to the extent that the Change in Law:

(i) arises out of, or in connection with, a breach of or default under or with respect to, that Law, Directive, Industry Document T&S Construction Agreement, T&S Connection Agreement or Required Authorisation by the Developer or any of its Representatives;

(ii) arises out of, or in connection with, a failure by the Developer or any of its Representatives to act in accordance with the Reasonable and Prudent Standard; or

(iii) represents no more than a continuous improvement or development of good practice which would be complied with in respect of a facility deploying GGR Technology by a developer acting in accordance with the Reasonable and Prudent Standard;

"Change of Ownership" means:

(A) any sale, transfer or disposal of any legal, beneficial or equitable interest in any or all of the shares in the Developer or (where relevant) HoldCo (including the control over the exercise of voting rights conferred on those shares or the control over the right to appoint or remove directors or the rights to dividends); and/or

(B) any other arrangements that have or may have or which result in the same effect as paragraph (A) above;

"CiAL Dispute" has the meaning given to that term in Condition 46.1 (*Procedure for raising a Dispute*);

"CiAL Dispute Developer" has the meaning given to that term in Condition 46.1 (*Procedure for raising a Dispute*);

"CiAL Dispute Notice" has the meaning given to that term in Condition 46.1 (*Procedure for raising a Dispute*);

"CiAL Dispute Threshold Criterion" has the meaning given to that term in Condition 46.9 (*CiAL Dispute Threshold Criterion*);

"CiAL Dispute Validity Notice" has the meaning given to that term in Condition 46.3 (*Validity of CiAL Dispute Notices*);

"CiAL Request Criterion" has the meaning given to that term in Condition 45.3 (*Requirement to undertake a CiAL Review*);

"CiAL Request Notice" has the meaning given to that term in Condition 45.2 (*Requirement to undertake a CiAL Review*);

"CiAL Request Validity Notice" has the meaning given to that term in Condition 45.5 (*Validity of CiAL Request Notices*);

"CiAL Review" means a review conducted by the GGR Contract Counterparty pursuant to Condition 45.1 (*Requirement to undertake a CiAL Review*) as to whether:

(A) a Change in Applicable Law: (i) has been implemented, has occurred or has become effective; or (ii) is expected to be implemented, to occur or to become effective and, in each case as a direct result of such Change in Applicable Law being implemented, occurring or becoming effective, one (1) or more of the Required CiAL Amendment Objectives will cease to be met; and

(B) as a consequence of one (1) or more of the Required CiAL Amendment Objectives ceasing to be met, Required CiAL Amendments are necessary;

"CiAL Review Notice" has the meaning given to that term in Condition 45.6 (*Notification of CiAL Review*);

"CiAL Review Outcome Notice" has the meaning given to that term in Condition 45.9 (*Notification of outcome of CiAL Review*);

"CiAL Review Response Deadline" has the meaning given to that term in Condition 45.6(B) (*Notification of CiAL Review*);

"CiAL Review Response Notice" has the meaning given to that term in Condition 45.7 (*Notification of CiAL Review*);

"CiAL Review Trigger" has the meaning given to that term in Condition 45.1 (*Requirement to undertake a CiAL Review*);

"Civil Procedure Rules" means the Civil Procedure Rules 1998;

"CJA" means the Criminal Justice Act 1993;

"Claimant" has the meaning given to that term in Condition 56.3 (*Expert Determination Procedure*);

"Classification Objection" has the meaning given to that term in paragraph 2.6(B)(ii)(a) (*Technical Amendments (bilateral Proposed Amendments): process*) of Annex 4 (*Change Control Procedure*);

"CO_2" means carbon dioxide;

"CO_2 Measurement Data" means Inlet CO_2 Measurement Data and T&S Metered Data;[13]

"CO_2 Measurement Dispute" means a dispute or part of a dispute which relates to the calculation of Metered CO_2 Output to T&S;

"CO_2 Metering Equipment" means the metering equipment which is required pursuant to the CO_2 Metering Specification to determine the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S which may include flow meters, composition analysers, temperature measurement equipment, pressure measurement equipment, associated communications equipment, and any other necessary ancillary equipment and infrastructure;

---

13 **Note to Reader:** This definition is subject to the development of the metering provisions and is currently a term used in the Waste ICC Contract.

"CO_2 Metering Obligation" has the meaning given to that term in [●];[14]

"CO_2 Metering Specification" means [●];[15]

"CO_2 Rich Stream" means a stream consisting primarily of CO_2 which is:[16]

(A) for BECCS Facilities only, produced by the Installation; or

(B) for DACCS Facilities only, captured from ambient air;

and delivered to the relevant T&S Network at the T&S Network Delivery Point(s);

"CO_2 Storage Rate Estimate" has the meaning given to that term in the GGR Agreement;

"CO_2 Storage Test" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"CO_2 Utilisation" means any process or method which: (i) uses or intends to use any CO_2 captured from the Installation (in the case of BECCS Facilities) or removed from ambient air (in the case of DACCS Facilities) as a feedstock; or (ii) sells or intends to sell captured or removed CO_2, in each case excluding any CO_2 captured from the Installation (in the case of BECCS Facilities) or removed from ambient air (in the case of DACCS Facilities) that is directed to a T&S Network;

"CO_2 Utilisation Termination Event" means an event as set out in Condition 25.3 (*Failure to comply with CO_2 Utilisation undertaking*);

"Code Accession Agreement" means the agreement entered into by the Developer pursuant to which the Developer accedes to the Code Agreement;

"Code Agreement" means the agreement which the Developer has entered into, or acceded to, which makes the CCS Network Code binding on such Developer; [17]

"Collateral Amount" means an amount (*expressed in pounds (£)*) calculated by the GGR Contract Counterparty in accordance with Condition 52.4 (*Collateral Amount*);

"Collateral Correction Notice" has the meaning given to that term in Condition 53.5 (*Altering collateral*);

"Collateral Posting Date" means the date by which the Developer is required to transfer or deliver Acceptable Collateral, being no less than ten (10) Business Days after a Collateral Posting Notice is received;

"Collateral Posting Notice" has the meaning given to that term in Condition 52.2 (*Notification of collateral requirements*);

"Collateral Repayment Date" means an Initial Collateral Repayment Date or (if applicable) a Replacement Collateral Repayment Date;

---

14 **Note to Reader:** This definition is subject to further review and development by DESNZ.

15 **Note to Reader:** The specific CO_2 metering standards are to be determined.

16 **Note to Reader:** This definition is subject to further consideration as the metering and measurement provisions are developed.

17 **Note to Reader:** The Developer is expected to enter into the Code Agreement in order to make the CCS Network Code binding upon the Developer.

"Commissioned" means that all of the Commissioning Tests have been successfully completed, followed or passed (as appropriate) in relation to the Facility (or a part of the Facility), and grammatical variations thereof shall be construed accordingly;[18]

"Commissioning Tests" means all of the procedures and tests which, in accordance with the Reasonable and Prudent Standard, and in compliance with industry guidelines, practices and standards, are:

(A) relevant to CO_2 capture facilities which are the same as, or of a similar type to, the Capture Plant (including those which are relevant to the GGR Technology);

(B) required to be completed, followed or passed (as appropriate): (i) in order for a CO_2 capture facility to capture and export CO_2; and (ii) to demonstrate that a CO_2 capture facility is fit for commercial operation; and

(C) carried out in accordance with Annex 2 (*Testing Requirements*);[19]

"Compensatory Interest" means any GGR Compensatory Interest and/or T&S Compensatory Interest (as applicable);

"Compensatory Interest Amount" means a GGR Compensatory Interest Amount(s) and/or a T&S Compensatory Interest Amount(s) (as applicable);

"Competent Authority" means:

(A) any national, federal, regional, state, local, or other court, arbitral tribunal, administrative agency or commission or other governmental, administrative or regulatory body, authority, agency or instrumentality;

(B) any private body to the extent it carries out one (1) or more public functions; or

(C) any other body which has jurisdiction in respect of the Capture Plant, the Project, the GGR Contract and/or any other GGR Document,

and includes the Economic Regulator, the Environment Agencies and the Secretary of State but excludes the GGR Contract Counterparty;

"Compliance Scheme" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Accreditation Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Dispute" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Dispute Developer" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Dispute Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

---

18 **Note to Reader:** This definition is subject to the development of the Testing Requirements (Annex 2).

19 **Note to Reader:** This definition is subject to the development of the Testing Requirements (Annex 2).

"Compliance Scheme Alignment Dispute Response Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Expert Appointment Threshold" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Participation Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Implementation Date" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Outcome Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Outcomes" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Response Deadline" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Response Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Trigger" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Dispute Deadline" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Participation Notice" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Principles" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"Compliance Scheme Restriction" has the meaning given to that term in Condition 35.1 (*Compliance Schemes*);

"Conditions" means these terms and conditions;

"Conditions Precedent" means the Initial Conditions Precedent and the Operational Conditions Precedent and **"Condition Precedent"** shall be construed accordingly;

"Confidential Information" means GGR Contract Counterparty Confidential Information and Developer Confidential Information;

"Confirmed Offtake Agreement" means:

(A) any Offtake Agreement that has been entered into prior to the Agreement Date which has been provided to the GGR Contract Counterparty by the Developer pursuant to paragraph 6 (*Offtake Agreements*) of Annex 1 (*Initial Conditions Precedent*) and which the GGR Contract Counterparty has confirmed fulfils the requirements of such Initial Condition Precedent; and/or

(B) any Offtake Agreement which is confirmed by the GGR Contract Counterparty to be a Confirmed Offtake Agreement pursuant to Condition 33.5(A) on the basis that:

(i) the Offtake Agreement includes the Offtake Compliance Provisions and has been entered into by the Developer in compliance with the Fair Market Value Principles; and

(ii) in respect of any Offtake Agreement entered into between the Developer and an Affiliate Offtaker, the GGR Contract Counterparty has designated such Offtake Agreement as a Confirmed Offtake Agreement (in the GGR Contract Counterparty's absolute discretion);

"Confirmed Offtaker" means any person who purchases GGR Credits from the Developer pursuant to a Confirmed Offtake Agreement;

"Confirmed Offtaker Invoice" means an invoice issued by the Developer to a Confirmed Offtaker for the sale and purchase of Qualifying GGR Credits which confirms the Invoiced Amount for each such Confirmed Offtaker in the relevant Billing Period[, and which shall be in a form and content satisfactory to the GGR Contract Counterparty (acting reasonably)];[20]

"Connected Dispute" has the meaning given to that term in Condition 58.1(A) (*Consolidation of Connected Disputes*);

"Consolidation Request" has the meaning given to that term in Condition 58.2 (*Consolidation of Connected Disputes*);

"Construction Event" means a geological condition or physical constraint affecting the Facility (including the presence of new or unknown fauna or flora, unexploded ordnance, mudstone, archaeological remains, antiquities or hazardous materials);

"Contractor" means any contractor, sub-contractor, consultant or adviser of or to the Developer, but excludes the T&S Operator;

"Contract Payment Term Commencement Date" means the earlier of the Start Date and the last Day of the Target Commissioning Window;

"Contract Payment Term Year" means a period of one (1) year:

(A) with the first such year commencing on the Contract Payment Term Commencement Date and each subsequent such year commencing on each anniversary of the Contract Payment Term Commencement Date; and

(B) with the final such year ending on the Expiry Date;

"CORE Relief Amount" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"CPI" means:

---

20 **Note to Reader:** This definition is subject to further consideration and development by DESNZ.

(A) all items index of consumer price inflation published each Month by the Office for National Statistics;

(B) if that index is no longer being published, such index as the GGR Contract Counterparty may reasonably determine to be appropriate in the circumstances; or

(C) if there is a material change to the basis of that index, such other index as the GGR Contract Counterparty may from time to time reasonably determine to be appropriate in the circumstances;

"Crown Body" means any department, office or agency of the Crown;

"C(RTP) Act" means the Contracts (Rights of Third Parties) Act 1999;

"Cyber Essentials Scheme" means the 'Cyber Essentials' scheme operated by the National Cyber Security Centre;

"Cyber Security Standards" means the standards prescribed by 'Cyber Essentials Plus' pursuant to the Cyber Essentials Scheme, or in the event that Cyber Essentials Plus or the Cyber Essentials Scheme ceases to operate, such other standards or accreditation issued pursuant to an equivalent scheme as notified to the Developer by the GGR Contract Counterparty;

"DACCS Technology" means the technology which involves the process of removing CO_2 from ambient air using chemical and/or physical separation methods, such as absorption or adsorption, for permanent geological storage;

"DAHS" means a Data Acquisition and Handling System;

"Day" means a calendar day;

"Deemed Daily CO_2 Removal Rate" means the daily rate (*expressed in tCO_2/Day*) at which the Facility is deemed to have produced Net Removals, calculated as follows:

(A) for the purpose of calculating the Deemed Qualifying GGR Credits Quantity:

(i) where the relevant Reporting Unit falls in the period from (and including) the first (1st) Billing Period of the Term to (and including) the twelfth (12th) Billing Period of the Term:

$$DDRR_i = ALF \times NRC$$

where:

$DDRR_i$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*) in the relevant Reporting Unit (*i*)
ALF	=	the Assumed Load Factor (%)
NRC	=	the Net Removal Capacity (*tCO_2/Day*) as at the Start Date or the Final Net Removal Capacity which is confirmed pursuant to Condition 7 (*Final Net Removal Capacity*) (whichever is the most recently confirmed figure)

(ii) where the relevant Reporting Unit falls in a Billing Period after the twelfth (12th) Billing Period of the Term:[21]

$$DDRR_i = \frac{Quantity\_RA}{TD}$$

where:

$DDRR_i$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*) in the relevant Reporting Unit (*i*)
$Quantity\_RA$	=	the aggregate Monthly Invoiced Quantities (*tCO_2*) for the most recent twelve (12) Billing Periods prior to the Billing Period in which the relevant Reporting Unit falls
TD	=	the total number of Days in the most recent twelve (12) Billing Periods prior to the Billing Period in which the relevant Reporting Unit falls

(B) for the purpose of calculating the Monthly TCDE Relief Amount and the Pre-Start Date Relief Reference Quantity:

$$DDRR = ALF \times NRCE$$

where:

$DDRR$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*)
ALF	=	the Assumed Load Factor (%)
$NRCE$	=	the Net Removal Capacity Estimate (*tCO_2/Day*)

"Deemed Qualifying GGR Credits Quantity" means, if a Capture Outage Relief Event is deemed to have occurred in accordance with Condition 14.6(B), Condition 14.6(C), Condition 14.6(D), Condition 14.6(E) or Condition 14.6(F)(ii), the quantity of Qualifying GGR Credits that is deemed to have been generated in the each applicable Relief Event Reporting Unit, calculated as follows:[22]

$$DQCQ_i = DDRR_i \times CORF_i$$

where:

$DQCQ_i$	=	the Deemed Qualifying GGR Credits Quantity (*expressed in tCO_2*/Day) in the Relief Event Reporting Unit (*i*)
$DDRR_i$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*) in the relevant Reporting Unit (*i*)
$CORF_i$	=	the Capture Outage Reduction Factor (*expressed as a percentage (%)*) in the relevant Reporting Unit (*i*)

[21] **Note to Reader:** This formula is subject to further review and development by DESNZ.

[22] **Note to Reader:** This formula is subject to further review and development by DESNZ.

"Default" means: (i) a Termination Event; or (ii) an event or a circumstance which would (with the passage of time, the giving of notice, the making of any determination pursuant to the GGR Contract or any combination of any of the foregoing) be a Termination Event;

"Default Interest" has the meaning given to that term in Condition 19.1 (*Calculation of Default Interest*);

"Default Termination Date" has the meaning given to that term in Condition 48.27(A) (*Default termination*);

"Default Termination Notice" has the meaning given to that term in Condition 48.27 (*Default termination*);

"Default Termination Payment" means the amount (*expressed in pounds (£)*) calculated in accordance with the formula set out in paragraph 1.1 of Annex 3 (*Calculation of Default Termination Payment*);

"Default Termination Payment Notice" has the meaning given to that term in Condition 49.9(B) (*Consequences of default termination*);

"Deficient Collateral Amount" has the meaning given to that term in Condition 53.5(B) (*Altering collateral*);

[**"Derived Data"** means [●];][23]

[**"Derived Data Agreement"** means an agreement, in form and content satisfactory to the GGR Contract Counterparty, to be entered into between the Developer and the GGR Contract Counterparty relating to the Developer's use of and access to the Derived Data;]

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

"Developer Available T&S Capacity" means the maximum amount of CO_2 Rich Stream that the Developer can deliver to the T&S Network during a Capture Outage Relief Event as a proportion of the Maximum T&S Capacity (*expressed as a percentage (%)*);

"Developer Confidential Information" means:

(A) all Information which is confidential or proprietary in nature and which relates (directly or indirectly) to the Developer, the Facility or the Project which the GGR Contract Counterparty (or its Representatives) receives or has received from:

(i) the Developer (or its Representatives); or

(ii) any third party who receives or has received such Information from the Developer (or its Representatives) in connection with the GGR Contract;

in each case including any Information which the GGR Contract Counterparty prepares which contains or makes explicit reference to such Information or from which such Information is readily ascertainable;

(B) without prejudice to the generality of paragraph (A) above, all Information relating to:

(i) any QCiL Compensation or QCiL True-Up Compensation, including all Information relating to or arising from negotiations or discussions and

[23] **Note to Reader:** This definition is subject to further review and development by DESNZ. Whether this drafting is required will depend upon the type of information required to be provided by the Developer and whether a Derived Data Agreement is required for disclosure.

correspondence in respect of any such QCiL Compensation or QCiL True-Up Compensation; and

(ii) any T&S Termination Payment, including all Information relating to or arising from negotiations or discussions and correspondence in respect of any such T&S Termination Payment; and

(C) all Information which relates to or arises from negotiations, discussions and correspondence in connection with the GGR Contract,

but excluding in each case any Excluded Information;

"Developer Data" means all data and Information, including Confidential Information and any personal data, relating to the Developer or any of its respective technology, operations, facilities, assets or programmes, or relating to the Developer's personnel or customers, in whatever form that data and information may exist;

"Developer Net Payable Amount" means, in respect of a Billing Period, any amount which is due and payable by the Developer to the GGR Contract Counterparty calculated in accordance with Condition 17.7 (*Calculation of GGR Net Payable Amount*) and/or Condition 17.1(*Calculation of T&S Net Payable Amount*) (as applicable);

"Developer Permitted Purposes" means:

(A) complying with the Developer's responsibilities and obligations, and exercising the Developer's rights, powers and discretions, under or in connection with the GGR Contract, any other GGR Document or the Grant Funding Agreement; and

(B) complying with the Developer's responsibilities and obligations under or by virtue of the EA 2023, any other Law, or any Directive, policy or guidance;

"Developer Planned Outage" means:

(A) a Full Capture Outage Event; and/or

(B) for BECCS Facilities only, a Full Installation Outage Event,

that has been scheduled by or on behalf of the Developer in advance of such event occurring;

"Developer Planned Outage End Notification" has the meaning given to that term in Condition 29.2(B) (*Notification of Developer Planned Outages*);

"Developer Planned Outage Notification Obligation(s)" has the meaning given to that term in Condition 29.2 (*Notification of Developer Planned Outages*);

"Developer Planned Outage Notifications" has the meaning given to that term in Condition 29.2(B) (*Notification of Developer Planned Outages*);

"Developer Planned Outage Start Notification" has the meaning given to that term in Condition 29.2(A) (*Notification of Developer Planned Outages*);

"Developer QCiL Notice" has the meaning given to that term in Condition 39.8 (*Qualifying Change in Law: Procedure*);

"Developer QCiL Notice Information Request" has the meaning given to that term in Condition 39.11 (*Developer QCiL Notice*);

"Developer QCiL Response Notice" has the meaning given to that term in Condition 39.2 (*Developer QCiL Response Notice*);

"Developer QCiL Response Notice Information Request" has the meaning given to that term in Condition 39.6 (*Developer QCiL Response Notice*);

"Developer QCiL True-Up Notice" has the meaning given to that term in Condition 42.8 (*GGR Contract Counterparty QCiL True-Up Notice*);

"Developer QCiL True-Up Notice Information Request" has the meaning given to that term in Condition 42.11 (*Developer QCiL True-Up Notice*);

"Developer QCiL True-Up Response Notice" has the meaning given to that term in Condition 42.3 (*Developer QCiL True-Up Response Notice*);

"Developer QCiL True-Up Response Notice Information Request" has the meaning given to that term in Condition 42.6 (*Developer QCiL True-Up Response Notice*);

"Developer Repeating Representations" means each of the representations and warranties set out in Condition 23 (*Developer representations and warranties*) (other than in Conditions 23.1(G) (*No litigation*) and 23.1(H) (*No requirement to deduct or withhold*)) of the GGR Contract;

"Developer Revised Planned Outage Notification" has the meaning given to that term in Condition 29.2(D)(ii) (*Notification of Developer Planned Outages*);

"Developer System Failure" means a failure by the Developer to make all due and careful enquiries when providing any notice, declaration, data or other relevant information pursuant to[Condition 28 (*Developer Undertakings: Measurement Data*),] Condition 33.1 (*Offtake Review Notice*), 33.2 (*Offtake Review Notice*), Condition 33.7 (*Offtake Review Response and Offtake Information Request*) and/or 34.6 (*Misleading Offtaker Confirmation, Report or Payment Information Notice*) which has led to the provision of a notice, declaration, data or other relevant information which is misleading, except where the Developer has, within five (5) Business Days from the date it provides such notice, declaration, data or other relevant information to the GGR Contract Counterparty, provided a revised notice, declaration, data or other relevant information pursuant to Conditions [●];[24]

"Developer T&S Connection Delay Compensation Notice Information Request" has the meaning given to that term in Condition 3.44 (*T&S Connection Delay Compensation and Monthly TCDE Relief Amount*);

"Developer T&S Connection Delay True-Up Notice" has the meaning given to that term in Condition 3.56 (*Developer T&S Connection Delay True-Up Notice*);

"Developer T&S Connection Delay True-Up Notice Information Request" has the meaning given to that term in Condition 3.59 (*Developer T&S Connection Delay True-Up Notice*);

"Developer T&S Connection Delay True-Up Response Notice" has the meaning given to that term in Condition 3.51 (*Developer T&S Connection Delay True-Up Response Notice*);

"Developer T&S Connection Delay True-Up Response Notice Information Request" has the meaning given to that term in Condition 3.54 (*Developer T&S Connection Delay True-Up Response Notice*);

[24] **Note to Reader:** This definition is subject to further review and development by DESNZ.

"Developer T&S Connection Works" means the User Works (as defined in the CCS Network Code) that the Developer is required or elects to carry out and complete pursuant to the T&S Construction Agreement other than any T&S Network connection works which are dependent on the T&S Network being available;

"Developer T&S Prolonged Unavailability Remediation Notice" has the meaning given to that term in Condition 48.18(B) (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*);

"Developer T&S Prolonged Unavailability Response Deadline" has the meaning given to that term in Condition 48.8(B)(i)(a) (*Termination for T&S Prolonged Unavailability Event*);

"Development Consent Order" means a development consent order under section 114 of the Planning Act 2008;

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

"Devolved Legislation" means any: (i) Act of the Scottish Parliament; (ii) Act or Measure of Senedd Cymru; (iii) Act of the Northern Ireland Assembly; (iv) Scottish statutory instrument within the meaning of section 27 of the Interpretation and Legislative Reform (Scotland) Act 2010; (v) Welsh subordinate legislation within the meaning of s.3(2) of the Legislation (Wales) Act 2019; or (vi) Northern Ireland legislation or subordinate legislation within the meaning of section 98(1) of the Northern Ireland Act 1998;

"Difference Amount" has the meaning given to that term in Condition 10.1 (*Difference Amount calculation*);

"Direct Agreement" means an agreement in substantially the form set out in Annex 5 (*Form of Direct Agreement*), or in such other form as may be agreed by the GGR Contract Counterparty (in its sole discretion);

"Direct Air Carbon Capture and Storage Facility" or **"DACCS Facility"** means a Facility which deploys DACCS Technology and **"Direct Air Carbon Capture and Storage Facilities"** or **"DACCS Facilities"** shall be construed accordingly;

"Directive" means, in relation to any Party, any ordinance, code, decision, directive, order, decree, regulation, determination, award, standard or rule of any Competent Authority:

(A) which:

(i) is legally binding upon that Party; or

(ii) if not legally binding upon that Party, with which that Party would ordinarily comply, acting (in the case of the Developer) in accordance with the Reasonable and Prudent Standard; and;

(B) in circumstances in which the Developer is seeking to invoke the provisions of Part 8 (*Changes in Law*) with which the Developer does in fact comply,

provided that paragraphs (A) and (B) shall not apply to the GGR Standard in circumstances in which the Developer is seeking to invoke the provisions of Part 8 (*Changes in Law*);

"Directors' Certificate" means a certificate signed by two (2) directors of the Developer or one (1) director of the Developer in the presence of a witness who attests the signature, such directors or director (as applicable) having made, and confirmed in the certificate as having made, all due and careful enquiries in relation to the information set out in such certificate (or set out in the notice, or enclosures or appendices to the notice, which such certificate is accompanying) and certifying that such information is in all material respects true, complete, accurate and not misleading, in each case by reference to the facts and circumstances then existing, provided that where any such information is provided by a third party that is not a holding company or subsidiary of the Developer or a Representative of any such party or the Developer and is marked as such, the certification of the director or directors (as applicable) of that information shall only extend to the certification that that information is in all material respects true, complete, accurate and not misleading to the best of their knowledge and belief having made all due and careful enquiries;

"Discontinuance Date" shall have the meaning given to "User Discontinuance Date" in the CCS Network Code;

"Discriminatory Change in Law" means a Change in Law the terms of which specifically (and not merely indirectly or consequentially or by virtue of the disproportionate effect of any Change in Law that is of general application) apply to:

(A) the Project and not to the design, development, construction, completion, testing, commissioning, operation, maintenance and decommissioning of any other project;

(B) the Facility and not to any other facility; or

(C) the Developer and not to any other person;

"Dispute" means any dispute or claim in any way relating to or arising out of the GGR Contract or any other GGR Document, whether contractual or non-contractual (and including any dispute or claim regarding: (i) their existence, negotiation, validity or enforceability; (ii) the performance or non-performance of a Party's obligations pursuant to them; or (iii) breach or termination of any of them);

"Dispute Information" has the meaning given to that term in Condition 54.7 (*Outline of Dispute Resolution Procedure*);

"Dispute Notice" has the meaning given to that term in Condition 54.3 (*Outline of Dispute Resolution Procedure*);

"Dispute Resolution Procedure" means the rules, obligations and procedures set out in Part 11 (*Dispute Resolution*) including the Arbitration Procedure and the Expert Determination Procedure;

"EA 2023" means the Energy Act 2023;

"Economic Regulator" means the independent economic regulator of the economic regulatory regime for the T&S Networks;

"Effective Projected Net Removal" has the meaning given to that term in Condition 40.29 (*Additional calculations: Effective Projected Net Removal and Estimated Facility Net Removal*);

"EIR" means the Environmental Information Regulations 2004, together with (where the context requires) any guidance and/or codes of practice issued by the Information Commissioner or relevant Crown Body in relation to such legislation;

"Electricity Distribution Licence" means a licence granted or treated as granted pursuant to section 6(1)(c) of the EA 1989;

"Electricity Distribution System" has the meaning given to that term in section 4(4) of the EA 1989;

"Electricity Licensed Distributor" means a person who is authorised pursuant to an Electricity Distribution Licence to distribute electricity, acting in that capacity;

"Electricity Transmission Licence" means an electricity transmission licence granted or treated as granted under section 6(1)(b) of the Electricity Act 1989 that authorises a person to participate in the transmission of electricity;

"Electricity Transmission Licensee" means any person who is authorised by an Electricity Transmission Licence to participate in the transmission of electricity;

"Electricity Transmission System" means those parts of the GB Transmission System that are owned or operated by an Electricity Transmission Licensee within the transmission area specified in its Electricity Transmission Licence;

"Electricity Transmission System Operator" means the holder of an Electricity Transmission Licence in relation to which licence the Authority or the Secretary of State, where appropriate, has issued a Section C (system operator standard conditions) Direction in accordance with such licence and where that direction remains in effect;

"Electronic Signature" has the meaning given to that term in Condition 79.6 (*Notice Requirements*);

"Eligible Developer" has the meaning given to the term "eligible carbon capture entity" in the EA 2023;

"Entry Provisions" has the meaning given to that term in the CCS Network Code;

"Environment Agencies" means: (i) the Environment Agency in England; (ii) Natural Resources Wales; (iii) the Scottish Environment Protection Agency; and (iv) the Northern Ireland Environment Agency;

"European Union" or **"EU"** means the European Union, established by the Treaty of the European Union signed at Maastricht on 7 February 1992 (as amended, supplemented or replaced by any later Treaty);

"EU(W)A 2018" means the European Union (Withdrawal) Act 2018;

"Excess Sales Quantities" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"Excess Sales Quantity Adjustment Amount" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"Excluded Change in Law" means a Change in Law which is not a Qualifying Change in Law;

"Expected Facility Data" means the Developer's estimate, for each year (from 1 April to 31 March inclusive) of the remainder of the Term, of:

(A) the expected CO_2 [capture][storage] rate of the Facility (*expressed as a percentage (%)*) which is as it will be measured by the [Facility Measurement Equipment];

(B) the expected mass quantity of CO_2 (*expressed in* tCO_2) that will be captured by the Facility which is as it will be measured by the Facility Measurement Equipment;

(C) [the expected GGR Credits to be generated by the Facility (*expressed as [●]*)) and issued by the [GGR Credit Issuing Body];]

(D) in relation to the estimates referred to at paragraphs (A) – (C), an explanation of the underlying assumptions and key uncertainties provided in a format to be determined by the GGR Contract Counterparty (acting reasonably);

(E) where a submission of the estimates or data referred to in paragraphs (A) – (C) has been made by the Developer to the GGR Contract Counterparty, and where such estimates or data has changed significantly since the last submission, the reasons for those changes; and

(F) [*any other information to be determined*];[25]

"Expected QCiL Effective Date" means the date on which a Qualifying Change in Law is expected to be implemented, occur or become effective;

"Expert" means any person appointed to determine a Dispute in accordance with Condition 56 (*Expert Determination Procedure*);

"Expert Appointment Date" means the date on which an Expert is appointed to determine an Expert Dispute by means of an appointment letter entered into by such Expert and each of the Parties;

"Expert Appointment Threshold" has the meaning given to that term in Condition 46.7 (*Expert Appointment Threshold*);

"Expert Determination Notice" has the meaning given to that term in Condition 56.1 (*Expert Determination Procedure*);

"Expert Determination Procedure" means the rules, obligations and procedures set out in Condition 56 (*Expert Determination Procedure*);

"Expert Determination Response Notice" has the meaning given to that term in Condition 56.3 (*Expert Determination Procedure*);

"Expert Dispute" means a Dispute which, pursuant to the terms of the GGR Contract, is to be referred for determination in accordance with the Expert Determination Procedure;

"Expert Referral Date" has the meaning given to that term in Condition 56.6(A) (*Expert Determination Procedure*);

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

"Facility Feedstock" means any minimum 90% biogenic material[26] that is used as the primary input for energy production at the Facility, which complies with all regulatory and compliance standards for the Facility use(s) and the valorisation of which produces CO_2 intended for capture by the Capture Plant;[27]

"Facility GGR Technology" means, in respect of the Facility, the GGR Technology deployed by the Facility, as specified in the GGR Agreement;

---

25 **Note to Reader:** This definition is subject to further review and development by DESNZ.

26 **Note to Reader:** To ensure that projects remain compliant with the GGR eligibility criteria set out in the HyNet Track-1 expansion guidance, published in December 2023, BECCS Facilities will be required to continually demonstrate that their feedstock is at least 90% biogenic. The meaning of "biogenic material" is subject to development of the GGR Standard.

27 **Note to Reader:** This definition remains subject to further consideration by DESNZ and is relevant to BECCS Facilities only.

"Feedstock Supply Agreement" means any agreement entered into between the Developer and a feedstock supplier in relation to the sale and purchase of fossil, biogenic or other organic feedstock by the Developer for use at the Facility;[28]

"Final Net Removal Capacity" has the meaning given to that term in Condition 7.1 (*Final Net Removal Capacity*);

"Final Net Removal Capacity Notice" has the meaning given to that term in Condition 7.1 (*Final Net Removal Capacity*);

"Final Net Removal Capacity Response Notice" has the meaning given to that term in Condition 7.4 (*Final Net Removal Capacity*);

"Final Net Removal Capacity Supporting Information" has the meaning given to that term in Condition 7.4(B) (*Final Net Removal Capacity*);

"First Submission" has the meaning given to that term in Condition 56.6(B) (*Expert Determination Procedure*);

"First Submission Deadline" has the meaning given to that term in Condition 56.6(B) (*Expert Determination Procedure*);

"Fiscal Year" means the period from 1 April in any calendar year until and including 31 March in the following calendar year;

"Fitch" means Fitch Ratings Limited, an English corporation, and any successor thereto;

"Fixed QCiL Operating Costs" means QCiL Operating Costs that do not vary in accordance with the amount of CO_2 removed by the Facility;

"Fixed QCiL Operating Savings" means QCiL Operating Savings that do not vary in accordance with the amount of CO_2 removed by the Facility;

"FM Affected Party" has the meaning given to that term in Condition 66.1 (*Relief due to Force Majeure*);

"FMV Principles" means, in respect of any sale, trade or transfer of GGR Credits, the following principles:

(A) the Developer has, in respect of any such sale, trade or transfer of GGR Credits, acted in accordance with the Reasonable and Prudent Standard to ensure that a fair market value has been achieved for the GGR Credits; and

(B) the Developer has only entered into such sale, trade or transfer of GGR Credits on reasonable arm's length commercial terms;

"FMVP Review Information" means the following information:

(A) confirmation of whether the Developer considers it has complied with each Fair Market Value Principle in respect of the relevant Offtake Agreement;

(B) a detailed explanation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of why the pricing and volume commitments relating

[28] **Note to Reader:** This definition is relevant to BECCS Facilities only.

to the GGR Credits contained in the Offtake Agreement were accepted by the Developer;

(C) a detailed explanation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of how inflation has been accounted for in the GGR Credit price contained in the relevant Offtake Agreement;

(D) a detailed summary, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of the Developer's market engagement activities with prospective offtakers, including but not limited to initial proposals, pitches, meetings with prospective offtaker(s), webinars, invitations to bid, public notices, bid documents, negotiations, offer letters and other relevant correspondence and documentation;

(E) such Supporting Information as the Developer considers to be relevant to the matters referred to in paragraphs (A) to (D) above; and

(F) a Directors' Certificate in relation to the matters referred to in paragraphs (A) to (E) above;

"FoIA" means the Freedom of Information Act 2000 and any subordinate legislation made under that Act, together with (where the context requires) any guidance and/or codes of practice issued by the Information Commissioner or relevant Crown Body in relation to such legislation;

"FoIA Information" means any information of whatever nature, however conveyed, and in whatever form, including written, oral and electronic and in visual or machine-readable form (including CD-ROM, magnetic and digital form);

"Force Majeure" means any event or circumstance including:

(A) any Change in Law (which expression, for the purposes of this definition, shall not include any Foreseeable Change in Law, and, in the period to the Start Date, shall include any change after the Agreement Date in the policy or guidance of any Competent Authority); and

(B) any event or circumstance resulting from any action or omission by or of any GGR Contract Settlement Services Provider,[29]

provided that such event or circumstance:

(i) is beyond the reasonable control of the FM Affected Party or, if relevant, its Representatives (in the case of the Developer and its Representatives, acting and having acted in accordance with the Reasonable and Prudent Standard);

(ii) could not reasonably have been avoided or overcome by the FM Affected Party or its Representatives (as appropriate);

(iii) is not due to the FM Affected Party's fault or negligence (or that of its Representatives); and

(iv) is not a T&S Outage Event, a T&S Commissioning Delay Event or a T&S Cessation Event,

29 **Note to Reader:** This definition is subject to the further consideration by DESNZ in terms of whether an equivalent CO_2 entity is referenced here.

provided always that:

(a) neither non-availability of funds nor the lack of funds shall ever constitute Force Majeure; and

(b) no event or circumstance which has occurred before the Agreement Date of which, at or before the Agreement Date, the Developer or any of its Representatives either was aware, or (if it or they had made all due and careful enquiries and acted to the Reasonable and Prudent Standard) could be expected to have been aware, shall constitute a Force Majeure;

"Forecast Data" has the meaning given to that term in Condition 31.2 (*Forecast Data*);

"Foreseeable Change in Law" means, in respect of a Change in Law, that the relevant change:

(A) was published on or after 1 January 2000 but before the Agreement Date:

(i) in a draft Bill;

(ii) in a Bill;

(iii) in an Act of Parliament which had been enacted but which had not (in whole or in part) come into effect;

(iv) in Devolved Legislation which had not (as regards that Change in Law) come into effect;

(v) in draft subordinate legislation;

(vi) in draft Devolved Legislation;

(vii) in subordinate legislation which had not (as regards that Change in Law) come into effect;

(viii) in a draft Required Authorisation or Required Authorisation which had been made but which had not (as regards that Change in Law) come into effect;

(ix) in a draft Directive or in a Directive which had been made but which had not (as regards that Change in Law) come into effect;

(x) in a draft Treaty or other international agreement in relation to which HMG of the United Kingdom had made a public statement (from which it had not prior to the Agreement Date publicly resiled) that it would be a signatory; or

(xi) in a Treaty or other international agreement to which the United Kingdom was a signatory but which had not (as regards that Change in Law) come into effect,

but only to the extent that the change has substantially the same effect as that which was contemplated in such publication and provided that the change shall not be deemed not to have substantially the same effect solely because it is enacted or brought into effect after the Agreement Date in a different form, or by a different person or Competent Authority, than when published before the Agreement Date;

(B) is contemplated in a proposal or option(s) which was (or were) published on or after 01 January 2000 but before the Agreement Date:

(i) in a consultation document of a Competent Authority and which is the stated preferred proposal (or, if only one (1) proposal was made, that proposal) of the Competent Authority (whether or not the Competent Authority is at the Agreement Date consulting (or has completed consulting) or considering (or has considered any) responses to the consultation), unless that proposal has been superseded by another stated preferred proposal or formally withdrawn, or the Competent Authority has formally indicated that it does not intend to proceed with it; or

(ii) in a final modification report in respect of a relevant Industry Document,

but only to the extent that the change has substantially the same effect as that which was contemplated in such publication and provided that the change shall not be deemed not to have substantially the same effect solely because it is enacted or brought into effect after the Agreement Date in a different form, or by a different person or Competent Authority, than when published before the Agreement Date;

(C) results from the enactment and implementation of Chapter 1 of Part 2 of the EA 2023;

(D) occurs as a result of the amendment, supplement, termination, repeal, replacement or withdrawal of all or part of any document which is referred to in any Law, Directive, Industry Document or Required Authorisation in existence at the Agreement Date, provided that:

(i) a document setting out the nature of such amendment, supplement, termination, repeal, replacement or withdrawal (whether or not in draft) had been published on or before the Agreement Date; and

(ii) such amendment, supplement, termination, repeal, replacement or withdrawal has substantially the same effect as that so published;

(E) constitutes the re-enactment, re-making or similar of (in whole or in part) any Law, Directive, Industry Document or Required Authorisation, provided that the re-enacted, re-made or similar Law, Directive, Industry Document or Required Authorisation, as the case may be, has substantially the same effect as that of which it is a re-enactment, re-making or similar;

(F) implements or gives effect to (the whole or part of) any Treaty which has been published on or after 01 January 2000 but before the Agreement Date (and notwithstanding that implementation proposals and/or related sanctions for any part of the United Kingdom have not been published or have not (in whole or in part) come into effect on the Agreement Date), provided that the implementation proposals and/or related sanctions which come into effect in the United Kingdom (or relevant part thereof) have substantially the same application as the provision in the Treaty which it implements;

(G) results from any Required Authorisation or Directive obtained or made pursuant to or for the purposes of another Required Authorisation or Directive which has been made prior to or is in force on the Agreement Date (the **"First Required Authorisation or Directive"**) unless the Developer is obliged to obtain such a Required Authorisation or Directive because of an unforeseeable amendment to the First Required Authorisation or Directive made after the Agreement Date;

(H) results from any exercise of the Royal Prerogative where such exercise has the same, or substantially the same effect, as that which was proposed on or after 01 January 2000 but before the Agreement Date;

(I) constitutes a change in the interpretation or application of a Law, Directive, Industry Document or Required Authorisation by any Competent Authority if such interpretation or application is in accordance with a proposal set out in a document (whether or not in draft) which was published on or after 01 January 2000 but before the Agreement Date and the change has substantially the same effect as that which was proposed in the document;

(J) results from legal proceedings:

(i) commenced;

(ii) pending before any court, arbitral or other tribunal, administrative or regulatory body or, as the case may be, expert; or

(iii) threatened (by issue of a formal written notice before action or similar),

against the Developer on or prior to the Agreement Date; or

(K) results from legal proceedings against the Facility (including legal proceedings against a Competent Authority in relation to a Required Authorisation) where, on or prior to the Agreement Date:

(i) notice of such proceedings had been published by the court, arbitral, or other tribunal, administrative or regulatory body, or, as the case may be, expert, hearing the legal proceedings;

(ii) the Developer had been informed of such proceedings by any party to the legal proceedings, or by the court, arbitral or other tribunal, administrative or regulatory body, or, as the case may be, expert hearing the legal proceedings; or

(iii) such proceedings were (a) commenced, (b) pending before any court, arbitral or other tribunal, administrative or regulatory body or, as the case may be, expert, or (c) threatened (by issue of a formal written notice before action or similar); and, in each case, the Developer was aware, or could reasonably be expected to have become aware of such proceedings;

(L) results from an application for judicial review in respect of the grant of any of the Applicable Planning Consents, made:

(i) within six (6) weeks of the grant of the relevant Applicable Planning Consent, in relation to an application to which paragraph 5 of Rule 54.5 of the Civil Procedure Rules applies; or

(ii) within three (3) Months of the grant of the relevant Applicable Planning Consent, in relation to all other applications,

provided always that:

(i) a Change in Law which imposes a requirement that the Facility permanently ceases operation; and/or

(ii) a Change in Law which is implemented, occurs or becomes effective after the Agreement Date and is enacted pursuant to any proposal or measure contained or set out in:

(a) the Review of Electricity Market Arrangements consultation issued by the Department for Energy Security and Net Zero on 18 July 2022;

(b) the Review of Electricity Market Arrangements: Summary of responses to consultation dated 7 March 2023; and/or

(c) the Review of Electricity Market Arrangements second consultation issued by the Department for Energy Security and Net Zero on 12 March 2024,

shall not be a Foreseeable Change in Law;

"FSMA" means the Financial Services and Markets Act 2000;

"Full Capture Outage Event" means an event where the Capture Plant is fully unavailable;

"Full Installation Outage Event" means an event where the Installation is fully unavailable;

"Full T&S Outage Event" means an event or circumstance affecting the relevant T&S Network which:

(A) prevents the Capture Plant from accessing and exporting any captured CO_2 Rich Stream to such T&S Network; or

(B) as a direct result of the Available Registered Capacity which is made available to the Developer as a consequence of such event or circumstance, means that it is not technically feasible for the Developer to continue capturing and injecting CO_2 Rich Stream into the T&S Network because such Available Registered Capacity is less than the Minimum Turndown Rate,

in each case, for a period equal to or exceeding one (1) day;

"Funding Mechanism" means any mechanism which is in place from time to time which makes provision for HMG (in its capacity as funding body) to make payments to the GGR Contract Counterparty for the purpose of ensuring that the GGR Contract Counterparty is in sufficient funds to meet its liabilities in full pursuant to CCUS Programme GGR Contracts;

"Further Annual Compliance Report Response Notice" has the meaning given to that term in Condition 38.6(B) *(Annual Compliance Report Response Notice)*;

"Further Capture Outage Relief Event Response Notice" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"Further Milestone Assessment Response Notice" has the meaning given to that term in Condition 4.4(C)(ii) (*Milestone Requirement Notice*);

"Further NQE Confirmation" has the meaning given to that term in paragraph 3.4(B)(ii) of Annex 5 (*Form of Direct Agreement*);

"Further OCP Response Notice" has the meaning given to that term in Condition 3.10(C)(ii) (*Operational Conditions Precedent: General Reporting Obligations*);

"Further RCE Response Notice" has the meaning given to that term in Condition 5.5(C)(ii) (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"Further T&S Meter Proving Test Response Notice" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Further T&S Network Availability Response Notice" has the meaning given to that term in Condition 3.67(C)(ii) (*T&S Connection Confirmation CP*);

"Further TCDE Response Notice" has the meaning given to that term in Condition 3.34(C)(ii) (*T&S Connection Confirmation CP Relief*);

"Gas Licensed Transporter" means a person who is authorised by a Gas Transporter Licence to distribute Natural Gas;

"Gas Transporter Licence" means a licence granted under Section 7 of the Gas Act and/or Section 8 of the Gas Order (as applicable);

"General Amendment" means any Proposed Amendment which:

(A) is a Technical Amendment; and

(B) the GGR Contract Counterparty proposes be effected in respect of either:

(i) all CCUS Programme GGR Contracts to which the GGR Contract Counterparty is a party at the time the Amendment Notification in respect of the Proposed Amendment is given; or

(ii) all CCUS Programme GGR Contracts of a particular category to which the GGR Contract Counterparty is a party at the time the Amendment Notification in respect of the Proposed Amendment is given,

in each case, other than any CCUS Programme GGR Contract to which Annex 4 (*Change Control Procedure*) is expressed not to apply;

"GGR Agreement" means the agreement entered into between the GGR Contract Counterparty and the Developer further to an offer made by the GGR Contract Counterparty pursuant to a direction given under Section 68 of the EA 2023;

"GGR Billing Statement" has the meaning given to that term in Condition 17.1 (*Delivery of GGR Billing Statement*);

"GGR Compensatory Interest" means the interest that is due and payable at the GGR Compensatory Interest Rate in accordance with Condition 17.617.15 (*Calculation of GGR Compensatory Interest Amount*);

"GGR Compensatory Interest Amount" has the meaning given to that term in Condition 17.6 (*Calculation of GGR Compensatory Interest Amount*);

"GGR Compensatory Interest Rate" has the meaning given to that term in Condition 17.6 (*Calculation of GGR Compensatory Interest Amount*);

"GGR Contract" means the GGR Agreement which incorporates these Conditions;

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

"GGR Contract Counterparty Audit Notice" has the meaning given to that term in Condition 36.2 (*Scope of GGR Contract Counterparty Audit Right*);

"GGR Contract Counterparty Audit Right" has the meaning given to that term in Condition 36.1 (*Scope of GGR Contract Counterparty Audit Right*);

"GGR Contract Counterparty Confidential Information" means:

(A) all Information which is confidential or proprietary in nature and which relates (directly or indirectly) to the GGR Contract Counterparty or a Government Entity (including any such Information relating to the policy of His Majesty's Government of the United Kingdom with respect to matters pertinent to CCUS Programme GGR Contract which the Developer (or its Representatives) receives or has received from:

(i) the GGR Contract Counterparty (or its Representatives); or

(ii) any third party who receives or has received such Information from the GGR Contract Counterparty (or its Representatives) in respect of the GGR Contract,

in each case including any Information which the Developer prepares which contains or makes explicit reference to such Information or from which such Information is readily ascertainable;

(B) without prejudice to the generality of paragraph (A) above, all Information relating to any QCiL Compensation or QCiL True-Up Compensation, including all Information relating to or arising from negotiations, discussions and correspondence in connection with any such QCiL Compensation or QCiL True-Up Compensation; and

(C) all Information which relates to or arises from negotiations, discussions and correspondence in connection with the GGR Contract,

but excluding in each case all Excluded Information;

"GGR Contract Counterparty Data" means all data and Information, including Confidential Information and any personal data, relating to the GGR Contract Counterparty or any of its respective technology, operations, facilities, assets or programmes, or relating to the GGR Contract Counterparty's personnel or customers, in whatever form that data and information may exist;

"GGR Contract Counterparty Permitted Purposes" means:

(A) complying with the GGR Contract Counterparty's responsibilities and obligations, and exercising the GGR Contract Counterparty's rights, powers and discretions, under or in connection with the GGR Contract, any other GGR Document, the Grant Funding Agreement (where relevant) or any other CCUS Programme GGR Contract;

(B) complying with the GGR Contract Counterparty's responsibilities and obligations under or by virtue of the EA 2023, any other Law, or any Directive, policy or guidance;

(C) reporting on the establishment, administration, performance or operation of, or compliance or non-compliance with, the obligations and arrangements contemplated by, or provided for in, the GGR Contract and/or CCUS Programme GGR Contracts; and

(D) reporting to the Secretary of State on the performance, operation, and GGR Contract Settlement Activities of the Project to enable or assist the Secretary of State to fulfil its functions in connection with the CCUS Programme GGR Contract and/or CCUS Programme. The Secretary of State's functions include:

(i) the development of the CCUS Programme GGR Contract;

(ii) the development of the CCUS Programme; and

(iii) any examination of the performance, efficiency, and effectiveness of the Project;

"GGR Contract Counterparty QCiL Notice" has the meaning given to that term in Condition 39.1 (*GGR Contract Counterparty QCiL Notice*);

"GGR Contract Counterparty QCiL True-Up Notice" has the meaning given to that term in Condition 42.1 (*GGR Contract Counterparty QCiL True-Up Notice*);

"GGR Contract Counterparty Restricted Purposes" means:

(A) complying with the GGR Contract Counterparty's responsibilities and obligations, and exercising the GGR Contract Counterparty's rights, powers and discretions, under or in connection with the GGR Contract, any other GGR Document or any other CCUS Programme GGR Contract; and

(B) complying with the GGR Contract Counterparty's responsibilities and obligations under or by virtue of the EA 2023, any other Law, or any Directive, policy or guidance;

"GGR Contract Counterparty T&S Connection Delay True-Up Notice" has the meaning given to that term in Condition 3.50 (*GGR Contract Counterparty T&S Connection Delay True-Up Notice*);

"GGR Contract Sales Cap" means the Initial GGR Contract Sales Cap, as may be amended from time to time in accordance with the GGR Contract;

"GGR Contract Settlement Activities" means:

(A) the calculation, invoicing, recalculation and settlement of payments to be made pursuant to the GGR Contract; and

(B) the calculation of collateral requirements and the provision of collateral in accordance with Part 10 (*Credit Support*);

"GGR Contract Settlement Required Information" means all the Information required by the GGR Contract Counterparty, or the GGR Contract Settlement Services Provider on its behalf, relating to the GGR Contract and required by it to carry out the GGR Contract Settlement Activities;

"GGR Contract Settlement Services Provider" means any person appointed for the time being and from time to time by the GGR Contract Counterparty to carry out any of the GGR Contract Settlement Activities, or who is designated by the Secretary of State to carry out the GGR Contract Settlement Activities, acting in that capacity;

"GGR Credit" means any credit, allowance, unit, certificate or other similar instrument issued, granted, allocated or attributed in respect of an activity at the Capture Plant, which represents the removal of one tonne of CO_2 from the atmosphere by the Capture Plant as verified pursuant to an applicable carbon standard;

"GGR Credit Issuing Body" means an organisation that oversees the creation and issuance of GGR Credits, pursuant to validation and verification of net removals from the relevant project, in accordance with the requirements of the GGR Standard;[30]

"GGR Developers" means, at the relevant time, all parties (other than the GGR Contract Counterparty) to CCUS Programme GGR Contracts, provided that, where there are two (2) or

[30] **Note to Reader:** The definition of GGR Credit Issuing Body is subject to further consideration as the approach to the GGR Standard and associated carbon crediting programme is developed.

more parties to any CCUS Programme GGR Contract other than the GGR Contract Counterparty, only one (1) of them shall be counted for the purposes of this definition;

"GGR Documents" means the GGR Contract and each of the agreements entered into between the Parties pursuant to the GGR Contract and **"GGR Document"** shall be construed accordingly;

"GGR Meter Audit" means [●];[31]

"GGR Net Payable Amount" has the meaning given to that term in Condition 17.7 (*Calculation of GGR Net Payable Amount*);

"GGR Payment Information" means [●];[32]

"GGR Reconciliation Amounts" has the meaning given to that term in Condition 17.5 (*Calculation of GGR Reconciliation Amounts*);

"GGR Reconciliation Billing Period" has the meaning given to that term in Condition 17.6 (*Calculation of GGR Compensatory Interest Amount*);

"GGR Register Information" means the information to be included and updated in the GGR Contract Counterparty's register which may include the following:[33]

(A) name of Facility;

(B) unique identifier assigned to the Facility by the GGR Contract Counterparty;

(C) Start Date (including the Developer's expected Start Date);

(D) Agreement Date;

(E) the GGR Technology;

(F) the Target Commissioning Date;

(G) the Initial Target Commissioning Window start date;

(H) the Initial Target Commissioning Window end date;

(I) the Longstop Date;

(J) the T&S Operator;

(K) the GGR Payment Information;

(L) the Developer's name, company registered address and company registration number;

(M) the unique geographical coordinates of the Facility;

(N) version name and number of the terms and conditions;

---

31 **Note to Reader:** This definition is subject to further consideration by DESNZ.

32 **Note to Reader:** This definition is subject to further consideration and development by DESNZ.

33 **Note to Reader:** The scope of information to be provided is subject to further consideration following outcome of the consultation on regulation 8 of the Carbon Capture Revenue Support (Directions, Eligibility and Counterparty) Regulations 2024.

(O) if applicable, the reference number and date of any modification agreement entered into between the Developer and the GGR Contract Counterparty; and

(P) if applicable, the termination date of the GGR Contract;

"GGR Standard" means HMG's standard and methodologies for the verification, accreditation and issuance of greenhouse gas removal credits, as amended, supplemented or replaced from time to time;[34]

"GGR Technical Audit" means [●];[35]

"GGR Technical Dispute" means [●];[36]

"GGR Technology" means the technology which removes greenhouse gases from the atmosphere over the project lifecycle as applicable for the system boundary and all applicable value chains, through the capture and permanent geological storage of CO_2;

"Government Entity" means:

(A) any department, non-departmental public body, authority or agency of His Majesty's Government of the United Kingdom or the Crown;

(B) any of His Majesty's Secretaries of State and any other Minister of the Crown;

(C) any body corporate established by statute, some or all of the members of which are appointed by a Secretary of State or Minister of the Crown; and

(D) any other entity or person directly or indirectly wholly owned by, or held on trust for, any of the foregoing;

"Grant Funding Agreement" means the agreement for the provision of grant funding in relation to the Project entered into on or around the date of the GGR Agreement between the Secretary of State and the Developer;

"Group" means, in respect of any Party, its subsidiaries, subsidiary undertakings, associated undertakings and any holding company of the Party and all other subsidiaries, subsidiary undertakings and associated undertakings of any such holding company from time to time;

"HMG" means His Majesty's Government;

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

"Inaccurate T&S Metered Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Income, Profits or Gains" includes any income, profits or gains which are deemed to be earned, accrued or received by the Developer for the purposes of any Tax;

"Indexation Anniversary" means the Strike Price Indexation Anniversary, the Capex Strike Price Indexation Anniversary or the NVCSP Indexation Anniversary (as applicable);

---

34 **Note to Reader:** This definition is subject to further review and development as the GGR Standard is developed. The Developer will be required to comply with the GGR Standard as it evolves.

35 **Note to Reader:** This definition is subject to further review and development by DESNZ.

36 **Note to Reader:** This definition is subject to further review and development by DESNZ.

"Industry Documents" means any and all agreements, codes, standards and instruments other than the GGR Standard and the Minimum Quality Thresholds regulating:

(A) the production, generation, transfer, supply and trading of greenhouse gas removal credits in the United Kingdom; and

(B) the capture, temporary storage, permanent storage, distribution, transportation, and trading of CO_2 in the United Kingdom, including any CCS Network Code, and **"Industry Document"** shall be construed accordingly;

"Inflation Factor" means:

(A) in the absence of any re-basing of the CPI which has taken effect prior to the relevant Indexation Anniversary in respect of each Day (*i*):

$$\Pi_i = \frac{CPI_i}{CPI_{base}}$$

where:

Π_i	=	the Inflation Factor which applies on and from the relevant Indexation Anniversary
CPI_i	=	the CPI for January of the relevant calendar year or, where the CPI for January is not published by 1 April in such calendar year, the Reference CPI, which is applicable to the Day *(i)*
CPI_{base}	=	the Base Year CPI; or

(B) if the CPI is re-based and such re-basing has taken effect prior to the relevant Indexation Anniversary, in respect of each Day (*i*):

$$\Pi_i = \frac{CPI_i^{new}}{CPI_{base}^{old}} * \frac{CPI_b^{old}}{CPI_b^{new}}$$

where:

Π_i	=	the Inflation Factor which applies on and from the relevant Indexation Anniversary
CPI_i^{new}	=	the CPI applicable to Day (*i*), using the new (re-based) index
CPI_{base}^{old}	=	the Base Year CPI, using the original index
CPI_b^{old}	=	the CPI in the Month in which the re-basing has occurred, using the original index
CPI_b^{new}	=	the CPI in the Month in which the re-basing has occurred, using the new (re-based) index

"Information" means any information of whatever nature and in whatever form, including written, oral and electronic and in visual or machine-readable form (including CD-ROM, magnetic and digital form) and, in relation to any obligation of any person to provide information pursuant to the GGR Contract or any other GGR Document, shall be limited to such information that is within the control of that person, and for these purposes information shall be deemed to be within the control of a person if: (i) it is within the possession of such person; (ii) such person has a right to possession of it; or (iii) such person has a right to inspect or take copies of it;

"Information Commissioner" has the meaning given to that term in the FoIA;

"Information Security Laws" means all applicable laws and regulations in each case pertaining to the security, confidentiality, integrity, availability and protection or privacy of the GGR Contract Counterparty, the Automated Data System, the Information Systems, GGR Contract Counterparty Data and any other Information, as amended or re-enacted from time to time;

"Information Systems" means the computer systems, communications systems and equipment (including network and telecommunications equipment, smartphones and mobile devices), hardware, firmware and software (including associated preparatory materials, user manuals and other related documentation), used in the performance of the GGR Contract and which, in each case, are owned or used by either Party;

"Initial Capex Strike Price" has the meaning given to that term in the GGR Agreement;[37]

"Initial Collateral Repayment Date" means, in respect of any Collateral Posting Notice, the date falling twelve (12) Months after the Collateral Posting Date specified in such notice;

"Initial Conditions Precedent" means the conditions precedent set out in Part A of Annex 1 (*Conditions Precedent*) and **"Initial Condition Precedent"** shall be construed accordingly;

"Initial CP Provisions" means Part 4 (*Adjustments to Net Removal Capacity Estimate*) and Part 8 (*Changes in Law*);

"Initial GGR Contract Sales Cap" has the meaning given to that term in the GGR Agreement;[38]

"Initial Milestone Delivery Date" has the meaning given to that term in the GGR Agreement;

"Initial Minimum Turndown Rate" has the meaning given to that term in the GGR Agreement;

"Initial Net Removal Capacity Estimate" has the meaning given to that term in the GGR Agreement;[39]

"Initial Non-Variable Costs Strike Price" has the meaning given to that term in the GGR Agreement;[40]

---

37 **Note to Reader**: The Initial Capex Strike Price will be set out in the front-end agreement and will represent the capital expenditure and return components of the Strike Price (expressed in £/tCO_2), which shall be notified to, and agreed by, DESNZ on a project-by-project basis.

38 **Note to Reader:** The Initial GGR Contract Sales Cap will be set out in the front-end agreement and will represent the Facility's forecast total GGR Credits during the operational period of the GGR Contract.

39 **Note to Reader:** The Initial Net Removal Capacity Estimate will be set out in the front-end agreement and will represent the Developer's estimate, as at the Agreement Date, of the Net Removal Capacity for each Day during the operational period of the GGR Contract. This shall be determined by reference to the GGR Standard.

40 **Note to Reader:** The Initial Non-Variable Costs Strike Price (as amended pursuant to the relevant indexation adjustment in Part 5), will only be used in the QCiL Strike Price Component definition (for the purpose of the relevant QCiL calculations). The Initial Non Variable Costs Strike Price will be set out in the front-end agreement and will represent the non-variable components of the Strike Price (expressed in £/tCO_2), which shall be notified to, and agreed by, DESNZ on a project-by-project basis.

"Initial Notified OCP Performance Test Date" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);[41]

"Initial Strike Price" has the meaning given to that term in the GGR Agreement;[42]

"Initial Target Commissioning Window" has the meaning given to that term in the GGR Agreement;

"Inlet CO_2 Measurement Data" has the meaning given to that term in the GGR Agreement;

"Inlet CO_2 Measurement Equipment" means the measurement equipment which is required to determine the Measured CO_2 Input in accordance with the relevant Inlet CO_2 Measurement Specification(s) which may include flow meters, compositional analysers, temperature measurement equipment, pressure measurement equipment, associated communications equipment, and any other necessary ancillary equipment and infrastructure;[43]

"Inlet CO_2 Measurement Point(s)" has the meaning given to that term in the GGR Agreement;[44]

"Inlet CO_2 Measurement Specification(s)" has the meaning given to that term in the GGR Agreement;

"Inside Information" means Developer Confidential Information which is **"inside information"** within the meaning of section 118C of the FSMA or section 56 of the CJA in relation to the Developer or any member of its Group;

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

"Intellectual Property Rights" means:

(A) all intellectual property rights, including patents, trade marks, rights in designs, know-how, copyrights and database rights and topography rights (whether or not any of these is registered and including applications for registration of any such thing) and all rights or forms of protection of a similar nature or having equivalent or similar effect to any of these which may subsist anywhere in the world; and

(B) all data and Information (whether or not Confidential Information);

"Interest Rate Methodology" means the average of the Bank of England Sterling Overnight Index Average (SONIA) Compounded Index, plus one (1) percentage point, from the date the Developer receives the Subsidy for the period interest is required to run under Condition 31.13 (*Subsidy Interest*), and subject to Condition 31.13(C);

"International Funding" means financial assistance which:

(A) is given, directly or indirectly, from public resources by any public authority of a country or territory outside the United Kingdom and European Union;

(B) confers an economic advantage on one (1) or more enterprises;

---

41 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

42 **Note to Reader:** The Initial Strike Price will be set out in the front-end agreement and will be the Strike Price in the Base Year. It will be set on a project-by-project basis and agreed during negotiations.

43 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

44 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

(C) is specific, in that it benefits one (1) or more enterprises over one (1) or more other enterprises with respect to the production of goods or the provision of services; and

(D) has, or is capable of having, an effect on:

(i) competition or investment within the United Kingdom;

(ii) trade between the United Kingdom and a country or territory outside the United Kingdom; or

(iii) investment between the United Kingdom and a country or territory outside the United Kingdom;

"Invalid Reporting Unit" means a Pre-Capture Meter Invalid Reporting Unit, a Stack Meter Invalid Reporting Unit and/or a T&S Meter Invalid Reporting Unit; [45]

"Investor" means any person who holds any indirect or direct legal, beneficial or equitable interest in the equity share capital (or other economic interests) in the Developer and/or HoldCo;

"Invoiced Amount" means the price (*expressed in pounds (£)*) which is charged by the Developer to a Confirmed Offtaker for the sale of Qualifying GGR Credits in the relevant Billing Period, as set out in the relevant Confirmed Offtaker Invoice;

"Invoice Document" has the meaning given to that term in the CCS Network Code;

"Invoiced Quantity" means the quantity of Qualifying GGR Credits (*expressed in* tCO_2) which are sold by the Developer and purchased by a Confirmed Offtaker during the relevant Billing Period, as set out in the relevant Confirmed Offtaker Invoice and **"Invoiced Quantities"** shall be construed accordingly;

"ISAE 3000" means the International Standard on Assurance Engagements 3000 published by the International Federation of Accountants (as such standard may be amended, supplemented, restated or replaced from time to time);

"KYC Notice" has the meaning given to that term in Condition 78.11 (*KYC Notification*);

"Law" means:

(A) any Act of Parliament, any subordinate legislation within the meaning of section 21(1) of the Interpretation Act 1978;

(B) any exercise of the Royal Prerogative;

(C) any provision of Devolved Legislation whose subject matter falls within what was, immediately before IP Completion Day (as defined in s.39 European Union (Withdrawal Agreement) Act 2020), an area of exclusive or shared competence within the meaning of Articles 2, 3, 4 and 6 of the Treaty on the Functioning of the European Union; or

(D) any assimilated law,

in each case in (A) to (D) (inclusive) in the United Kingdom (or part thereof), including Scotland, Wales and Northern Ireland; and

---

45 **Note to Reader:** This definition is subject to further consideration by DESNZ in connection with metering and how inaccurate data will be addressed.

(E) to the extent directly binding on and/or enforceable by or against private persons within the United Kingdom any obligations arising from or provided for in a Treaty or other international agreement to which the United Kingdom is a signatory;

"LCIA" means the London Court of International Arbitration;

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

"Legal Reservations" means: (i) the principle that equitable remedies may be granted or refused at the discretion of a court; (ii) the limitation of enforcement by laws relating to insolvency, reorganisation and other laws generally affecting the rights of creditors; (iii) the time barring of claims pursuant to applicable limitation laws; (iv) defences of set-off or counterclaim; and (v) similar principles, rights and defences available at law;

"Lender" means any bank or financial institution (excluding any direct or indirect shareholder of the Developer) which provides debt financing or refinancing in relation to the Facility;

"Letter of Credit" means an unconditional, irrevocable standby letter of credit denominated in pounds in form and content reasonably satisfactory to the GGR Contract Counterparty which is issued by a Qualifying Issuer and which shall be available for payment at a UK branch of such Qualifying Issuer in favour of the GGR Contract Counterparty or its designee;

"Letter of Credit Details Notice" has the meaning given to that term in Condition 53.3(B) (*Letters of Credit*);

"Lifecycle CO_2 Emissions" means the total CO_2 emissions associated with the Project through the construction, manufacturing, operation, transportation and decommissioning of the Project, including direct and indirect supply chain emissions;[46]

"Longstop Date" means the last Day of the Longstop Period following the final Day of the Target Commissioning Window, as such date may be extended Day for Day for each Day of delay to the Project by reason of:

(A) a Force Majeure in respect of which the Developer is the FM Affected Party but only to the extent that the Developer has satisfied the requirements and conditions of Condition 66 (*Force Majeure*) to be entitled to such extension; or

(B) a T&S Commissioning Delay Event but only to the extent that the Developer has satisfied the requirements of Conditions 3.37 to 3.41 (*Relief due to T&S Commissioning Delay Event*) to be entitled to such extension;

"Longstop Date Performance Tests" means [●];[47]

"Longstop Period" has the meaning given to that term in the GGR Agreement;

"Low Carbon PPA" means a power purchase agreement entered into between the Developer and a supplier in relation to the sale and purchase of low carbon electricity which meets the requirements of the GGR Standard and that will meet or exceed the Capture Plant's nominal maximum electricity consumption requirements;[48]

---

46 **Note to Reader:** This definition remains subject to further consideration by DESNZ.

47 **Note to Reader:** This definition is subject to further review and development by DESNZ.

48 **Note to Reader:** This definition is subject to further review and development, with due regard to the Minimum Quality Thresholds and the continued development of the GGR Standard.

"Marine Licence" has the meaning given to that term in the Marine and Coastal Access Act 2009 or (for Scotland) the Marine (Scotland) Act 2010;

"Material Adverse Effect" means, in respect of any Party, a material adverse effect on the ability of that Party to perform or comply with its obligations under the GGR Contract or any other GGR Document;

"Material Amendment" means any Proposed Amendment which would (taking into account, in the case of a Proposed Amendment providing for more than one (1) amendment, the net aggregate effect of all the Proposed Amendments contained within the relevant Amendment Notification) have an adverse effect on: (i) the revenues and/or costs of the Developer which are not fully compensated; or (ii) the overall balance of risks, benefits and liabilities of the Developer, in each case, pursuant to the GGR Contract;

"Material Amendment Agreement" has the meaning given to that term in paragraph 2.5 of Annex 4 (*Change Control Procedure*);

"Material Amendment Response Notification" has the meaning given to that term in paragraph 2.2(B) of Annex 4 (*Change Control Procedure*);

"Material Change" means in relation to the T&S Metering Equipment and/or the Inlet CO_2 Measurement Equipment, a change to the systems and/or processes relating to such equipment which is of such a type or magnitude as to raise the reasonable expectation that the Developer's ability to meet its obligations under the GGR Contract relating to the T&S Metering Equipment and/or the Inlet CO_2 Measurement Equipment will be affected;

"Material Equipment" has the meaning given to that term in the GGR Agreement;

"Material GGR Technology" means a GGR Technology that accounts from time to time for at least one per cent. (1%) of all greenhouse gas removal credits generated in the United Kingdom;

"Maximum Metered CO2 Rich Stream Output to T&S Flow Rate" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Maximum T&S Capacity" has the meaning given to that term in the GGR Agreement;[49]

[**"Measured CO_2 Input"** means the mass quantity of CO_2 (*expressed in tCO_2*) from:

(A) for BECCS Facilities only, the Installation; or

(B) for DACCS Facilities only, the ambient air,

in streams intended to be routed to the Capture Plant during the relevant Reporting Unit, as measured in accordance with the relevant Inlet CO_2 Measurement Specification;]

"Measurement Equipment Access Termination Event" means [●];[50]

"Measurement Points" means [●];[51]

49 **Note to Reader:** The Maximum T&S Capacity will be set out in the front-end agreement. It will be the maximum amount of CO_2 Rich Stream that the Developer can deliver to the T&S Network in a Reporting Unit, which will be agreed on a project-by-project basis.

50 **Note to Reader:** This definition is subject to further review and development by DESNZ.

51 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

"Meter Measurement System" means [●];[52]

"Metered CO_2 Output to T&S" means the mass quantity of CO_2 (*expressed in tCO_2*) entering the relevant T&S Network from the Facility during the relevant Reporting Unit at the T&S Network Delivery Point(s), as measured by the T&S Metering Equipment;

"Metered CO_2 Output to T&S Flow Rate" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Metered CO_2 Rich Stream Output to T&S" means the mass quantity of CO2 Rich Stream (*expressed in tCO_{2RS}*) entering the relevant T&S Network from the Facility during the relevant Reporting Unit, as determined by the T&S Metering Equipment at the T&S Network Delivery Point(s) during such Reporting Unit;

"Metered CO_2 Rich Stream Output to T&S Flow Rate" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Metering Obligations and Measurement Data Obligations" means [●];[53]

"Milestone Assessment Response Notice" has the meaning given to that term in Condition 4.3 (*Milestone Requirement Notice*);

"Milestone Delay Notice" has the meaning given to that term in Condition 4.8 (*Difficulties in achieving the Milestone Requirement*);

"Milestone Delivery Date" means the Initial Milestone Delivery Date, as such date may be extended Day for Day for each Day of delay to the Project by reason of:

(A) a Force Majeure in respect of which the Developer is the FM Affected Party but only to the extent that the Developer has satisfied the requirements and conditions of Condition 66 (*Force Majeure*) to be entitled to such extension; or

(B) a T&S Commissioning Delay Event but only to the extent that the Developer has satisfied the requirements of Conditions 3.37 to 3.41 (*Relief due to T&S Commissioning Delay Event*) to be entitled to such extension;

"Milestone Requirement" has the meaning given to that term in Condition 4.1 (*Milestone Requirement Notice*);

"Milestone Requirement Notice" has the meaning given to that term in Condition 4.1 (*Milestone Requirement Notice*);

"Milestone Satisfaction Date" means the date that the Developer has complied with and fulfilled a Milestone Requirement as specified in the Milestone Assessment Response Notice or the Further Milestone Assessment Response Notice (as applicable);

"Minimum CO_2 Purity Requirement" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"Minimum Longstop Date Commissioning Requirements" means [●];[54]

---

52 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

53 **Note to Reader:** This definition is subject to further consideration as the measurement provisions are developed.

54 **Note to Reader:** Minimum Longstop Date Commissioning Requirements is a concept which will be included in the Testing Requirements (Annex 2) and remains subject to further consideration and development by DESNZ. This test is to demonstrate that a minimum percentage of the Net Removal Capacity Estimate has been commissioned.

"Minimum Quality Thresholds" means "BSI Flex 2006 and 2007" which specifies the minimum requirements for quantifying net removals in the design and operation of BECCS Facilities and DACCS Facilities;

"Minimum Reporting Content Requirements" means the minimum required content of the report to be provided by the Developer to the GGR Contract Counterparty pursuant to Condition 3.14(A) (*Operational Conditions Precedent: Construction Reporting Requirements)* detailing the Developer's progress in relation to the Pre-Operation Activities which shall include, but shall not be limited to, the following:

(A) an executive summary;

(B) a summary of the Pre-Operation Activities carried out to date;

(C) a schedule for the Project which: (i) compares the initial baseline schedule against actual progress achieved to date; and (ii) sets out forecast and actual key events including both critical and near critical path milestones, in each case in relation to the Pre-Operation Activities;

(D) a baseline critical path together with any updated versions of the same;

(E) an updated 'S' curve in relation to the Pre-Operation Activities;

(F) a summary of the progress in obtaining finance for the Project (including equity, debt and other forms of finance) prior to the Milestone Delivery Date;

(G) an earned value analysis figure showing progress against the earned value baseline, with commentary on any deviations from such baseline;

(H) Project Cost Data;

(I) a summary of key risks relating to cost and schedule outturn for the Pre-Operation Activities, and the associated potential quantified impact of such risks;

(J) a summary of the progress made by the Developer in entering into any Offtake Agreement(s) (including estimated quantities, contract term and pricing provisions); and

(K) the aggregate amount: (i) that the Secretary of State has paid to the Developer to date; and (ii) which is due and payable to the Developer, in each case under the Grant Funding Agreement;

"Minimum Turndown Rate" means the lower of (i) the Initial Minimum Turndown Rate and (ii) the Developer's minimum turndown rate under the T&S Connection Agreement from time to time multiplied by the total number of hours in the relevant Reporting Unit (*expressed in* tCO_{2RS}*/Reporting Unit)*;[55]

"Mitigation Adjustment" has the meaning given to that term in the GGR Agreement;

"Month" means a calendar month;

"Monthly CORE Relief Amount" has the meaning given to that term in Condition 14.8(D) (*Capture Outage Relief Events*);

[55] **Note to Reader:** This definition remains subject to further considerations in the context of different technology types.

"Monthly Invoiced Quantity" means the aggregate Invoiced Quantities during the relevant Billing Period, calculated as follows:[56]

$$MIQ_m = \sum_{t=1}^{n} Quantity_{IA,t,m}$$

MIQ_m	=	the Monthly Invoiced Quantity (*tCO_2*) for the relevant Billing Period (*m*)
$\sum_{t=1}^{n} Quantity_{IA,t,m}$	=	the sum of the Invoiced Quantity (*tCO_2*) for each Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)
n	=	the number of Confirmed Offtakers in the relevant Billing Period (*m*)

"Monthly T&S Charges Amount" has the meaning given to that term in Condition 15.1 (*T&S Charges Amount calculation*);

"Monthly TCDE Relief Amount" shall be calculated as follows:[57]

$$TCDE\_RA_m = SP\_Capex_m \times (DDRR \times TD)$$

where:

$TCDE\_RA_m$	=	the Monthly TCDE Relief Amount (*£*) for the relevant Pre-Start Date Billing Period (*m*)
SP_Capex_m	=	the Capex Strike Price (*£/tCO_2*) that applies in the relevant Pre-Start Date Billing Period (*m*)
$DDRR$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*)
TD	=	the total number of Days in the relevant Pre-Start Date Billing Period during which a T&S Commissioning Delay Event has occurred and/or was continuing in respect of which the Developer has requested the Monthly TCDE Relief Amount to apply pursuant to Condition 3.31(B)

"Moody's" means Moody's Investors Service Inc., a Delaware corporation, and any successor thereto;

"Mutual Appointment Decision" has the meaning given to that term in Condition 57.4 (*Arbitration Procedure*);

"Nationally Determined Contributions" means the national climate action plans submitted by parties to the Paris Agreement which set out each party's intended actions to reduce national greenhouse gas emissions, as may be updated from time to time in accordance with the United Nations Framework Convention on Climate Change;[58]

[56] **Note to Reader:** This formula is subject to further review and development by DESNZ.

[57] **Note to Reader:** This formula is subject to further review and development by DESNZ, including to reflect further technical and financial input.

[58] **Note to Reader:** This definition is subject to further review and development by DESNZ.

"Net Recoverable Value of the Capture Plant" means the anticipated fair market value of the Capture Plant or, where it is not reasonably practicable to effect the sale and transfer of the Capture Plant, the individual components forming part of the Capture Plant (the **"Capture Plant Assets"**), being the amount for which the Capture Plant Assets could be exchanged in an arm's length transaction between informed and willing parties, other than in a forced or liquidation sale, or the actual selling price of the Capture Plant Assets, in each case whether for re-use or scrap, with such value:

(A) determined in accordance with IFRS 13 Fair Value Measurement (or any suitable, alternative accounting standard that is agreed by the Parties, acting reasonably);

(B) based on the assumption that the Capture Plant Assets reflect the standard that they would have been in had the Developer operated and/or maintained such assets in accordance with the Reasonable and Prudent Standard (but excluding the cost of any rectification and/or maintenance works that would be required to bring the Capture Plant Assets up to such standard);

(C) reduced to reflect the reasonable costs of marketing and entering one (1) or more agreement(s) for the sale and transfer of the Capture Plant Assets (including any legal and/or accountancy costs);

(D) reduced to reflect the reasonable costs of disconnecting, disassembling, packaging, handling, removing, transporting and/or delivering the Capture Plant Assets as part of their sale and transfer; and

(E) deemed to be zero (0), where it is less than zero (0);

"Net Removal Capacity" means the capacity of the Facility to produce Net Removals (*expressed in tCO_2*/Day)[59] were it to be operated at optimal operating conditions on a continual basis for a sustained period at the maximum capacity possible assuming that any required inputs (including any source of power and, if applicable, solvents and sorbents) used by the Facility to produce Net Removals were available to it without interruption;

"Net Removal Capacity Estimate" means the Developer's estimate of the Net Removal Capacity from time to time, being the Initial Net Removal Capacity Estimate as may be adjusted pursuant to Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*) and Condition 6 *(Adjustment to Net Removal Capacity Estimate: Permitted Reduction*);

"Net Removals" means CO_2 removals from the atmosphere resulting from a GGR project after accounting for transferred CO_2, project emissions and leakage emissions within the system boundary and all applicable value chains, over a defined period;[60]

"No Alternative T&S Solution Reason" has the meaning given to that term in Condition 48.9(A)(iv) (*Termination for T&S Prolonged Unavailability Event*);

"Non-affected Party" has the meaning given to that term in Condition 66.4(A) (*Conditions to Force Majeure relief*);

"Non-Routine T&S Meter GGR Technical Audit" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

---

59 **Note to Reader:** This unit of measurement is subject to further consideration by DESNZ.

60 **Note to Reader:** This definition is subject to further review and development by DESNZ. Net Removals shall be determined by reference to the GGR Standard.

"Non-Variable Costs Strike Price" means the Initial Non-Variable Costs Strike Price, as may be amended from time to time in accordance with the GGR Contract;

"Notified Change in Law" means a Change in Law which constitutes a Qualifying Change in Law and to which a GGR Contract Counterparty QCiL Notice, a Developer QCiL Notice or a Developer QCiL Response Notice relates;

"Notified OCP Performance Test Date" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"Novation Agreement" means a novation agreement entered into pursuant to Clause 9.3 (*Substitution Procedure*) between the GGR Contract Counterparty, the Developer 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*);

"NPA Payment Cure Period" has the meaning given to that term in Condition 50.1(B) (*Termination Events*);

"NRCE Adjustment Deadline" has the meaning given to that term in Condition 6.1 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*);

"NRCE Adjustment Notice" has the meaning given to that term in Condition 6.1 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*);

"NVCSP Indexation Adjustment" has the meaning given to that term in Condition 13.9 (*Non-Variable Costs Strike Price Indexation Adjustment*);

"NVSCP Indexation Anniversary" has the meaning given to that term in Condition 13.10 (*Non-Variable Costs Strike Price Indexation Adjustment*);

"OCP Achieved CO_2 Storage Rate" means the CO_2 storage rate (*expressed as a percentage (%) to one (1) decimal place)* for the Facility determined during the OCP Performance Test and calculated as follows:

$$OCPASR = \frac{CO2\_Out}{CO2\_In}$$

where:

$OCPASR$	=	the OCP Achieved CO_2 Storage Rate (*expressed as a percentage (%)*);
$CO2\_Out$	=	the Metered CO_2 Output to T&S during the OCP Performance Test (*tCO_2*); and
$CO2\_In$	=	the Measured CO_2 Input during the OCP Performance Test (*tCO_2*)

"OCP Achieved Metered CO_2 Output to T&S" means the mass quantity of CO_2 (*expressed in tCO_2*) entering the relevant T&S Network from the Facility during the OCP Performance Test, as measured by the CO_2 Metering Equipment at the T&S Network Delivery Point(s);

"OCP Non-Compliance Notice" has the meaning given to that term in Condition 3.11 (*Operational Conditions Precedent: General Reporting Obligations*);

"OCP Notice" has the meaning given to that term in Condition 3.7(B) (*Operational Conditions Precedent: General Reporting Obligations*);

"OCP Performance Test" means the Commissioning Test to be carried out and completed by the Developer pursuant to paragraphs [●] and [●] of Part B of Annex 1 (*Conditions Precedent*),[61] in order to determine the OCP Achieved CO_2 Storage Rate, the T&S Flow Rate and the OCP Achieved Metered CO_2 Output to T&S;

"OCP Performance Test Access Notice" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Access Right" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Date Adjustment Notice" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Date Notice" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Date Window" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Outputs" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Performance Test Report" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"OCP Required CO_2 Storage Rate" means an OCP Achieved CO_2 Storage Rate which is equal to or greater than the higher of: (i) five (5) percentage points lower than the CO_2 Storage Rate Estimate; and (ii) eighty five per cent. (85%);[62]

"OCP Required CO_2 Storage Rate Multiplier" means the OCP Required CO_2 Storage Rate divided by the CO_2 Storage Rate Estimate (*expressed as a decimal fraction*);

"OCP Required T&S Flow Rate" means the T&S Flow Rate Estimate multiplied by the OCP Required CO_2 Storage Rate Multiplier;

"OCP Response Notice" has the meaning given to that term in Condition 3.9 (*Operational Conditions Precedent: General Reporting Requirements*);

"OCP Supporting Information" has the meaning given to that term in Condition 3.9(B) (*Operational Conditions Precedent: General Reporting Obligations*);

"Offtake Agreement" means any agreement entered into between the Developer and an Offtaker in relation to the sale and purchase of GGR Credits;

"Offtake Compliance Audit" has the meaning given to that term in Condition 37.1 (*Offtake Compliance Audit*);

---

61 **Note to Reader:** Paragraph references to be confirmed following development of the Testing Requirements (Annex 2).

62 **Note to Reader:** As storage rate concepts are only relevant for BECCS Facilities, DESNZ is considering the appropriate efficiency measures and threshold for DACCS Facilities as part of OCPs.

"Offtake Compliance Audit Non-Compliance Notice" has the meaning given to that term in Condition 37.1 (*Offtake Compliance Audit Non-Compliance Notice*);

"Offtake Compliance Provisions" means the following terms:

(A) an agreement that all GGR Credits generated by the Developer and purchased under the Offtake Agreement shall be issued and verified in accordance with the GGR Standard;

(B) an agreement that all GGR Credits generated by the Developer and purchased under the Offtake Agreement shall be issued into an Approved Registry;[63]

(C) an agreement that all GGR Credits shall contribute to the achievement of the United Kingdom's national climate goals including but not limited to:

(i) the carbon budget(s) set by the Secretary of State pursuant to sections 4 and 5 of the Climate Change Act 2008 as amended from time to time; and

(ii) the United Kingdom's Nationally Determined Contributions under the Paris Agreement as amended from time to time,

and the Offtaker shall use reasonable endeavours to include references to this limb (C) in the contents of its announcements and public statements published, issued or released by the Offtaker in respect of the relevant Offtake Agreement; and

(D) the Offtaker shall use reasonable endeavours to mitigate any costs and losses that it is entitled to recover from the Developer following termination of the relevant Offtake Agreement as a result of the termination of the GGR Contract;

"Offtake Confirmation Date" means:

(A) if Condition 33.5(A) (*Offtake Review Response and Offtake Information Request*) applies, the date of the Offtake Review Response Notice; or

(B) if Condition 33.5(B) (*Offtake Review Response and Offtake Information Request*) applies, the date of the Offtaker Information Response Notice;

"Offtake Confirmation Non-Compliance Deadline" means:

(A) if Condition 33.13 (*Failure to provide an Offtake Review Notice: suspension*) or Condition 33.15 (*Failure to provide an Offtake Review Notice: no Confirmed Offtake Agreement*) applies, the date which falls thirty (30) Business Days after the date of the Offtake Confirmation Non-Compliance Notice; and

(B) if Condition 33.17 (*Failure to provide an Offtake Review Notice: termination*) applies, the date which falls sixty (60) Business Days after the date of the Offtake Confirmation Non-Compliance Notice;

"Offtake Information" means the following information:[64]

(A) the identity of the Offtaker, location and nature of its business;

---

63 **Note to Reader:** The registry requirements remain subject to further consideration as the GGR Standard is developed.

64 **Note to Reader:** This definition is subject to the further consideration by DESNZ in the context of the Developer's offtake agreement arrangements.

(B) confirmation that the Offtake Agreement includes:

(i) the Offtake Compliance Provisions; and

(ii) one (1) or more express contractual right or remedy against the relevant Offtaker for any breach of the Offtake Compliance Provisions (in addition to any right or remedy under common law, in equity, by statute or otherwise) and the right to terminate the relevant Offtake Agreement for any persistent, material or wilful breach of the Offtake Compliance Provisions;

(C) the FMVP Review Information;

(D) confirmation of whether or not the Offtaker is an Affiliate Offtaker;

(E) if the Offtaker is an Affiliate Offtaker, a detailed explanation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of:

(i) the nature of the relationship between the Developer and the Affiliate Offtaker, including the details of the ownership structure (legal and beneficial) of the Developer and the proposed Offtaker;

(ii) the purpose of the intended sale, trade or transfer to the proposed Affiliate Offtaker; and

(iii) the intended use of the GGR Credit(s) by the proposed Affiliate Offtaker;

(F) a copy of the relevant Offtake Agreement;

(G) the Offtaker Forecast Data;

(H) confirmation that the Achieved Sales Price under the Offtake Agreement has not been decreased in a way which is designed to, or a main purpose of which is to, increase the Difference Amounts payable by the GGR Contract Counterparty to the Developer and/or decrease the Difference Amounts payable by the Developer to the GGR Contract Counterparty;

(I) such Supporting Information as the Developer considers to be relevant to the matters referred to in paragraphs (A) to (H) above; and

(J) a Directors' Certificate in relation to the matters referred to in paragraphs (A) to (I) above;

"Offtake Review Notice" has the meaning given to that term in Condition 33.1 (*Offtake Review Notice*);

"Offtake Supporting Information" has the meaning given to that term in Condition 33.6 (*Offtake Review Response and Offtake Information Request*);**"Offtaker"** means any person who purchases GGR Credits from the Developer pursuant to an Offtake Agreement;

"Offtaker Forecast Data" means the Developer's estimate, for each Fiscal Year during the Term, of the following in respect of each Offtaker:

(A) the GGR Credits to be sold to and purchased by the Offtaker;

(B) the Achieved Sales Price for GGR Credits attributable to the Offtaker, converted to £/tCO_2 based on the forecast referred to in limb (A) of this definition;[65]

"Operational Conditions Precedent" means the operational conditions precedent set out in Part B of Annex 1 (*Conditions Precedent*) and **"Operational Condition Precedent"** and **"OCP"** shall be construed accordingly;

"Operational CP Provisions" means all of the provisions of the GGR Contract other than the Agreement Date Provisions and the Initial CP Provisions;

"Other CCUS Programme Contract" means a private law contract entered into with the GGR Contract Counterparty or the Secretary of State in relation to the CCUS Programme (which is not a CCUS Programme GGR Contract);[66]

"Other Change in Law" means a Change in Law made by His Majesty's Government of the United Kingdom or which His Majesty's Government of the United Kingdom has formally required a Competent Authority to make and which in either such case has an undue (being not objectively justifiable) discriminatory effect on the out-of-pocket costs incurred or saved by the Developer or the Project when compared with the out-of-pocket costs incurred or saved as a result of such Change in Law by:

(A) all other developers which operate greenhouse gas removal facilities deploying the same GGR Technology as the Facility GGR Technology;

(B) all other developers which operate greenhouse gas removal facilities deploying GGR Technology other than the Facility GGR Technology;

(C) for BECCS Facilities only, all other developers which operate installations deploying the same or similar process(es) as the Installation to achieve the same or similar service or outcomes but which do not deploy GGR Technology;

(D) all other developers which operate greenhouse gas removal facilities deploying GGR Technology the output of which is not subject to a GGR Contract; and

(E) all other developers which operate greenhouse gas removal facilities deploying one (1) or more Material GGR Technologies.

"Other Subsidy" has the meaning given to that term in Condition 31.15 (*Waiver of Developer's Obligation to Repay Subsidy, State aid, Union Funding and/or International Funding*);

"Paris Agreement" means the international treaty on climate change adopted at the United Nations Framework Convention on Climate Change (COP21) in Paris on 12 December 2015, which came into force on 4 November 2016;

"Party" means a party to the GGR Contract;

"Payment Calculation Data" means any data that the GGR Contract Counterparty considers is reasonably required for the purpose of preparing the relevant Billing Statement[, which may include (without limitation): [●]];[67]

"Payment Disruption Event" means a material disruption to those payment systems or to those financial markets which are, in each case, required to operate in order for payments or

---

65 **Note to Reader:** This definition is subject to further review development by DESNZ.

66 **Note to Reader:** This definition is subject to further review and development by DESNZ.

67 **Note to Reader:** This definition is subject to further review and development by DESNZ.

transfers of money to be made pursuant to the GGR Contract which the PDE Affected Party (or, if relevant, its Representatives) could not reasonably have overcome and which is not due to the PDE Affected Party's fault or negligence (or that of its Representatives);

"Payment Failure" means a failure by the Developer to pay any Developer Net Payable Amount in accordance with Condition 18.1 or Condition 18.2 (*Payment from Developer*) (as applicable) (except to the extent that such failure is due to the occurrence of a Payment Disruption Event and the Developer, as the PDE Affected Party, has complied with Condition 65.2 (*Conditions to Payment Disruption Event relief*) but irrespective of whether or not the Developer has paid any such GGR Net Payable Amount within the applicable NPA Payment Cure Period);

"Payment Information Notice" has the meaning given to that term in Condition 16.1 (*Delivery of Payment Information Notice*);

"Payment Information Notice Termination Event" has the meaning given to that term in Condition 16.6 (*Delivery of Payment Information Notice*);

"Payment Period" means the period from the Start Date until the Specified Expiry Date (unless the GGR Contract is terminated pursuant to Condition 48.1 (*Pre-Start Date termination*), Condition 48.5 (*Termination for Prolonged Force Majeure*), Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*), Condition 48.27 (*Default termination*), Condition 48.29 (*Qualifying Change in Law termination*), Condition 48.31 (*QCiL Compensation termination*) or [Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*)] or expires pursuant to Condition 12.2 (*Automatic Expiry*), whereby such period shall end on the date on which this GGR Contract terminates or expires (as applicable));

"PDE Affected Party" has the meaning given to that term in Condition 65.1 (*Relief due to Payment Disruption Event*);

"PDE Obligations" has the meaning given to that term in Condition 65.1 (*Relief due to Payment Disruption Event*);

"Performance Test Procedure" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"Performance Test Procedure Notice" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"Permitted Annual Sales Cap" has the meaning given to that term in Condition 12.5 (*Permitted Annual Sales Cap*);

"Planning Permission" means a planning permission under Part 3 of the Town and Country Planning Act 1990 or (for Scotland) Part 3 of the Town and Country Planning (Scotland) Act 1997;

"Posted Collateral" means the aggregate amount of all Acceptable Collateral transferred or delivered by or on behalf of the Developer in accordance with the GGR Contract from time to time to the extent that the same has not been: (i) returned to the Developer by or on behalf of the GGR Contract Counterparty pursuant to the provisions of Part 10 (*Credit Support*); or (ii) subject to a Posted Collateral Demand;

"Posted Collateral Demand" has the meaning given to that term in Condition 53.10 (*Making a Posted Collateral Demand*);

"Post-Tax Real Discount Rate" has the meaning given to that term in the GGR Agreement;

"Pre-Operation Activities" means the design, procurement, development, construction, completion, testing and commissioning of the Facility, and grammatical variations thereof shall be construed accordingly;

"Pre-Start Date Billing Period" means a Month, except that the last Pre-Start Date Billing Period shall end on the Day immediately prior to the Start Date;

"Pre-Start Date Relief Reference Quantity" means, if a Monthly TCDE Relief Amount is to be paid in accordance with Condition 3.48, the quantity of Qualifying GGR Credits that would have been generated in the relevant Pre-Start Date Billing Period if the T&S Commissioning Delay Event had not occurred, calculated as follows:

$$PSD\_RRQ_m = DDRR \times TD$$

where:

PSD_RRQ_m	=	the Pre-Start Date Relief Reference Quantity (*tCO_2*) for the relevant Pre-Start Date Billing Period (*m*)
$DDRR$	=	the Deemed Daily CO_2 Removal Rate (*tCO_2/Day*)
TD	=	the total number of Days in the relevant Pre-Start Date Billing Period during which a T&S Commissioning Delay Event has occurred and/or was continuing in respect of which the Developer has requested the Monthly TCDE Relief Amount to apply pursuant to Condition 3.31(B)

"Pre-Start Date Termination Date" has the meaning given to that term in Condition 48.1(E)(i) (*Pre-Start Date termination*);

"Pre-Start Date Termination Notice" has the meaning given to that term in Condition 48.1 (*Pre-Start Date termination*);

"Previous Subsidy" has the meaning given to that term in Condition 3.73(A)(i) (*Waiver of Subsidy Control Declaration Operational CP*);

"Price Discovery Incentive" has the meaning given to that term in Condition 11.2 (*Price Discovery Incentive Amount calculation*);

"Price Discovery Incentive Amount" has the meaning given to that term in Condition 11.1 (*Price Discovery Incentive Amount calculation*);

"Price Discovery Incentive Percentage" means five per cent. (5%);

"Proceedings" means any proceeding, suit or action relating to or arising out of a Dispute, the GGR Contract or any other GGR Document;

"Pro Forma" has the meaning given to that term in Condition 79.2 (*Pro forma notices*);

"Project" means the design, development, construction, completion, testing, commissioning, operation, maintenance and decommissioning of the Capture Plant;

"Project Commitments" has the meaning given to that term in the GGR Agreement;

"Project Cost Data" means details of the following costs incurred by the Developer in respect of the Project:

(A) pre-development costs;

(B) regulatory and licensing costs;

(C) engineering, procurement and construction costs, including:

(i) mechanical costs;

(ii) electrical costs;

(iii) control and instrument costs; and

(iv) civil and architectural costs; and

(D) infrastructure costs;

"Project Delay Notice" has the meaning given to that term in Condition 3.15 (*Operational Conditions Precedent: Construction Reporting Requirements*);

"Prolonged FM Event" has the meaning given to that term in Condition 48.5 (*Termination for Prolonged Force Majeure*);

"Prolonged FM Event Notice" has the meaning given to that term in Condition 48.5 (*Termination for Prolonged Force Majeure*);

"Prolonged FM Termination Date" has the meaning given to that term in Condition 48.6 (*Termination for Prolonged Force Majeure*);

"Prolonged FM Termination Notice" has the meaning given to that term in Condition 48.6 (*Termination for Prolonged Force Majeure*);

"Prolonged FM Trigger Date" has the meaning given to that term in Condition 48.5 (*Termination for Prolonged Force Majeure*);

"Proposed Amendment" has the meaning given to that term in paragraph 2.1(A) of Annex 4 (*Change Control Procedure*);

"Proposed Amendment Effective Date" has the meaning given to that term in paragraph 2.1(B) of Annex 4 (*Change Control Procedure*);

"Proposed CiAL Expert" has the meaning given to that term in Condition 46.3(A) (*Validity of CiAL Dispute Notices*);

"Proposed Compliance Scheme Alignment Expert" has the meaning given to that term in paragraph 1 of Annex 6 (*Compliance Scheme Alignment Review*);

"QCiL Adjusted Revenues Payment" has the meaning given to that term in Condition 40.1(C) (*Categories of Qualifying Change in Law compensation*);

"QCiL Adjusted Revenues Quantities" shall be the amount calculated as follows (with the terms set out in such calculation as defined in Condition 40.31 (*QCiL Adjusted Revenues Payment*) as such amount applies during any Billing Period (*m*) in respect of which the GGR

Contract Counterparty makes a QCiL Adjusted Revenues Payment pursuant to Condition 40.16(A) (*QCiL Adjusted Revenues Payment*): [68]

$$QCiL\ Adjusted\ Revenues\ Quantities = \left(\sum_{i=1}^{n} \frac{M_{1,i}}{(1+R_s)^{i-1}} - \sum_{i=1}^{n} \frac{M_{2,i}}{(1+R_s)^{i-1}}\right)$$

"QCiL Capex Payment" has the meaning given to that term in Condition 40.1(B) (*Categories of Qualifying Change in Law compensation*);

"QCiL Capex Payment Adjustment Date" means the date on which eighty per cent. (80%) of the Term has expired;

"QCiL Capital Costs" means QCiL Costs that relate to the acquisition, disposal, modification or construction of any asset in respect of the Project (including costs of site preparation, initial delivery and handling costs, installation and assembly costs, costs incurred in testing whether the asset is functioning properly and professional fees, in each case which are directly associated with the acquisition, modification or construction of the relevant asset);

"QCiL Capital Savings" means QCiL Savings that relate to the acquisition, disposal, modification or construction of any asset in respect of the Project (including costs of site preparation, initial delivery and handling costs, installation and assembly costs, costs incurred in testing whether the asset is functioning properly and professional fees, in each case which are directly associated with the acquisition, modification or construction of the relevant asset);

"QCiL Compensation" means: (i) a QCiL Opex Payment; (ii) a QCiL Capex Payment; (iii) a QCiL Adjusted Revenues Payment; (iv) a QCiL Construction Event Payment; (v) a QCiL Operations Cessation Event Payment; and (vi) any combination of any of the foregoing, as such amounts are calculated in accordance with Condition 40 (*Qualifying Change in Law: Compensation*);

"QCiL Compensation Date" has the meaning given to that term in Condition 41.140.1 (*Qualifying Change in Law: Effective date and payment*);

"QCiL Compensation Termination Date" has the meaning given to that term in Condition 48.31 (*QCiL Compensation termination*);

"QCiL Compensation Termination Notice" has the meaning given to that term in Condition 48.31 (*QCiL Compensation termination*);

"QCiL Construction Event" means a Qualifying Change in Law which is implemented, occurs or becomes effective after the Agreement Date and before the Start Date and which will permanently prevent the Developer, acting in accordance with the Reasonable and Prudent Standard, from Commissioning the Facility by virtue of the necessary construction, testing, completion or commissioning of the Facility becoming illegal;

"QCiL Construction Event Costs" means, in relation to a QCiL Construction Event, all out-of-pocket costs (including QCiL Tax Liabilities) which are irrecoverable and unavoidable by the Developer acting in accordance with the Reasonable and Prudent Standard and which have been, will be or are reasonably likely to be incurred in respect of the Project by the Developer arising directly from such QCiL Construction Event occurring, if and to the extent that such costs constitute:

68 **Note to Reader:** This formula is subject to further review and development by DESNZ.

(A) development and pre-development costs incurred following the Devex Recovery Date in respect of the Capture Plant (including the cost of surveys and environmental impact assessments in respect of the Capture Plant);

(B) decommissioning costs in respect of the Capture Plant;

(C) break costs associated with the Developer's contractual or financing arrangements in respect of the Project;

(D) costs which are wholly attributable to the construction, testing, completion or commissioning of the Capture Plant; or

(E) T&S Charges payable by the Developer which are attributable to the period commencing on the Discontinuance Date,

but excluding:

(F) all other compensation which has been, will be or is reasonably likely to be payable by the Developer in connection with such QCiL Construction Event; and

(G) all costs associated with the Developer's financing arrangements in respect of the Project (including all interest incurred in respect of such financing arrangements) except where expressly specified in paragraph (C) above;

"QCiL Construction Event Payment" has the meaning given to that term in Condition 40.1(D) (*Categories of Qualifying Change in Law compensation*);

"QCiL Construction Event Savings" means, in relation to a QCiL Construction Event, the sum of:

(A) all savings (including avoided out-of-pocket costs, reliefs from or reductions in a QCiL Tax Liability, insurance proceeds and other compensation) which have been, will be or are reasonably likely to be made or received in respect of the Project by the Developer arising directly from such QCiL Construction Event occurring; and

(B) the Net Recoverable Value of the Capture Plant;

"QCiL Costs" means, in relation to a Qualifying Change in Law, all out-of-pocket costs (including QCiL Tax Liabilities) which have been, will be or are reasonably likely to be incurred in respect of the Project by the Developer arising directly as a result or in anticipation of such Qualifying Change in Law being implemented, occurring or becoming effective, but excluding: (i) any Default Termination Payment; (ii) all costs incurred in respect of the agreement or determination of the amount of the Default Termination Payment; and (iii) all costs associated with the Developer's financing arrangements in respect of the Project (including interest incurred in respect of such financing arrangements and all associated break costs);

"QCiL Effective Date" means the date on which a Qualifying Change in Law has been implemented, has occurred or has become effective;

"QCiL Net Capital Costs" means, if QCiL Capital Costs exceed QCiL Capital Savings in respect of a Qualifying Change in Law, the QCiL Capital Costs less the QCiL Capital Savings;

"QCiL Net Capital Savings" means, if QCiL Capital Savings exceed QCiL Capital Costs in respect of a Qualifying Change in Law, the QCiL Capital Savings less the QCiL Capital Costs;

"QCiL Net Operating Costs" means, if QCiL Operating Costs exceed QCiL Operating Savings in respect of a Qualifying Change in Law, the QCiL Operating Costs less the QCiL Operating Savings;

"QCiL Net Operating Savings" means, if QCiL Operating Savings exceed QCiL Operating Costs in respect of a Qualifying Change in Law, the QCiL Operating Savings less the QCiL Operating Costs;

"QCiL Operating Costs" means all QCiL Costs other than QCiL Capital Costs;

"QCiL Operating Savings" means all QCiL Savings other than QCiL Capital Savings;

"QCiL Operations Cessation Event" means:

(A) a Qualifying Change in Law which is implemented, occurs or becomes effective on or after the Start Date and which will permanently prevent the Developer, acting in accordance with the Reasonable and Prudent Standard, from operating the Facility by virtue of:

(i) such operation becoming illegal; or

(ii) for BECCS Facilities only, the operation of the Installation becoming illegal; or

(B) a Qualifying Shutdown Event which occurs on or after the Start Date;

"QCiL Operations Cessation Event Costs" means, in relation to a QCiL Operations Cessation Event, all out-of-pocket costs (including QCiL Tax Liabilities, break costs associated with the Developer's contractual or financing arrangements in respect of the Project and any T&S Charges payable by the Developer which are attributable to the period commencing on the Discontinuance Date) which are irrecoverable and unavoidable by the Developer acting in accordance with the Reasonable and Prudent Standard and which have been, will be or are reasonably likely to be incurred in respect of the Project by the Developer arising directly from such QCiL Operations Cessation Event occurring, but excluding:

(A) all other compensation which has been will be or which is reasonably likely to be payable by the Developer in connection with such QCiL Operations Cessation Event;

(B) all costs associated with the Developer's financing arrangements in respect of the Project (including all interest accrued in respect of such financing arrangements) except for break costs associated with the Developer's financing arrangements in respect of the Project; and

(C) development and pre-development costs incurred on or before the Devex Recovery Date in respect of the Capture Plant (including the cost of surveys and environmental impact assessments in respect of the Capture Plant);

"QCiL Operations Cessation Event Payment" has the meaning given to that term in Condition 40.1(E) (*Categories of Qualifying Change in Law compensation*);

"QCiL Operations Cessation Event Savings" means, in relation to a QCiL Operations Cessation Event, the sum of:

(A) all savings (including avoided out-of-pocket costs, reliefs from or reductions in a QCiL Tax Liability, insurance proceeds and other compensation) which have been, will be or are reasonably likely to be made or received in respect of the Project by the Developer arising directly from such QCiL Operations Cessation Event occurring; and

(B) the Net Recoverable Value of the Capture Plant;

"QCiL Opex Payment" has the meaning given to that term in Condition 40.1(A) (*Categories of Qualifying Change in Law compensation*);

"QCiL Response Information" has the meaning given to that term in Condition 39.2 (*Developer QCiL Response Notice*);

"QCiL Savings" means, in relation to a Qualifying Change in Law, all savings (including avoided out-of-pocket costs, reliefs from or reductions in a QCiL Tax Liability, insurance proceeds and other compensation) which have been, will be or are reasonably likely to be made or received in respect of the Project by the Developer arising directly as a result or in anticipation of such Qualifying Change in Law being implemented, occurring or becoming effective;

"QCiL Strike Price Adjustment" means any QCiL Compensation which has been, or will be, made by way of a Strike Price Adjustment;

"QCiL Strike Price Component" means:

(A) in respect of a QCiL Opex Payment which relates to Fixed QCiL Operating Costs and/or Fixed QCiL Operating Savings only (and any related QCiL True-Up Strike Price Adjustment), the Non-Variable Costs Strike Price;

(B) in respect of a QCiL Opex Payment which relates to both Fixed QCiL Operating Costs and/or Fixed QCiL Operating Savings and Variable QCiL Operating Costs and/or Variable QCiL Operating Savings (and any related QCiL True-Up Strike Price Adjustment), the Strike Price:

(C) in respect of any QCiL Adjusted Revenues Payment and/or QCiL Operations Cessation Event Payment (and any related QCiL True-Up Strike Price Adjustment), the Non-Variable Costs Strike Price;

"QCiL Supporting Information" has the meaning given to that term in Condition 39.8 (*Developer QCiL Notice*);

"QCiL Tax" means any Tax other than any Tax on gross or net Income, Profits or Gains, save to the extent that the rate at which such Tax on gross or net Income, Profits or Gains is chargeable has been introduced or amended by a Qualifying Change in Law or a Qualifying Shutdown Event, as the case may be;

"QCiL Tax Liability" means:

(A) a liability of the Developer to make an actual payment of a QCiL Tax to a tax authority; and

(B) the loss to the Developer of, or a reduction to the Developer in the amount of, a right to repayment of Tax to which it would otherwise be entitled but for such amount being set off against any liability of the Developer to make an actual payment of QCiL Tax;

"QCiL Termination Date" has the meaning given to that term in Condition 48.29 (*Qualifying Change in Law termination*);

"QCiL Termination Notice" has the meaning given to that term in Condition 48.29 (*Qualifying Change in Law termination*);

"QCiL True-Up Adjusted Capture Period Adjustment" means any QCiL True-Up Compensation that has been, or will be, made by way of an adjustment to the Metered CO_2 Output to T&S which is effected pursuant to and in accordance with the GGR Contract;

"QCiL True-Up Compensation" means the adjustment to the QCiL Compensation which is necessary to reflect the QCiL True-Up Information;

"QCiL True-Up Information" has the meaning given to that term in Condition 42.1 (*GGR Contract Counterparty QCiL True-Up Notice*);

"QCiL True-Up Response Information" has the meaning given to that term in Condition 42.3 (*Developer QCiL True-Up Response Notice*);

"QCiL True-Up Strike Price Adjustment" means any QCiL True-Up Compensation which has been, or will be, made by way of a Strike Price Adjustment;

"QSE Notice" has the meaning given to that term in Condition 43.1 (*Qualifying Shutdown Event: Procedure*);

"Qualifying Change in Law" means:

(A) a Discriminatory Change in Law;

(B) a Specific Change in Law; or

(C) an Other Change in Law,

which, in each case, is not a Foreseeable Change in Law, and provided that no decision by any Subsidy Control Competent Authority in respect of the application of the Subsidy Control Rules to the GGR Contract or CCUS Programme GGR Contracts (including the annulment, invalidation, suspension, revocation, modification or replacement of any prior decision pursuant to such rules shall constitute a Qualifying Change in Law;

"Qualifying GGR Credit" means a GGR Credit which:[69]

(A) complies with the GGR Standard; and

(B) is sold by the Developer in:

(i) a Voluntary Scheme to a Confirmed Offtaker; or

(ii) an Acceptable Compliance Scheme[70], if permitted following and pursuant to a Compliance Scheme Alignment Review;[71]

"Qualifying Issuer" means: (i) a bank or financial institution having a minimum short-term rating of A-1 with Standard and Poor's, P-1 with Moody's or F1 with Fitch; or (ii) such other bank or financial institution, having such minimum rating as the GGR Contract Counterparty may consent to or specify from time to time;

---

69 **Note to Reader:** Subject to compliance with other requirements in the GGR Contract (including the GGR Contract Sales Cap), the Developer will be entitled to claim subsidy payments for any Qualifying GGR Credits generated during the operational period of the GGR Contract.

70 **Note to Reader:** DESNZ are considering amendments to link GGR Credits sold in Acceptable Compliance Schemes with the Offtake Review Procedure.

71 **Note to Reader:** DESNZ is considering the amendments that may be required to the GGR Contract as a result of a Compliance Scheme Alignment Review.

"Qualifying Shutdown Event" means:

(A) His Majesty's Government of the United Kingdom or the Secretary of State or any other Minister of the Crown or any department of His Majesty's Government of the United Kingdom (each, a **"Government Authority"**): (i) applying, implementing or changing the Law which is in force from time to time; (ii) applying or exercising its powers under such Law; or (iii) applying, implementing and/or changing policy or guidance which has effect from time to time;

(B) the exercise of powers by a UK Competent Authority, where such exercise of powers was required by a direction made under statutory powers by a Government Authority; or

(C) the exercise of powers by a UK Competent Authority, where the UK Competent Authority has not acted independently of a Government Authority in such exercise of powers, and for this purpose a UK Competent Authority shall be deemed to have acted independently of a Government Authority unless such exercise of powers was procured by the Government Authority,

other than any application, implementation, change, exercise of powers or other action required by, or necessary for compliance with, international or EU law, policy or guidance (provided such international or EU law, policy or guidance was not promoted by such Government Authority and, in relation to any international or EU law, policy or guidance proposed after the Agreement Date, such Government Authority has used its reasonable endeavours to prevent the adoption of such international or EU law, policy or guidance (such reasonable endeavours not to include an obligation on any Government Authority to take legal proceedings to challenge such adoption)), and which the Developer is able to demonstrate to the satisfaction of an English court of competent jurisdiction: (i) imposes a requirement that permanently prevents the Facility from operating; or (ii) is the refusal or the failure to give approval, for a period in excess of twenty-four (24) Months, to a request for consent to any re-start of the Facility, (each, a **"Shutdown Event"**) unless, in any such case, the Shutdown Event was for reasons:

(i) relating to or in connection with matters of health, safety, security, environment, transport or damage to property affecting (directly or indirectly): (1) the Facility or the capture of CO_2 therefrom; (2) the Developer; (3) the land on which the Facility is situated; or (4) the management of any of (1) to (3);

(ii) arising out of, in connection with, or resulting from the negligence, breach or fault of, or a failure to act in accordance with the Reasonable and Prudent Standard by, the Developer or any of its Representatives, where at the time of the Shutdown Event it was justifiable in the circumstances to prevent the operation, or refuse to consent to any re-start, of the Facility; or

(iii) relating to any decision by any Subsidy Control Competent Authority in respect of the application of the Subsidy Control Rules in the GGR Contract or CCUS Programme GGR Contracts (including the annulment, invalidation, revocation, modification, suspension or replacement of any prior decision pursuant to such rules);

"RCE-Adjusted Net Removal Capacity Estimate" has the meaning given to that term in Condition 5.1(A)(ii) (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"RCE Deadline" has the meaning given to that term in Condition 5.1 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"RCE Notice" has the meaning given to that term in Condition 5.1 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"RCE Response Notice" has the meaning given to that term in Condition 5.4 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"RCE Supporting Information" has the meaning given to that term in Condition 5.4(C) (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*);

"Reasonable and Prudent Standard" means the standard of a person seeking in good faith to comply with its contractual obligations and, in so doing and in the general conduct of its undertaking, exercising that degree of skill, diligence, prudence and foresight that would reasonably and ordinarily be expected from a skilled and experienced person complying with all applicable Laws, Directives, Industry Documents and Required Authorisations and engaged in the same type of undertaking under the same or similar circumstances and conditions;

"Reconciliation Amount(s)" means a GGR Difference Reconciliation Amount(s) and/or a T&S Reconciliation Amount(s) (as applicable);

"Reduced Output Period" has the meaning given to that term in Condition 40.3;

"Reference CPI" means the most recently published CPI;

"Reference Price" has the meaning given to that term in Condition 9.2 (*Reference Price calculation*);

"Registered Capacity" has the meaning given to that term in the CCS Network Code;

"Relevant Construction Event" means a Construction Event:

(A) of which no Developer acting in accordance with the Reasonable and Prudent Standard and having made all due and careful enquiries would have been aware, and of which the Developer was not aware, at the Agreement Date; and

(B) which renders the development, completion, construction or commissioning of the Facility to meet the Net Removal Capacity Estimate uneconomic;

"Relief Event Billing Period" has the meaning given to that term in Condition 14.1(A) (*Capture Outage Relief Events*);

"Relief Event Reporting Unit" has the meaning given to that term in Condition 14.1(A) (*Capture Outage Relief Events*);

"Replacement Collateral Notice" has the meaning given to that term in Condition 52.3 (*Notification of collateral requirement*);

"Replacement Collateral Repayment Date" means, in circumstances in which any Payment Failure occurs after the date of a Collateral Posting Notice but before the Initial Collateral Repayment Date specified in such notice, the date falling twelve (12) Months after the last Day of the NPA Payment Cure Period applicable to the Developer Net Payable Amount to which such Payment Failure relates;

"Reporting Obligations Audit Notice" has the meaning given to that term in Condition 3.18 (*Reporting Obligations Audit Right*);

"Reporting Obligations Audit Right" has the meaning given to that term in Condition 3.17 (*Reporting Obligations Audit Right*);

"Reporting Unit" means each day occurring during the Term on or after the Start Date, starting at 00:00 and ending at 23:59 on the same day;[72]

"Representatives" means:

(A) in respect of the GGR Contract Counterparty:

(i) its directors, officials, officers, employees, agents, consultants and advisers; and

(ii) the GGR Contract Settlement Services Provider and its directors, officers, employees, agents, consultants and advisers;

(B) in respect of the Developer:

(i) its directors, officers or employees;

(ii) any of its Contractors, agents, consultants and advisers which are engaged in connection with the Project, the GGR Contract or any other GGR Document; and

(iii) the directors, officers, employees, agents, consultants and advisers of any of its Contractors which are engaged in connection with the Project, the GGR Contract or any other GGR Document;

(C) in respect of any Government Entity, its directors, officials, officers, employees, agents, consultants and advisers; or

(D) in respect of any other person, its directors, officers, officials, employees, agents, consultants and advisers;

"Requested Milestone Supporting Information" has the meaning given to that term in Condition 4.3(B) (*Milestone Requirement Notice*);

"Request for Information" means:

(A) a request for information (as such term is defined in section 8 of the FoIA);

(B) a request that environmental information (as such term is defined in the EIR) be made available pursuant to the EIR; or

(C) any apparent request for information under the FoIA or the EIR;

"Required Authorisation" means, in relation to the Developer, each authorisation, licence, accreditation, permit, consent, certificate, resolution, clearance, exemption, order confirmation, permission or other approval of or from any Competent Authority required at such time to enable the Developer to perform and comply with its obligations under the GGR Contract, the other GGR Documents, the Grant Funding Agreement and the Project;

"Required CiAL Amendment" means any such amendment or supplement to the GGR Contract which is, as a direct result of a Change in Applicable Law being implemented, occurring or becoming effective, necessary to ensure that the Required CiAL Amendment Objectives are met (provided that any such amendment or supplement shall not affect either: (i) the commercial intent of the GGR Contract; or (ii) the overall balance of risk, rights and obligations between the Parties, in each case as provided for in the GGR Contract);

72 **Note to Reader:** This definition is subject to further consideration by DESNZ.

"Required CiAL Amendment Objectives" means that: (i) the GGR Contract continues in force; and (ii) no provision of the GGR Contract is rendered illegal, invalid, unenforceable or inoperable;

"Required Net Removal Capacity" means [ninety per cent. (90%)][73] of the Net Removal Capacity Estimate;

"Reserve Account" means a bank account in the United Kingdom specified by the GGR Contract Counterparty in a Collateral Posting Notice and to which Acceptable Collateral (in the form of cash) is to be transferred;

"Resolution Period" has the meaning given to that term in Condition 55.1(A) (*Resolution by Senior Representatives*);

"Respondent" has the meaning given to that term in Condition 56.3 (*Expert Determination Procedure*);

"Response Submission" has the meaning given to that term in Condition 56.6(C) (*Expert Determination Procedure*);

"Restricted Share Transfer" means any Change of Ownership to any person who:

(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;

(C) has failed to comply with material obligations relating to the payment of Taxes or social security contributions;

(D) is listed on the Sanctions List, or is owned or controlled, directly or indirectly, by an person listed on the Sanctions List;

(E) is violating any Sanctions Laws applicable to it;

(F) is located, organised or resident in a country which is the subject of Sanctions by any Sanctions Authority; or

(G) is a governmental agency, authority or body or state-owned enterprise of any country which is the subject of Sanctions by any Sanctions Authority;

"Revised Developer QCiL Information" has the meaning given to that term in Condition 39.10(B) (*Developer QCiL Notice*);

"Revised Developer QCiL Response Information" has the meaning given to that term in Condition 39.5(B) (*Developer QCiL Response Notice*);

"Revised Developer QCiL True-Up Information" has the meaning given to that term in Condition 42.10(B) (*Developer QCiL True-Up Notice*);

"Revised Developer QCiL True-Up Response Information" has the meaning given to that term in Condition 42.5(B) (*Developer QCiL True-Up Response Notice*);

---

73 **Note to Reader:** This definition is subject to further review and development by DESNZ.

"Revised Developer T&S Connection Delay True-Up Information" has the meaning given to that term in Condition 3.58(B) (*Developer T&S Connection Delay True-Up Notice*);

"Revised Developer T&S Connection Delay True-Up Response Information" has the meaning given to that term in Condition 3.53(B) (*Developer T&S Connection Delay True-Up Response Notice*);

"Revised NRCE" has the meaning given to that term in Condition 6.1(A)(ii) (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*);

"Revised Offtake Compliance Audit" has the meaning given to that term in Condition 34.6(D)(ii)(b) (*Developer FMV and Offtake Compliance Obligations*);

"Revised Offtake Review Notice" has the meaning given to that term in Condition 34.6(D)(ii)(a) (*Developer FMV and Offtake Compliance Obligations*);

"Routine T&S Meter GGR Technical Audit" has the meaning given to that term in paragraph 2 (*Definitions*) of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"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;

"Scheduled T&S Termination Staged Payment" has the meaning given to that term in Condition 49.6(C) (*Consequences of T&S Prolonged Unavailability Event termination*);

"Second Payment Failure Notice" has the meaning given to that term in Condition 52.1 (*Notification of collateral requirement*);

"Secretary of State" means the Secretary of State for Energy Security and Net Zero, acting in that capacity unless otherwise expressly stated or the context otherwise requires;

"Section 36 Consent" means a consent under section 36 of the Electricity Act 1989;

"Security Measures" shall have the meaning given to that term in Condition 74.1(B) (*Cyber Security*);

"Senior Representative" means a senior employee or officer selected by a Party to represent it in relation to Condition 55 (*Resolution by Senior Representatives*);

"Senior Representatives Settlement" has the meaning given to that term in Condition 55.1(A) (*Resolution by Senior Representatives*);

"Service Agent" has the meaning given to that term in the GGR Agreement (but only if Condition 86 (*Agent for service of process*) is expressed to apply to the GGR Contract in the GGR Agreement);

"Service Document" means a claim form, application notice, order, judgment or other document relating to any Proceedings;

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

"Solvent Supply Agreement" means any agreement entered into between the Developer and a supplier in relation to the sale and purchase of solvent which is to be used for the purposes of capturing CO_2 at the Facility;

"Sorbent Supply Agreement" means any agreement entered into between the Developer and a supplier in relation to the sale and purchase of sorbent which is to be used for the purposes of capturing CO_2 at the Facility;

"Specific Change in Law" means a Change in Law the terms of which specifically (and not merely indirectly or consequentially or by virtue of the disproportionate effect of any Change in Law that is of general application) apply to:

(A) greenhouse gas removal facilities which deploy the same GGR Technology as the Facility GGR Technology or the production from, or the production-related processes carried out at, such facilities required for the production of GGR Credits, and not to other greenhouse gas removal facilities, or the production from, or the production-related processes carried out at, any such facilities;

(B) greenhouse gas removal facilities the output of which is subject to a GGR Contract or the production from or the production-related processes carried out at such facilities required for the production of GGR Credits, and not to other greenhouse gas removal facilities, or the production from, or the production-related processes carried out, at any such facilities;

(C) greenhouse gas removal facilities which deploy the same GGR Technology as the Facility GGR Technology and the output of which is subject to a GGR Contract or the production from, or any production-related processes carried out at, such facilities required for the production of GGR Credits, and not to other greenhouse gas removal facilities or the production from, or production-related processes carried out at, such other facilities; or

(D) the holding of shares in companies, the membership of partnerships, limited partnerships or limited liability partnerships, the participation in joint ventures (whether or not incorporated) or the holding of any other economic interest, including by way of debt, in each case whether directly or indirectly, in any undertaking whose main business is the development, construction, operation and maintenance of the greenhouse gas removal facilities referred to in paragraph (A) to (C) above and not to other greenhouse gas removal facilities;

"Specified Expiry Date" means the fifteenth (15th) anniversary of the earlier of the Start Date and the last Day of the Target Commissioning Window;

"Standard and Poor's" means Standard & Poor's Ratings Service, a division of the McGraw-Hill Companies, Inc., and any successor thereto;

"Start Date" has the meaning given to that term in Condition 3.23 (*Notification of Start Date*);

"Start Date Notice" has the meaning given to that term in Condition 3.22 (*Notification of Start Date*);

"Storage Rate Breach Deadline" means the date which falls eighteen (18) Months after the date of a Storage Rate Breach Notice, as such date may be extended Day for Day for each Day that the Developer is delayed in achieving a Storage Rate Breach Rectification by reason of:

(A) a Force Majeure in respect of which the Developer is the FM Affected Party but only to the extent that the Developer has satisfied the requirements and conditions of Condition 66 (*Force Majeure*) to be entitled to such extension; or

(B) a Capture Outage Relief Event which directly affects the ability of the Developer to achieve a Storage Rate Breach Rectification;

"Storage Rate Breach Notice" has the meaning given to that term in Condition 27.2 (*Notification of Minimum CO_2 Storage Rate Obligation breach*);

"Storage Rate Breach Rectification" has the meaning given to that term in Condition 27.3(A) (*Response to notification of Minimum CO_2 Storage Rate Obligation breach*);

"Storage Rate Breach Rectification Plan" means a plan developed by the Developer and submitted to the GGR Contract Counterparty pursuant to Condition 27.5 (*Rectification of Minimum CO_2 Storage Rate Obligation breach*) setting out the Developer's proposed actions and milestones (and proposed deadlines for completing such actions and milestones) in order to rectify a breach of the Minimum CO_2 Storage Rate Obligation and achieve a Storage Rate Breach Rectification;

"Storage Rate Breach Rectification Plan Deadline" has the meaning given to that term in Condition 27.5 (*Rectification of Minimum CO_2 Storage Rate Obligation breach*);

"Storage Rate Breach Rectification Plan Minimum Requirements" means the minimum required content of the Storage Rate Breach Rectification Plan in relation to a Minimum CO_2 Storage Rate Breach to be provided by the Developer to the GGR Contract Counterparty pursuant to Condition 27.6 (*Rectification of Minimum CO_2 Storage Rate Obligation breach*) which shall include, but shall not be limited to, the following:

(A) the key steps the Developer proposes to take to rectify the breach of the Minimum CO_2 Storage Rate Obligation and achieve a Storage Rate Breach Rectification and the proposed dates by which such key steps will be completed;

(B) the key milestones the Developer proposes to achieve to rectify the breach of the Minimum CO_2 Storage Rate Obligation and achieve a Storage Rate Breach Rectification and the proposed deadlines by which such key milestones will be achieved; and

(C) the date by which the Developer considers that it will be able to achieve a Storage Rate Breach Rectification;

"Storage Rate Breach Rectification Review Notice" has the meaning given to that term in Condition 27.6 (*Rectification of Minimum* CO_2 *Storage Rate Obligation breach*);

"Storage Rate Breach Response Notice" has the meaning given to that term in Condition 27.3 (*Response to notification of Minimum CO_2 Storage Rate Obligation breach*);

"Storage Rate Termination Event" means an event as set out in Condition 27.9 (*Failure to rectify Minimum CO_2 Storage Rate Obligation breach*);

"Strike Price" means the Initial Strike Price, as may be amended from time to time in accordance with the GGR Contract;

"Strike Price Adjustment" means any adjustment to any Strike Price Component effected pursuant to and in accordance with the GGR Contract, including: (i) a QCiL Strike Price Adjustment; (ii) a QCiL True-Up Strike Price Adjustment; (iii) a Strike Price Indexation

Adjustment; (iv) a Capex Strike Price Indexation Adjustment; or (v) an NVCSP Indexation Adjustment;

"Strike Price Adjustment Calculation Period" has the meaning given to that term in Condition 8 (*Definitions: Part 5*) of Part 5 (*Payment Calculations*);

"Strike Price Component" means:

(A) in respect of any QCiL Compensation, the QCiL Strike Price Component;

(B) in respect of any Strike Price Indexation Adjustment, the Strike Price;

(C) in respect of any Capex Strike Price Indexation Adjustment, the Capex Strike Price; and

(D) in respect of any NVCSP Indexation Adjustment, the Non-Variable Costs Strike Price;

"Strike Price Indexation Adjustment" has the meaning given to that term in Condition 13.1 (*Strike Price Indexation Adjustment*);

"Strike Price Indexation Anniversary" has the meaning given to that term in Condition 13.2 (*Strike Price Indexation Adjustment*);

"Subsidy" shall have the meaning given to the term **"subsidy"** in the Subsidy Control Act 2022;

"Subsidy Control Competent Authority" means either or both of the Competition Appeal Tribunal and the Competition and Markets Authority and any successor to any of their respective functions in respect of subsidy control;

"Subsidy Control Declaration Date" means the date the Developer submits an OCP Notice in respect of the Subsidy Control Declaration Operational CP or, where the GGR Contract Counterparty subsequently agrees to waive the Subsidy Control Declaration Operational CP in accordance with Condition 3.72, the date the Developer requests a waiver of the Subsidy Control Declaration Operational CP;

"Subsidy Control Declaration Operational CP" means the Operational Condition Precedent set out in paragraph 6 (*Subsidy Control Declaration Operational CP*) of Part B of Annex 1 (*Conditions Precedent*);

"Subsidy Control Rules" means: (i) any subsidy control provisions in Law or having legally binding effect in the United Kingdom; and (ii) any relevant decisions or judgments of a Subsidy Control Competent Authority;

"Subsidy Interest Rate" has the meaning given to that term in Condition 31.13(B) (*Subsidy Interest*);

"Supply Chain Report" means a report prepared by the Developer and submitted to the GGR Contract Counterparty pursuant to Condition 30.1 (*Supply Chain Report*), which shall be substantially in the form attached at Annex 7 (*Form of Supply Chain Report*);

"Supply Chain Report Deadline" has the meaning given to that term in Condition 30.1 (*Supply Chain Report*);

"Supply Chain Report Fees" means the following amounts payable by the Developer to the GGR Contract Counterparty pursuant to Condition 30.6 (*Payment of Supply Chain Report Fees*):

(A) the sum of one thousand pounds sterling (£1,000), which shall be due and payable by the date which falls ten (10) Business Days after the date of the relevant Supply Chain Report Response Notice;

(B) the sum of one thousand pounds sterling (£1,000), which shall be due and payable by the date which falls one (1) Month and ten (10) Business Days after the date of the relevant Supply Chain Report Response Notice;

(C) the sum of one thousand pounds sterling (£1,000), which shall be due and payable by the date which falls two (2) Months and ten (10) Business Days after the date of the relevant Supply Chain Report Response Notice;

(D) the sum of two thousand five hundred pounds sterling (£2,500), which shall be due and payable by the date which falls three (3) Months and ten (10) Business Days after the date of the relevant Supply Chain Report Response Notice; and

(E) the sum of five thousand pounds sterling (£5,000), which shall be due and payable by the date which falls four (4) Months and ten (10) Business Days after the date of the relevant Supply Chain Report Response Notice, with the same amount to then be due and payable each subsequent Month thereafter;

"Supply Chain Report Response Notice" has the meaning given to that term in Condition 30.4 (*Supply Chain Report*);

"Supporting Information" means any and all calculations, confirmations, data, documentation, evidence (including experts' reports), explanations, information, measurements, readings, reports (including experts' reports), representations and statements (whether in written or documentary form);

"T&S Billing Statement" has the meaning given to that term in Condition 17.11 (*Delivery of T&S Billing Statement*);

"T&S Bypass Stack(s)" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Capacity" means the Developer's Registered Capacity multiplied by the total number of hours in the relevant Day (*expressed in tCO_{2RS}/Day*);

"T&S Capacity Charge" means the CO_2 transport and storage capacity charge in respect of the T&S Capacity (*expressed in pounds (£)*) payable for each Day (*i*) calculated as follows:

(A) if the Developer is a T&S Onshore User:

$$TSCC_i = (TSONCR_i * TSC_i) + (TSOFFCR_i * TSC_i)$$

(B) if the Developer is a T&S Offshore User:

$$TSCC_i = TSOFFCR_i * TSC_i$$

where:

$TSCC_i$	=	the T&S Capacity Charge (*£*) for the relevant Day (*i*)
$TSONCR_i$	=	the T&S Onshore Capacity Charge Rate (*£/tCO_{2RS}/Day*) for the relevant Day (*i*)

TSC_i	=	the T&S Capacity (tCO_{2RS}/Day) for the relevant Day (i)
$TSOFFCR_i$	=	the T&S Offshore Capacity Charge Rate ($£/tCO_{2RS}/Day$) for the relevant Day (i)

in each case, provided that if, at any time during any T&S Charging Year:

$$\sum_{i=1}^{n} TSC_i > (MTSC \times n) \times Tol$$

where:

TSC_i	=	the T&S Capacity (tCO_{2RS}/Day) for each relevant Day (i) in the relevant T&S Charging Year
$MTSC$	=	the Maximum T&S Capacity (tCO_{2RS}/Day)
n	=	is the number of Days (i) in the relevant T&S Charging Year
Tol	=	the tolerance applied, in this case one hundred and ten per cent (110%),

then all further CO_2TSCC_i amounts in that T&S Charging Year shall be zero (0);

"T&S Cessation Event" means the occurrence of any one of the following:

(A) a notice of discontinuation is issued by the Secretary of State to the relevant T&S Operator pursuant to a discontinuation agreement entered into between the relevant T&S Operator and the Secretary of State; or

(B) the relevant T&S Operator's licence to operate the relevant T&S Network is: (i) revoked; and (ii) is not transferred to a substitute T&S Operator, such that the relevant T&S Network ceases to operate or the Developer is no longer able to connect to that T&S Network;

"T&S Charges" means the T&S Flow Charge, the T&S Capacity Charge and the T&S Network Charge;[74]

"T&S Charges Amount" has the meaning given to that term in Condition 15.2 (*CO_2 Charges Amount calculation*);

"T&S Charging Year" means the period from 1 April in any calendar year until and including 31 March in the following calendar year;

"T&S Commissioning Delay Event" means an event or circumstance which occurs prior to the Start Date (excluding a T&S Outage Event or a T&S Planned Outage) that prevents or delays the development, construction, completion, commissioning and/or operation of the relevant T&S Network and as a result prevents or delays the Capture Plant from exporting captured CO_2 Rich Stream to the relevant T&S Network (except to the extent that such event or circumstance arises out of or in connection with an act, omission breach or default of the Developer or its Representatives, including any breach by the Developer or its Representatives of an Industry Document). This includes but is not limited to the failure of the relevant T&S Operator to carry out in a timely manner:

[74] **Note to Reader:** This definition is subject to further review as the CCS Network Code develops.

(A) any connection works specified in the T&S Construction Agreement; or

(B) any required works to the relevant T&S Network in order for the Capture Plant to export captured CO_2 Rich Stream to the relevant T&S Network;

"T&S Compensatory Interest" means the interest that is due and payable at the T&S Compensatory Interest Rate in accordance with Condition 17.15 (*Calculation of T&S Compensatory Interest Amount*);

"T&S Compensatory Interest Amount" has the meaning given to that term in Condition 17.15 (*Calculation of T&S Compensatory Interest Amount*);

"T&S Compensatory Interest Rate" has the meaning given to that term in Condition 17.15 (*Calculation of T&S Compensatory Interest Amount*);

"T&S Composition Analysis Equipment" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Composition Analysis Measurement Period" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Connection Agreement" means the agreement between the relevant T&S Operator and the Developer relating to the export of captured CO_2 Rich Stream to the relevant T&S Network by the Developer;

"T&S Connection Confirmation CP" has the meaning given to that term in paragraph 3(D) of Part B of Annex 1 (*Conditions Precedent*);

"T&S Connection Delay Compensation" means, in relation to a T&S Commissioning Delay Event, all out-of-pocket costs which are irrecoverable and unavoidable by the Developer acting in accordance with the Reasonable and Prudent Standard and which have been, will be or are reasonably likely to be incurred on or after the Agreement Date in respect of the Project by the Developer arising directly from such T&S Commissioning Delay Event occurring, provided that such costs shall exclude:

(A) all costs incurred by the Developer for which the Developer receives a Monthly TCDE Relief Amount;

(B) all costs incurred by the Developer under its Offtake Agreements;

(C) all costs associated with the Developer's financing arrangements in respect of the Project (including all interest incurred in respect of the Developer's financing arrangements);

(D) all additional capital costs incurred by the Developer, other than capital costs that are required to preserve, maintain and recommission the Project; and/or

(E) any loss, damage, cost or other expense to the extent that the same does not arise naturally from the T&S Commissioning Delay Event and cannot reasonably be supposed to have been in the contemplation of the Parties at the Agreement Date as the probable result of such T&S Commissioning Delay Event, or 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 Developer in respect of the T&S Commissioning Delay Event;

"T&S Connection Delay Compensation Notice" has the meaning given to that term in Condition 3.42 (*T&S Connection Delay Compensation and Monthly TCDE Relief Amount*);

"T&S Connection Delay Compensation Payment Notice" has the meaning given to that term in Condition 3.46 (*T&S Connection Delay Compensation and Monthly TCDE Relief Amount*);

"T&S Connection Delay Relief Compensatory Interest Amount" has the meaning given to that term in Condition 3.49 (*T&S Connection Delay Relief Compensatory Interest*);

"T&S Connection Delay Relief Compensatory Interest Rate" has the meaning given to that term in Condition 3.49 (*T&S Connection Delay Relief Compensatory Interest*);

"T&S Connection Delay True-Up Compensation" means the adjustment to the T&S Connection Delay Compensation which is necessary to reflect the T&S Connection Delay True-Up Information;

"T&S Connection Delay True-Up Information" has the meaning given to that term in Condition 3.50 (*GGR Contract Counterparty T&S Connection Delay True-Up Notice*);

"T&S Connection Delay True-Up Response Information" has the meaning given to that term in Condition 3.51 (*Developer T&S Connection Delay True-Up Response Notice*);

"T&S Connection Delay True-Up Supporting Information" has the meaning given to that term in Condition 3.56 (*Developer T&S Connection Delay True-Up Notice*);

"T&S Construction Agreement" means the agreement between the relevant T&S Operator and the Developer relating to the construction of infrastructure connecting the Capture Plant to the relevant T&S Network at the T&S Network Delivery Point(s);

"T&S Delivery Point Size" means, in relation to each T&S Network Delivery Point, the maximum throughput of CO_2 at that T&S Network Delivery Point as set out in the T&S Connection Agreement multiplied by the total number of hours in the relevant Day (*expressed in* tCO_{2RS}/Day);

"T&S Flow Charge" means the CO_2 transport and storage flow charge in respect of the Metered CO_2 Rich Stream Output to T&S (*expressed in pounds (£)*) for each Day (*i*) calculated as follows:[75]

(A) if the Developer is a T&S Onshore User:

$$TSFC_i = \left(TSONFR_i * CO2RICH_{out\_T\&S,i}\right) + \left(TSOFFFR_i * CO2RICH_{out\_T\&S,i}\right)$$

(B) if the Developer is a T&S Offshore User:

$$TSFC_i = TSOFFFR_i * CO2RICH_{out\_T\&S,i}$$

where:

$TSFC_i$	=	the T&S Flow Charge (*£*) for the relevant Day (*i*)
$TSONFR_i$	=	the T&S Onshore Flow Charge Rate ($£/tCO_{2RS}$) for the relevant Day (*i*)
$CO2RICH_{out\_T\&S,i}$	=	the Metered CO_2 Rich Stream Output to T&S (tCO_{2RS}) for the relevant Day (*i*)

[75] **Note to Reader:** This formula is subject to further review and development by DESNZ.

$TSOFFFR_i$ = the T&S Offshore Flow Charge Rate (*£/tCO$_{2RS}$*) for the relevant Day (*i*)

"T&S Flow Meter(s)" means one (1) or more flow meter(s) (including ancillary instrumentation) for measuring the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S located at the T&S Network Metering Point(s);

"T&S Flow Rate" means the CO_2 flow rate (*expressed in tCO$_2$/h*) from the Facility to the relevant T&S Network and which is:

(A) determined during the OCP Performance Test; and

(B) evidenced pursuant to paragraph 3(C)of Part B of Annex 1 (*Conditions Precedent*);

"T&S Flow Rate Estimate" has the meaning given to that term in the GGR Agreement;

"T&S Measurement Uncertainty Requirement" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Metered Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Metering Equipment" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Metering Specification" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter GGR Technical Audit" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Invalid Reporting Unit" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Invitee" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement System" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement System Material Change" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement System Technical Details" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement System Technical Specification" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement Uncertainty Assessment" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Primary Composition Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Primary Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Primary Flow and Time Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Proving Test" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Proving Test Notice" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Proving Test Response Notice" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Proving Test Supporting Information" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Secondary Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Technical Assurance" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Technical Assurance Agent" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Tertiary Data" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Net Payable Amount" has the meaning given to that term in Condition 17.16 (*Calculation of T&S Net Payable Amount*);

"T&S Network" means a network including, but not limited to:

(A) pipelines used for the transportation of captured CO_2 Rich Stream from one (1) or more capture plant(s) to a storage facility or to or from any captured CO_2 Rich Stream pipeline network; and

(B) storage facilities for the permanent storage of captured CO_2 Rich Stream,

owned or operated by a T&S Operator within the United Kingdom, which may include onshore and offshore components and which, for the avoidance of doubt, shall not include any pipelines, routes or storage facilities for CO_2 Utlilisation;

"T&S Network Analysis Point(s)" means the point(s) at which the CO_2 concentration in the CO_2 Rich Stream routed from the Capture Plant to the T&S Network is measured by the T&S Composition Analysis Equipment, as set out in the schematic diagram delivered to the GGR Contract Counterparty in accordance with [●];

"T&S Network Availability Date" has the meaning given to that term in Condition 3.65(A) (*T&S Connection Confirmation CP*);

"T&S Network Availability Notice" has the meaning given to that term in Condition 3.65 (*T&S Connection Confirmation CP*);

"T&S Network Availability Proposer" has the meaning given to that term in Condition 3.66 (*T&S Connection Confirmation CP*);

"T&S Network Availability Respondent" has the meaning given to that term in Condition 3.66 (*T&S Connection Confirmation CP*);

"T&S Network Availability Response Notice" has the meaning given to that term in Condition 3.66 (*T&S Connection Confirmation CP*);

"T&S Network Charge" means the CO_2 transport and storage network charge in respect of the T&S Delivery Point Size (*expressed in pounds (£)*) for each Day (*i*) calculated as follows:[76]

(A) if the Developer is a T&S Onshore User:

$$TSNC_i = (TSONNCR_i * TSDPS_i) + (TSOFFNCR_i * TSDPS_i)$$

(B) if the Developer is a T&S Offshore User:

$$TSNC_i = TSOFFNCR_i * TSDPS_i$$

where:

$TSNC_i$	=	the T&S Network Charge (*£*) for the relevant Day *(i)*
$TSONNCR_i$	=	the T&S Onshore Network Charge Rate (*£/tCO₂RS/Day*) for the relevant Day (*i*)
$TSDPS_i$	=	the T&S Delivery Point Size (*tCO₂RS/Day*) for the relevant Day (*i*)
$TSOFFNCR_i$	=	the T&S Offshore Network Charge Rate (*£/tCO₂RS/Day*) for the relevant Day (*i*)

"T&S Network Delivery Point(s)" has the meaning given to that term in the GGR Agreement;

"T&S Network Metering Point(s)" means the point(s) at which the flow rate of CO_2 entering the relevant T&S Network from the Capture Plant is measured by the T&S Flow Meter(s), as set out in the schematic diagram delivered to the GGR Contract Counterparty in accordance with paragraph 5 (*Metering Schematics*) of Part B (*Operational Conditions Precedent*) of Annex 1 (*Conditions Precedent*);

"T&S Offshore Capacity Charge Rate" means the CO_2 transport and storage offshore capacity charge rate for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement multiplied by the total number of hours in the relevant Day (*expressed in £/tCO_{2RS}/Day*);

"T&S Offshore Flow Charge Rate" means the CO_2 transport and storage offshore flow charge rate for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement (*expressed in £/tCO_{2RS}*);

"T&S Offshore Network Charge Rate" means the CO_2 transport and storage offshore network charge rate for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement multiplied by the total number of hours in the relevant Day (*expressed in £/tCO_{2RS}/Day*);

76 **Note to Reader:** This formula is subject to further review and development by DESNZ.

"T&S Offshore Transportation and Storage System" has the meaning given to the term **"Offshore Transportation and Storage System"** in the CCS Network Code;

"T&S Offshore User" means a Developer with a T&S Network Delivery Point which connects directly to the relevant T&S Network at the T&S Offshore Transportation and Storage System;

"T&S Onshore Capacity Charge Rate" means the CO_2 transport and storage onshore capacity charge rate for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement multiplied by the total number of hours in the relevant Day (*expressed in £/tCO$_{2RS}$/Day*);

"T&S Onshore Flow Charge Rate" means the CO_2 transport and storage onshore flow charge rate (*expressed in £/tCO$_{2RS}$*) for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement;

"T&S Onshore Network Charge Rate" means the CO_2 transport and storage onshore network charge rate for the relevant T&S Charging Year as set out in the relevant Use of System Charging Statement multiplied by the total number of hours in the relevant Day (*expressed in £/tCO$_{2RS}$/Day*);

"T&S Onshore Transportation System" has the meaning given to that term in the CCS Network Code;

"T&S Onshore User" means a Developer with a T&S Network Delivery Point which connects directly to the relevant T&S Network at the T&S Onshore Transportation System;

"T&S Operator" means a licensed company operating and maintaining a T&S Network;

"T&S Outage Event" means an event or circumstance affecting the relevant T&S Network (excluding a T&S Commissioning Delay Event or a T&S Cessation Event), that prevents the Capture Plant from accessing the full entry capacity to the relevant T&S Network that the Developer has reserved under the T&S Connection Agreement for a period equal to or exceeding one (1) day (which, for the avoidance of doubt, shall include a Full T&S Outage Event);

"T&S Planned Outage" means a T&S Outage Event that has been scheduled in advance by the relevant T&S Operator to carry out Programmed Maintenance (as defined in the CCS Network Code);

"T&S Planned Outage End Notification" has the meaning given to that term in Condition 29.1(B) (*Notification of T&S Planned Outages*);

"T&S Planned Outage Notification Obligation(s)" has the meaning given to that term in Condition 29.1 (*Notification of T&S Planned Outages*);

"T&S Planned Outage Notifications" has the meaning given to that term in Condition 29.1(B) (*Notification of T&S Planned Outages*);

"T&S Planned Outage Start Notification" has the meaning given to that term in Condition 29.1(A) (*Notification of T&S Planned Outages*);

"T&S Prolonged Unavailability Event" means:

(A) a T&S Commissioning Delay Event which has been continuing for a continuous period of at least six (6) months;

(B) a Full T&S Outage Event which has not arisen out of or in connection with any act, omission, breach or default by the Developer or its Representatives (including any breach by the Developer or its Representatives of any Industry Document) and which has been continuing for a continuous period of at least six (6) months; or

(C) a T&S Cessation Event;

"T&S Prolonged Unavailability Event Notice" has the meaning given to that term in Condition 48.8 (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Event Tax" means any Tax other than any Tax on gross or net Income, Profits or Gains;

"T&S Prolonged Unavailability Event Tax Liability" means:

(A) a liability of the Developer to make an actual payment of a T&S Prolonged Unavailability Event Tax to a tax authority; and

(B) the loss to the Developer of, or a reduction to the Developer in the amount of, a right to repayment of Tax to which it would otherwise be entitled but for such amount being set off against any liability of the Developer to make an actual payment of T&S Prolonged Unavailability Event Tax;

"T&S Prolonged Unavailability Further Response Notice" has the meaning given to that term in Condition 48.12(B)(ii) (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Procedure Obligation" has the meaning given to that term in Condition 48.16 (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*);

"T&S Prolonged Unavailability Remediation Deadline" has the meaning given to that term in paragraph 48.8(B)(i)(b) (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Response Notice" has the meaning given to that term in Condition 48.9 (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Review Notice" has the meaning given to that term in Condition 48.11 (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Termination Date" has the meaning given to that term in Condition 48.22 (*Termination for T&S Prolonged Unavailability Event*);

"T&S Prolonged Unavailability Termination Event" means where:

(A) subject to limbs (B), (C) and (D), a T&S Prolonged Unavailability Event has not been remedied by the T&S Prolonged Unavailability Remediation Deadline;

(B) Condition 48.9(A)(iv) applies, a Developer has delivered evidence to the satisfaction of the GGR Contract Counterparty that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Reason;

(C) Condition 48.13 applies, the GGR Contract Counterparty rejects a draft Alternative T&S Network Solution Plan pursuant to Condition 48.13(C)(iv) unless the Developer submits an amended draft Alternative T&S Network Solution Plan pursuant to Condition 48.14(B); or

(D) Condition 48.13(C)(i) applies but no earlier than the T&S Prolonged Unavailability Remediation Deadline, and subject to Condition 48.25, the Developer fails to commence and continue to implement an Approved Alternative T&S Network Solution Plan in accordance with its terms in order to remedy a T&S Prolonged Unavailability Event (notwithstanding that the T&S Prolonged Unavailability Event has not been remedied by the T&S Prolonged Unavailability Remediation Deadline);

"T&S Prolonged Unavailability Termination Notice" has the meaning given to that term in Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*);

"T&S Reconciliation Amounts" has the meaning given to that term in Condition 17.14 (*Calculation of T&S Reconciliation Amounts*);

"T&S Reconciliation Billing Period" has the meaning given to that term in Condition 17.15 (*Calculation of T&S Reconciliation Amounts*);

"T&S Revised Planned Outage Notification" has the meaning given to that term in Condition 29.1(D)(ii) (*Notification of T&S Planned Outages*);

"T&S Rich Stream Measurement Uncertainty Requirement" has the meaning given to that term in paragraph 2 of Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Termination Costs" means all out-of-pocket costs which are irrecoverable and unavoidable by the Developer acting in accordance with the Reasonable and Prudent Standard and which have been, will be or are reasonably likely to be incurred in respect of the Project by the Developer arising directly from such T&S Prolonged Unavailability Event occurring, if and to the extent that such costs constitute:

(A) development and pre-development costs incurred following the Devex Recovery Date in respect of the Capture Plant (including the costs of surveys and environmental impact assessments in respect of the Capture Plant);

(B) decommissioning costs in respect of the Capture Plant;

(C) costs which are wholly attributable to the construction, installation, testing, completion or commissioning of the Capture Plant;

(D) break costs associated with the Developer's contractual arrangements in respect of the Project, provided that such costs are incurred under contracts that have been entered into on arm's-length, reasonable commercial terms; or

(E) break costs associated with the Developer's financing arrangements in respect of the Project,

provided that (i) the aggregate of all costs referred to in paragraphs (A) to (D) shall not exceed the Total Capex Payment; and (ii) such costs shall exclude:

(i) the Total Return Component;

(ii) any T&S Connection Delay Compensation;

(iii) any Monthly TCDE Relief Amount;

(iv) reliefs from or reductions in a T&S Prolonged Unavailability Event Tax Liability;

(v) all costs associated with the Developer's financing arrangements in respect of the Project (including all interest incurred in respect of such financing arrangements) except where expressly specified in paragraph (E) above; and

(vi) all other compensation which has been paid or will be or is reasonably likely to be payable by the Developer in connection with such T&S Prolonged Unavailability Event;

"T&S Termination Payment" means the compensation in respect of a T&S Prolonged Unavailability Event calculated in accordance with Conditions 49.4 to 49.7 (*Consequences of T&S Prolonged Unavailability Event termination*);

"T&S Termination Payment Notice" has the meaning given to that term in Condition 49.3(B) (*Consequences of T&S Prolonged Unavailability Event termination*);

"T&S Termination Response Notice" has the meaning given to that term in Condition 48.23 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*);

"T&S Termination Savings" means, all savings (including avoided out-of-pocket costs and insurance proceeds) which have been, will be or are reasonably likely to be made by the Developer in respect of the Project arising directly from the T&S Prolonged Unavailability Event;

"T&S Termination Staged Payment" has the meaning given to that term in Condition 49.6(A) (*Consequences of T&S Prolonged Unavailability Event termination*);

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

"Target Commissioning Window" means the Initial Target Commissioning Window for the Facility as specified in the GGR Agreement, as such period may be extended Day for Day for each Day of delay to the Project by reason of:

(A) a Force Majeure in respect of which the Developer is the FM Affected Party but only to the extent that the Developer has satisfied the requirements and conditions of Condition 66 (*Force Majeure*) to be entitled to such extension; or

(B) a T&S Commissioning Delay Event but only to the extent that the Developer has satisfied the requirements of Conditions 3.37 to 3.41 (*Relief due to T&S Commissioning Delay Event*) to be entitled to such extension;

"Tax" means any taxes, levies, duties, imposts and any charges, deductions or withholdings in the nature of tax including taxes on gross or net Income, Profits or Gains and taxes on receipts, sales, use, occupation, development, franchise, employment, value added and personal property, together with any penalties, charges and interest relating to any of them;

"TCDE Deadline" has the meaning given to that term in Condition 3.31 (*T&S Connection Confirmation CP Relief*);

"TCDE Notice" has the meaning given to that term in Condition 3.31 (*T&S Connection Confirmation CP Relief*);

"TCDE Relief Amount End Date" has the meaning given to that term in the GGR Agreement;

"TCDE Response Notice" has the meaning given to that term in Condition 3.33 (*T&S Connection Confirmation CP Relief*);

"TCDE Supporting Information" has the meaning given to that term in Condition 3.33(D) (*T&S Connection Confirmation CP Relief*);

"Technical Amendment Agreement" has the meaning given to that term in paragraph 2.10 of Annex 4 (*Change Control Procedure*);

"Technical Amendment Response Notification" has the meaning given to that term in paragraph 2.6(B)(ii) of Annex 4 (*Change Control Procedure*);

"Technical Amendment Response Period" has the meaning given to that term in paragraph 2.6 of Annex 4 (*Change Control Procedure*);

"Technical Compliance Termination Event" means [●];[77]

"Term" has the meaning given to that term in Condition 2.1 (*Term and duration*);

"Termination Event" has the meaning given to that term in Condition 50.1 (*Termination Events*);

"Test Report" has the meaning given to that term in paragraph [●] of Annex 2 (*Testing Requirements*);

"Third Party" has the meaning given to that term in Condition 82.1 (*Third party rights*);

"Third Party Provisions" has the meaning given to that term in Condition 82.1 (*Third party rights*);

"Total Accrued Quantity" has the meaning given to that term in Condition 12.2 (*Automatic Expiry*);

"Total Capex Payment" has the meaning given to that term in the GGR Agreement;

"Total Invoiced Quantity" means:

(A) the aggregate Invoiced Quantities during the relevant Billing Period; and

(B) the quantity of GGR Credits which are not Qualifying GGR Credits (*expressed in* tCO_2), which are sold by the Developer during the relevant Billing Period, as set out in the Payment Information Notice for such Billing Period,

and **"Total Invoiced Quantities"** shall be construed accordingly;

"Total Project Pre-Commissioning Costs" has the meaning given to that term in the GGR Agreement;

"Total Return Component" has the meaning given to that term in the GGR Agreement;

"Transfer" has the meaning given to that term in Condition 78.1 (*Restriction on Transfers*);

"Transferee" has the meaning given to that term in Condition 78.1 (*Restriction on Transfers*);

"Transferring Rights and Obligations" has the meaning given to that term in Condition 78.5(A) (*General provisions relating to permitted transfers*);

[77] **Note to Reader:** This definition is subject to further review and development by DESNZ.

"Treaty" has the meaning given to that term in Article 2(1)(a) of the Vienna Convention on the law of treaties 1969;

"Tribunal" has the meaning given to that term in the FoIA;

"TWA Order" means an order under section 3 of the Transport and Works Act 1992;

"UK Competent Authority" means a Competent Authority of the United Kingdom;

"UK Emissions Trading Scheme" or **"UK ETS"** means the emissions trading scheme in the UK established pursuant to the UK ETS Order;

"UK ETS Order" means The Greenhouse Gas Emissions Trading Scheme Order 2020;

"Ultimate Investor" means any person who:

(A) has Control of an Investor; or

(B) holds any direct or indirect legal, beneficial or equitable interest in twenty-five per cent. (25%) or more of the equity share capital (or other economic interests) of an Investor;

"Union Funding" means any funding from European Union resources (regardless of whether such funding constitutes subsidy or State aid), including funding under the NER 300 and Horizon 2020 programmes;

"Use of System Charging Statement" has the meaning given to that term in the CCS Network Code;

"Valid Reporting Unit" means each Reporting Unit which is not an Invalid Reporting Unit;[78]

"Variable Component of Strike Price" has the meaning given to that term in the GGR Agreement;

"Variable QCiL Operating Costs" means QCiL Operating Costs that vary in accordance with the amount of CO_2 removed by the Facility;

"Variable QCiL Operating Savings" means QCiL Operating Savings that vary in accordance with the amount of CO_2 removed by the Facility;

"Voluntary Scheme" means a scheme, market or process which issues, grants, allocates or attributes GGR Credits and which is voluntary in nature, other than a Compliance Scheme.

"Water Licensed Operator" means: (i) a statutory undertaker appointed; or (ii) the holder of a licence granted, under the Water Industry Act 1991 and/or the Water and Sewerage Services (Northern Ireland) Order 2006 (as applicable); and

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

Interpretation

1.2 Any reference in the GGR Contract to:

---

[78] **Note to Reader:** This definition is subject to further review by DESNZ as the metering provisions are developed and links into the inaccurate data provisions.

(A) (save as provided in (C)) a Law, Directive or other similar enactment or instrument (each, an **"enactment"**) includes references to:

(i) that enactment as amended, supplemented or applied by or pursuant to any other enactment before, on or after the Agreement Date;

(ii) any enactment which re-enacts, restates or replaces (in each case with or without modification) that enactment; and

(iii) any subordinate legislation made (before, on or after the Agreement Date) pursuant to any enactment, including an enactment falling within Condition 1.2(A)(i) or 1.2(A)(ii);

(B) an Industry Document includes references to such Industry Document as amended, supplemented, restated, novated or replaced from time to time;

(C) an internationally or nationally recognised standard includes references to such internationally or nationally recognised standard as amended, supplemented, restated, novated or replaced from time to time,

except, in each case, for the purposes of Part 8 (*Changes in Law*) or where otherwise expressly specified; or

(D) a specific European Union instrument shall not include any amendment, supplement, re-enactment, restatement or replacement of such European Union instrument that:

(i) is made by a Competent Authority of the European Union; and

(ii) is not required to be implemented by, and does not have effect in the United Kingdom by reason of, any Law or otherwise pursuant to an international agreement to which the United Kingdom is a signatory.

1.3 Unless otherwise expressly specified:

(A) any reference in the GGR Contract, any other GGR Document or the Grant Funding Agreement (or in any certificate or other document made or delivered pursuant to the GGR Contract, any other GGR Document or the Grant Funding Agreement) to:

(i) these Conditions shall be deemed to include the Annexes;

(ii) the GGR Agreement shall be deemed to include any schedules or annexes to the GGR Agreement;

(iii) a **"company"** shall be construed as including any corporation or other body corporate, wherever and however incorporated or established;

(iv) the expressions **"holding company"** and **"subsidiary"** shall have the meanings respectively ascribed to them by section 1159 of the Companies Act 2006, the expressions **"parent undertaking"** and **"subsidiary undertaking"** shall have the meanings respectively ascribed to them by section 1162 of the Companies Act 2006 and the expression **"associated undertaking"** shall have the meaning ascribed to it in Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2013 (but for this purpose ignoring paragraph 19(1)(b) of those regulations);

(v) a **"person"** shall be construed as including any individual, firm, company, 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;

(vi) a person shall be construed as including its successors, permitted assignees and permitted transferees and, where a person ceases to exist, any other person to which some or all of its duties, functions, liabilities, obligations, powers or responsibilities may from time to time be transferred;

(vii) an **"agreement"** shall be construed as including any commitment or arrangement, whether legally binding or not, and references to being party to an agreement or having agreed to do anything shall be construed accordingly;

(viii) any agreement or document shall be construed as a reference to that agreement or document as amended, supplemented, restated, novated or replaced from time to time;

(ix) any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official or any legal concept or thing shall in respect of any jurisdiction other than England be treated as including what most nearly approximates in that jurisdiction to the English legal term;

(x) time shall be a reference to time in London, England;

(xi) words in the singular shall be interpreted as including the plural and vice versa;

(xii) in the definition of Qualifying Shutdown Event, the term EU law shall include any assimilated law other than as that body of law is added to or otherwise modified under the EU(W)A 2018 or other domestic law; and

(xiii) the expression **"assimilated law"** shall have the meaning given to that expression in section 6 of the EU(W)A 2018 (as amended by the Retained EU Law (Revocation and Reform) Act 2023);

(B) in construing the GGR Contract, any other GGR Document or the Grant Funding Agreement or any certificate or other document made or delivered pursuant to the GGR Contract, any other GGR Document or the Grant Funding Agreement:

(i) the rule of interpretation known as the ejusdem generis rule shall not apply and, accordingly, general words introduced by the word **"other"** shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and

(ii) general words such as **"including"** and **"without limitation"** shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;

(C) any reference in these Conditions to a **"paragraph"**, **"Condition"**, **"Section"**, **"Part"** or **"Annex"** is a reference to a paragraph, Condition, Section or Part of, or Annex to, these Conditions; and

(D) any reference in the GGR Agreement to a **"paragraph"**, **"Clause"**, **"Section"**, **"Part"** or **"Annex"** is a reference to a paragraph, Clause, Section or Part of, or Annex to, the GGR Agreement.

1.4 These Conditions form part of the GGR Contract and shall have the same force and effect as if expressly set out in the body of the GGR Contract, and any reference to the GGR Contract shall include the Annexes.

1.5 Headings and sub-headings used in the GGR Contract are for ease of reference only and shall not affect the interpretation of the GGR Contract.

1.6 If there is a conflict between:

(A) the main body of these Conditions and any Annex, the main body of these Conditions shall prevail; or

(B) these Conditions and the GGR Agreement, the GGR Agreement shall prevail.

1.7 Condition 1.3(A)(vi) shall apply (without limitation) to any references in the GGR Contract to the Economic Regulator, the Environment Agencies and the Secretary of State.

Symbols and currency

1.8 Any reference in these Conditions to **"£"** or **"pounds"** or **"Sterling"** is to the lawful currency of the United Kingdom.

1.9 Any reference in these Conditions to **"tCO_2"** is to tonnes of carbon dioxide, **"tCO_{2RS}"** is to tonnes of carbon dioxide rich stream and to **"tCO_2e"** is to tonnes of carbon dioxide equivalent.

1.10 Any value referenced in the GGR Contract as being expressed as a percentage (%) is to be expressed as a decimal fraction for the purposes of any calculations.

No interest in the Facility

1.11 Nothing in the GGR Contract is intended to create, or shall create, a legal or beneficial interest in the Facility or the Project in favour of any person other than the Developer.

Part 2
Term

2. **TERM**

Term and duration

2.1

(A)

(i) Subject to Condition 3 (*Conditions Precedent*), the provisions of, and the rights and obligations of the Parties under, the GGR Contract shall become effective and binding on the Agreement Date; and

(ii) (except in circumstances in which the GGR Contract expires or is terminated pursuant to Condition 2.2(B) (*Expiry*), Condition 48.1 (*Pre-Start Date termination*), Condition 48.5 (*Termination for Prolonged Force Majeure*), Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*), Condition 48.27 (*Default termination*), Condition 48.29 (*Qualifying Change in Law termination*) Condition 48.31 (*QCiL Compensation termination*)[or Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements)*], the GGR Contract shall continue in full force and effect until the Specified Expiry Date,

(such period being the **"Term"**).

Expiry

2.2 Subject to Condition 2.3 and Condition 2.4, the GGR Contract shall expire automatically on the earlier of:

(A) the Specified Expiry Date; and

(B) if applicable, the date on which the Total Accrued Quantity is equal and/or are deemed to be equal to the GGR Contract Sales Cap.

Consequences of expiry

2.3 Upon expiry of the GGR Contract pursuant to Condition 2.2:

(A) no termination payment shall be payable by either Party to the other Party;

(B) all rights and obligations of the Parties under the GGR Contract shall end; and

(C) neither Party shall be entitled to make any claim against the other Party pursuant to the GGR Contract.

2.4 The expiry of the GGR Contract:

(A) shall not affect, and shall be without prejudice to, accrued rights and liabilities and rights and liabilities arising as a result of:

(i) any antecedent breach of any provision of the GGR Contract; and

(ii) any breach of any provisions of the GGR Contract which are expressed to survive expiry pursuant to Condition 51 (*Survival*); and

(B) shall be subject to Condition 51 (*Survival*).

Part 3
Conditions Precedent and Milestone Requirement

3. **CONDITIONS PRECEDENT**

Provisions effective and binding from Agreement Date

3.1 The provisions of, and the rights and obligations of the Parties pursuant to, the Agreement Date Provisions shall become effective and binding on the Agreement Date.

Initial Conditions Precedent

3.2 The provisions of, and the rights and obligations of the Parties pursuant to, the Initial CP Provisions are conditional upon the Initial Conditions Precedent being:

(A) fulfilled by the Developer; or

(B) waived by the GGR Contract Counterparty in accordance with Condition 3.29 (*Waiver of Conditions Precedent and Default*).

3.3 The Developer shall use reasonable endeavours to fulfil or procure the fulfilment of the Initial Conditions Precedent as soon as reasonably practicable, and in any event no later than twenty (20) Business Days after the Agreement Date.

3.4 The GGR Contract Counterparty shall notify the Developer as soon as reasonably practicable after the GGR Contract Counterparty considers that the Initial Conditions Precedent have been fulfilled or after the GGR Contract Counterparty has decided to waive such conditions in accordance with Condition 3.29 (*Waiver of Conditions Precedent and Default*).

Operational Conditions Precedent

3.5 The provisions of, and the rights and obligations of the Parties pursuant to, the Operational CP Provisions are conditional upon the Initial Conditions Precedent and the Operational Conditions Precedent being:

(A) fulfilled by the Developer; or

(B) waived by the GGR Contract Counterparty in accordance with Conditions 3.29 (*Waiver of Conditions Precedent and Default*) and/or 3.72 (*Waiver of Subsidy Control Declaration Operational CP*).

3.6 The Developer shall use reasonable endeavours to fulfil or procure the fulfilment of the Operational Conditions Precedent (save for the Subsidy Control Declaration Operational CP) as soon as reasonably practicable, and in any event before the Longstop Date. The Developer shall use reasonable endeavours to fulfil or procure the fulfilment of the Subsidy Control Declaration Operational CP before the Longstop Date.

Operational Conditions Precedent: General Reporting Obligations

3.7 The Developer shall keep the GGR Contract Counterparty reasonably informed as to progress towards fulfilment of the Operational Conditions Precedent and in particular (but without limitation) shall:

(A) provide the GGR Contract Counterparty with reports (in form and content reasonably satisfactory to the GGR Contract Counterparty and in accordance with the reasonable requirements of the GGR Contract Counterparty as to the timing and frequency of such reports) of the progress made in or towards fulfilment of the Operational Conditions Precedent; and

(B) give the GGR Contract Counterparty a notice each time the Developer considers an Operational Condition Precedent has been fulfilled (an **"OCP Notice"**). Each OCP Notice shall:

(i) identify the Operational Condition Precedent which the Developer considers to have been fulfilled; and

(ii) include such Supporting Information as the Developer considers to be relevant to evidence the fulfilment of the relevant Operational Condition Precedent.

3.8 Each OCP Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the OCP Notice.

3.9 The GGR Contract Counterparty shall, no later than ten (10) Business Days after receipt of an OCP Notice, give a notice to the Developer (an **"OCP Response Notice"**). An OCP Response Notice shall specify whether the GGR Contract Counterparty considers that:

(A) the Developer has or has not fulfilled the Operational Condition Precedent to which the OCP Notice relates; or

(B) it has not been provided with sufficient Supporting Information to determine whether the Developer has fulfilled the Operational Condition Precedent to which the OCP Notice relates and, if so, details of the additional Supporting Information which the GGR Contract Counterparty requires to determine whether the Developer has fulfilled the Operational Condition Precedent (the **"OCP Supporting Information"**).

3.10 If the GGR Contract Counterparty states in the OCP Response Notice that:

(A) the Developer has fulfilled the Operational Condition Precedent, then the Operational Condition Precedent will be deemed to have been fulfilled for the purposes of the GGR Contract;

(B) the Developer has not fulfilled the Operational Condition Precedent, then the Operational Condition Precedent will be deemed not to have been fulfilled for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; or

(C) the Developer has not provided the GGR Contract Counterparty with sufficient Supporting Information to determine whether the Developer has fulfilled the Operational Condition Precedent:

(i) the Developer shall provide the OCP Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of the OCP Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the OCP Supporting Information, the GGR Contract Counterparty shall as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of such OCP Supporting Information, give a further OCP Response Notice to the Developer (a **"Further OCP Response Notice"**). A Further OCP Response Notice shall specify whether the GGR Contract Counterparty considers that the Developer has or has not fulfilled the Operational Condition Precedent.

3.11 The Developer shall give the GGR Contract Counterparty a notice promptly upon the Developer becoming aware:

(A) of any fact, matter or circumstance which will or is reasonably likely to prevent any of the Operational Conditions Precedent from being fulfilled by the Longstop Date; or

(B) that any of the Operational Conditions Precedent which had previously been notified to the GGR Contract Counterparty as fulfilled pursuant to Condition 3.7(B) is no longer fulfilled at any time prior to the Start Date,

(any such notice, an **"OCP Non-Compliance Notice"** and the Operational Condition Precedent referenced in such notice, an **"Affected Operational CP"**). Each such OCP Non-Compliance Notice shall:

(i) identify the Affected Operational CP;

(ii) specify the reasons why the Affected Operational CP:

(a) will, or is reasonably likely, not to be fulfilled; or

(b) is no longer fulfilled;

(iii) include such Supporting Information as the Developer considers to be relevant to the content of the OCP Non-Compliance Notice; and

(iv) include details of any remedial action that the Developer is taking or proposes to take,

provided that no OCP Non-Compliance Notice need be given by the Developer to the GGR Contract Counterparty if the Affected Operational CP has been waived by the GGR Contract Counterparty in accordance with Conditions 3.29 (*Waiver of Conditions Precedent and Default*) and/or 3.72 (*Waiver of Subsidy Control Declaration Operational CP*).

3.12 Each OCP Non-Compliance Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the OCP Non-Compliance Notice.

3.13 Nothing in this Condition 3 (*Conditions Precedent*) shall require the GGR Contract Counterparty to specify in any OCP Response Notice or Further OCP Response Notice that the GGR Contract Counterparty accepts that an Operational Condition Precedent has been fulfilled, unless and until the GGR Contract Counterparty is satisfied of the same.

Operational Conditions Precedent: Construction Reporting Requirements

3.14 The Developer shall keep the GGR Contract Counterparty fully informed as to the progress in relation to the Pre-Operation Activities from the Agreement Date until the Start Date and in particular (but without limitation) shall, on or prior to every 1 February, 1 May, 1 September and 1 November that fall within such period (or, if such date is a day other than a Business Day, on the next Business Day after that date):

(A) provide the GGR Contract Counterparty with reports (in form and content reasonably satisfactory to the GGR Contract Counterparty) detailing the progress in relation to the Pre-Operation Activities. As a minimum, each report shall satisfy the Minimum Reporting Content Requirements; and

(B) provide the GGR Contract Counterparty with any Supporting Information provided to the Developer's board of directors (or an equivalent body or committee, as applicable) relating to the matters referred to in Condition 3.14(A).

3.15 The Developer shall notify the GGR Contract Counterparty in writing (a **"Project Delay Notice"**), together with Supporting Information, promptly upon the Developer becoming aware of any fact, matter or circumstance which will or is reasonably likely to delay the Start Date, with such notice to include:

(A) details of the relevant fact, matter or circumstance;

(B) any remedial action that the Developer is taking or proposes to take in relation to such fact, matter or circumstance;

(C) a revised Project timetable (by reference to the Target Commissioning Date, the Target Commissioning Window and the Longstop Date); and

(D) the estimated additional costs to the Project arising as a result of such fact, matter or circumstance.

3.16 Each Project Delay Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Project Delay Notice.

Reporting Obligations Audit Right

3.17 With effect from the Agreement Date and until the date which falls thirty (30) Days after the Start Date, the Developer shall grant the GGR Contract Counterparty (and any and all persons nominated by the GGR Contract Counterparty which the GGR Contract Counterparty considers to be suitably qualified) access in accordance with Conditions 3.18 to 3.20 to:

(A) (i) the Facility; and (ii) any plant, machinery, property, processing or storage facility associated with the Facility, in each case owned, occupied or controlled by the Developer and to which the Developer can lawfully grant access; and

(B) the Developer's personnel, systems, books, records and any other information,

in each case as the GGR Contract Counterparty considers reasonably necessary for the GGR Contract Counterparty to assess the Developer's compliance with Conditions 3.7 to 3.16 (the **"Reporting Obligations Audit Right"**).

3.18 If the GGR Contract Counterparty intends to exercise its Reporting Obligations Audit Right, it shall give written notice to the Developer (a **"Reporting Obligations Audit Notice"**). A Reporting Obligations Audit Notice shall:

(A) specify that the GGR Contract Counterparty (or any suitably qualified persons nominated by it under Condition 3.17) intends to exercise the Reporting Obligations Audit Right; and

(B) specify a date and time during regular office hours by which the Developer must, in accordance with Condition 3.19, permit the exercise of the Reporting Obligations Audit Right.

3.19 On receipt of the Reporting Obligations Audit Notice, the Developer shall permit the GGR Contract Counterparty to exercise the Reporting Obligations Audit Right at such time as the GGR Contract Counterparty may nominate provided that it is no earlier than two (2) Business Days after the Developer's receipt of the Reporting Obligations Audit Notice.

3.20 The Developer shall cooperate and provide, and shall procure that any Representative cooperates and provides, all required access, assistance and information to enable the GGR Contract Counterparty to exercise its Reporting Obligations Audit Right.

3.21 The Developer shall reimburse the GGR Contract Counterparty for all out-of-pocket costs, expenses and fees incurred by the GGR Contract Counterparty arising out of or in connection with exercising the Reporting Obligations Audit Right.

Notification of Start Date

3.22 The Developer shall after giving the OCP Notice relating to the fulfilment of the final Operational Condition Precedent, and in any event no later than ten (10) Business Days after the OCP Response Notice or the Further OCP Response Notice confirming that the GGR Contract Counterparty considers such Operational Condition Precedent to have been fulfilled is received, give a notice to the GGR Contract Counterparty (a **"Start Date Notice"**).

3.23 A Start Date Notice shall specify the date that the Developer proposes to be the Start Date for the purposes of the GGR Contract, such date being:

(A) no earlier than the date on which the OCP Notice relating to the fulfilment of the final Operational Condition Precedent was given;

(B) no earlier than the first (1st) Day of the Target Commissioning Window;

(C) no later than the Longstop Date; and

(D) no earlier than the date of the Start Date Notice,

(the date so notified being, subject to Condition 3.26, the **"Start Date"**).

3.24 Each Start Date Notice shall be accompanied by a Directors' Certificate in relation to the Information specified in Condition 3.26(C).

3.25 On the Start Date (unless the date of the Start Date Notice is the same as the Start Date), the Developer shall deliver to the GGR Contract Counterparty a Directors' Certificate in relation to the Information specified in Condition 3.26(C).

3.26 A Start Date Notice shall be effective in determining the Start Date only if:

(A) the Developer complies with its obligations pursuant to Condition 3.24 and Condition 3.25;

(B) the GGR Contract Counterparty specifies in an OCP Response Notice or a Further OCP Response Notice (as relevant) that it has determined that all of the Operational Conditions Precedent have been satisfied or waived in accordance with Condition 3.29 or Condition 3.72; and

(C) on the date such Start Date Notice is given and on the proposed Start Date specified in the Start Date Notice:

(i) the Developer Repeating Representations are true, accurate and not misleading by reference to the facts and circumstances then existing;

(ii) the representations set out in Conditions 23.1(G), 23.1(H) and 23.2 are true, accurate and not misleading by reference to the facts and circumstances then existing;

(iii) no Default has occurred which is continuing unremedied and which has not been waived by the GGR Contract Counterparty in accordance with Condition 3.29; and

(iv) all Conditions Precedent (except those waived by the GGR Contract Counterparty in accordance with Conditions 3.29 and/or 3.72) continue to be fulfilled.

3.27 If the Developer gives a Start Date Notice to the GGR Contract Counterparty and such notice is, pursuant to Condition 3.26, ineffective, this shall not, subject to Part 9 (*Termination*), preclude the Developer from giving a further Start Date Notice to the GGR Contract Counterparty. Conditions 3.22 to 3.26 (inclusive) shall apply, with the necessary modifications, to any such further Start Date Notice.

3.28 Once the Start Date is determined pursuant to this Condition 3 (Conditions Precedent), the GGR Credit Sales Cap shall be adjusted in accordance with Condition 12.1(C) (*GGR Contract Sales Cap calculation*).

Waiver of Conditions Precedent and Default

3.29 Subject to Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*), the GGR Contract Counterparty may agree by notice to the Developer to waive:

(A) the fulfilment of any of the Conditions Precedent; and

(B) any Default which is continuing unremedied and which would otherwise prevent the Start Date Notice from being effective in determining the Start Date.

3.30 Conditions 62 (*No waiver*) and 63 (*Consents*) shall apply to any waiver given by the GGR Contract Counterparty pursuant to Conditions 3.29 and 3.72.

Notification of T&S Commissioning Delay Event[79]

3.31 The Developer may, if it considers that a T&S Commissioning Delay Event has occurred and is continuing, give a notice to the GGR Contract Counterparty (a **"TCDE Notice"**). A TCDE Notice must be given to the GGR Contract Counterparty no later than the Longstop Date (the **"TCDE Deadline"**) and shall:

(A) specify the Developer's request for:

(i) an extension to one (1) or more of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date, for any delay to the Project if and to the extent that such delay is by reason of such T&S Commissioning Delay Event; and/or

(ii) only if the Developer considers that:

(a) all Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been:

(1) fulfilled by the Developer; or

(2) waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 *(Waiver of Subsidy Control Declaration Operational CP*); and

---

79 **Note to Reader:** These provisions are subject to further consideration and discussion for any additional GGR-specific requirements that may be required.

(b) it has fully completed the Developer T&S Connection Works, T&S Connection Delay Compensation and/or a Monthly TCDE Relief Amount; and

(B) where the Developer is requesting a Monthly TCDE Relief Amount pursuant to Condition 3.31(A)(ii), specify the Developer's estimate of the total number of Days during which the T&S Commissioning Delay Event will occur and in respect of which the Developer is requesting the Monthly TCDE Relief Amount to apply;

(C) include such Supporting Information as the Developer considers to be relevant to:

(i) evidence the occurrence and continuation of the T&S Commissioning Delay Event; and

(ii) if the TCDE Notice relates to Condition 3.31(A)(ii):

(a) evidence that all Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*); and

(b) evidence that the Developer has fully completed the Developer T&S Connection Works.

3.32 Each TCDE Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the TCDE Notice.

3.33 The GGR Contract Counterparty shall, no later than twenty (20) Business Days after receipt of a TCDE Notice, give a notice to the Developer (a **"TCDE Response Notice"**). A TCDE Response Notice shall specify whether the GGR Contract Counterparty considers (giving reasons) that:

(A) a T&S Commissioning Delay Event has or has not occurred; and

(B) a T&S Commissioning Delay Event was or was not continuing as at the date of the TCDE Notice; and

(C) if the TCDE Notice relates to Condition 3.31(A)(ii):

(i) all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*); and

(ii) the Developer has or has not fully completed the Developer T&S Connection Works; or

(D) acting reasonably, it has not been provided with sufficient Supporting Information to determine whether:

(i) a T&S Commissioning Delay Event has occurred;

(ii) a T&S Commissioning Delay Event was continuing as at the date of the TCDE Notice;

(iii) if the TCDE Notice relates to Condition 3.31(A)(ii):

(a) all Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*); and

(b) the Developer has or has not fully completed the Developer T&S Connection Works; and/or

(iv) any combination of the foregoing,

in which case the GGR Contract Counterparty shall provide details of the additional Supporting Information which the GGR Contract Counterparty requires to determine (as relevant) whether a T&S Commissioning Delay Event has occurred and was continuing and, if the TCDE Notice relates to Condition 3.31(A)(ii), whether all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*) and whether the Developer has fully completed the Developer T&S Connection Works (the **"TCDE Supporting Information"**).

3.34 If the GGR Contract Counterparty states in the TCDE Response Notice that it:

(A) considers that a T&S Commissioning Delay Event has not occurred and/or was not continuing as at the date of the TCDE Notice:

(i) if the TCDE Notice relates to Condition 3.31(A)(i), the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date shall remain unadjusted for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; and

(ii) if the TCDE Notice relates to Condition 3.31(A)(ii), the Developer shall not be entitled to T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure;

(B) considers that a T&S Commissioning Delay Event has occurred and was continuing as at the date of the TCDE Notice:

(i) if the TCDE Notice relates to Condition 3.31(A)(i), then the TCDE Response Notice shall include a confirmation of the Developer's entitlement to an extension to any of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date pursuant to Condition 3.37 (*Relief due to T&S Commissioning Delay Event*); or

(ii) if the TCDE Notice relates to Condition 3.31(A)(ii), then if the GGR Contract Counterparty states in the TCDE Response Notice that:

(a) all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or 3.72 (*Waiver of*

Subsidy Control Declaration Operational CP) and the Developer has fully completed the Developer T&S Connection Works, then the TCDE Response Notice shall include a confirmation that the Developer shall be entitled to T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount pursuant to Condition 3.363.37 (*Relief due to T&S Commissioning Delay Event*); or

(b) not all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*) and/or the Developer has not fully completed the Developer T&S Connection Works, then the Developer shall not be entitled to T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure;

(C) requires the Developer to provide the TCDE Supporting Information:

(i) the Developer shall provide the TCDE Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of the TCDE Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the TCDE Supporting Information, the GGR Contract Counterparty shall, no later than ten (10) Business Days after receipt of such TCDE Supporting Information, give a further TCDE Response Notice to the Developer (a **"Further TCDE Response Notice"**). A Further TCDE Response Notice shall contain one of the statements set out in Condition 3.34(A) or Condition 3.34(B).

3.35 Nothing in Condition 3.31 to Condition 3.34 (*Notification of T&S Commissioning Delay Event*) shall require the GGR Contract Counterparty to specify in any TCDE Response Notice or Further TCDE Response Notice that:

(A) a T&S Commissioning Delay Event has occurred and/or was continuing as at the date of the TCDE Notice; and/or

(B) if the TCDE Notice relates to Condition 3.31(A)(ii), that all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*) and/or that the Developer T&S Connection Works have been fully completed,

unless and until the GGR Contract Counterparty is satisfied of the same.

3.36 Any TCDE Notice shall be irrevocable and any TCDE Notice received by the GGR Contract Counterparty after the TCDE Deadline shall be invalid and of no effect.

Relief due to T&S Commissioning Delay Event

3.37 Where it is agreed under Condition 3.34(B) or determined pursuant to the Dispute Resolution Procedure that:

(A) any delay to the Project is by reason of a T&S Commissioning Delay Event;

(B) the relevant T&S Commissioning Delay Event was continuing as at the date of the TCDE Notice; and

(C) if the TCDE Notice relates to Condition 3.31(A)(ii):

(i) all of the Operational Conditions Precedent, other than the T&S Connection Confirmation CP, have been fulfilled by the Developer or waived by the GGR Contract Counterparty pursuant to Condition 3.29 (*Waiver of Conditions Precedent and Default*) and/or Condition 3.72 (*Waiver of Subsidy Control Declaration Operational CP*); and

(ii) the Developer T&S Connection Works have been fully completed,

then, subject to Condition 3.38, the Developer shall be entitled to:

(iii) if the TCDE Notice relates to Condition 3.31(A)(i), an extension to one (1) or more of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date; and/or

(iv) if the TCDE Notice relates to Condition 3.31(A)(ii), T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount pursuant to Conditions 3.41 to 3.72 (*T&S Connection Delay Compensation and TCDE Relief Amount*), provided that:

(a) if the first (1st) Day of the Target Commissioning Window has not yet occurred, the Developer shall not be entitled to any T&S Connection Delay Compensation and/or Monthly TCDE Relief Amount until the first (1st) Day of the Target Commissioning Window;

(b) where the Developer receives any Information which the Developer considers changes the estimate provided under 3.31(B), the Developer shall give a further notice to the GGR Contract Counterparty updating the Developer's estimate of the total number of Days during which the T&S Commissioning Delay Event will occur and in respect of which the Developer is requesting the Monthly TCDE Relief Amount to apply, following which Conditions 3.33 to 3.49 shall reapply; and

(c) the Developer shall give a notice to the GGR Contract Counterparty as soon as reasonably practicable after the relevant T&S Commissioning Delay Event ceases, following which Conditions 3.46 to 3.49 shall reapply.

Conditions to T&S Commissioning Delay Event relief

3.38 The Developer's entitlement to: (i) an extension to one (1) or more of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date pursuant to Condition 3.37(C)(iii); and/or (ii) T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount pursuant to Condition 3.37(C)(iv) shall be subject to and conditional upon the Developer using reasonable endeavours to:

(A) mitigate the effects of the T&S Commissioning Delay Event (including the consequential delay to the Project) including by preserving and maintaining the Capture Plant in accordance with the Reasonable and Prudent Standard;

(B) carry out its obligations under the GGR Contract and each other GGR Document in any way that is reasonably practicable; and

(C) resume the performance of its obligations under the GGR Contract and each other GGR Document as soon as reasonably practicable.

Provision of T&S Commissioning Delay Event information

3.39 In addition to the TCDE Notice, the Developer shall give a notice as soon as reasonably practicable to the GGR Contract Counterparty in writing of:

(A) the steps being taken by the Developer to mitigate the effects of the T&S Commissioning Delay Event (including the consequential delay to the Project), including details of the methods used by the Developer to preserve the Capture Plant and the associated costs;

(B) the steps being taken by the Developer to carry out its obligations under the GGR Contract and each other GGR Document;

(C) the anticipated date of resumption of performance of its obligations under the GGR Contract and each other GGR Document; and

(D) such other details relating to the T&S Commissioning Delay Event and its effects (including the consequential delay to the Project) as may be reasonably requested by the GGR Contract Counterparty,

and to the extent that such Information is not available to the Developer at the time a notice is given, the Developer shall provide such information to the GGR Contract Counterparty as soon as it becomes available to it.

3.40 The Developer shall give notice to the GGR Contract Counterparty every twenty (20) Business Days:

(A) of any update to the Information provided pursuant to Condition 3.39 and shall give notice as soon as reasonably practicable to the GGR Contract Counterparty upon the Developer becoming aware of any material developments or additional material Information relating to the T&S Commissioning Delay Event and its effects; and

(B) such notice shall be accompanied by an explanation and Information to demonstrate that such event continues to meet all of the requirements of the definition of T&S Commissioning Delay Event.

3.41 Nothing in Conditions 3.31 to 3.40 shall affect the GGR Contract Counterparty's right to terminate the GGR Contract pursuant to Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*).

T&S Connection Delay Compensation and Monthly TCDE Relief Amount

3.42 If the Developer is entitled to T&S Connection Delay Compensation pursuant to Condition 3.37 (*Relief due to T&S Commissioning Delay Event*), the Developer shall, as soon as reasonably practicable after the GGR Contract Counterparty issues the relevant TCDE Response Notice or Further TCDE Response Notice, give notice to the GGR Contract Counterparty (the **"T&S Connection Delay Compensation Notice"**). The T&S Connection Delay Compensation Notice shall:

(A) specify the Developer's good faith estimate of the T&S Connection Delay Compensation; and

(B) include such Supporting Information as the Developer considers necessary to enable the GGR Contract Counterparty to calculate the T&S Connection Delay Compensation.

3.43 A T&S Connection Delay Compensation Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the T&S Connection Delay Compensation Notice.

3.44 The GGR Contract Counterparty may, by notice to the Developer, require the Developer to provide such Supporting Information in relation to the T&S Connection Delay Compensation Notice (a **"Developer T&S Connection Delay Compensation Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

3.45 If the GGR Contract Counterparty issues a Developer T&S Connection Delay Compensation Notice Information Request, the Developer shall as soon as reasonably practicable and in any event, no later than ten (10) Business Days, after receipt of such request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

3.46 The GGR Contract Counterparty shall, as soon as reasonably practicable after receipt of a T&S Connection Delay Compensation Notice and/or a notice issued by the Developer pursuant to Condition 3.37(C)(iv)(b) and/or Condition 3.37(C)(iv)(c):

(A) calculate the T&S Connection Delay Compensation; and

(B) give a notice to the Developer (a **"T&S Connection Delay Compensation Payment Notice"**). A T&S Connection Delay Compensation Payment Notice shall specify:

(i) the amount of the T&S Connection Delay Compensation;

(ii) the principal inputs used by the GGR Contract Counterparty to calculate the T&S Connection Delay Compensation; and

(iii) whether the T&S Connection Delay Compensation shall be effected (after consultation with the Developer) as a lump sum payment or by means of staged payments;

(iv) the Monthly TCDE Relief Amount; and

(v) any T&S Connection Delay Relief Compensatory Interest Amount.

3.47 If the T&S Connection Delay Compensation is to be effected:

(A) as a lump sum payment, the GGR Contract Counterparty shall no later than thirty (30) Business Days after the date of the T&S Connection Delay Compensation Payment Notice, pay to the Developer (or such other person as the Developer may direct) the T&S Connection Delay Compensation; or

(B) as staged payments, the GGR Contract Counterparty shall commence payment no later than ten (10) Business Days after the date of the T&S Connection Delay Compensation Payment Notice and the final payment shall be made by the earlier of

(i) the T&S Network Availability Date;

(ii) the date on which the Developer fully implements an Approved Alternative T&S Network Solution Plan such that the T&S Prolonged Unavailability Event has been remedied; and

(iii) the T&S Prolonged Unavailability Termination Date, in any case, together with any T&S Connection Delay Relief Compensatory Interest Amount.

3.48 If a Monthly TCDE Relief Amount is to be paid:

(A) the GGR Contract Counterparty shall no later than ten (10) Business Days after the end of each relevant Pre-Start Date Billing Period to which the Monthly TCDE Relief Amount relates, calculate the Monthly TCDE Relief Amount for the relevant Pre-Start Date Billing Period (*m*);

(B) the GGR Contract Counterparty shall, no later than twenty (20) Business Days after the end of the relevant Pre-Start Date Billing Period to which the Monthly TCDE Relief Amount relates, pay to the Developer (or such other person as the Developer may direct) the Monthly TCDE Relief Amount; and

(C) the Developer's entitlement to the Monthly TCDE Relief Amount shall end on the earlier of:

(i) the Start Date;

(ii) the TCDE Relief Amount End Date; and

(iii) the T&S Prolonged Unavailability Termination Date.

T&S Connection Delay Relief Compensatory Interest

3.49 The **"T&S Connection Delay Relief Compensatory Interest Amount"** shall comprise interest due and payable in relation to each T&S Connection Delay Compensation amount reflected in the relevant T&S Connection Delay Compensation Notice, calculated on the basis that interest on each T&S Connection Delay Compensation amount shall accrue on such amount at the T&S Connection Delay Relief Compensatory Interest Rate for the period from (and including) the relevant date on which in which the Developer (acting in accordance with the Reasonable and Prudent Standard) first incurs the out-of-pocket costs in respect of which the Developer receives T&S Connection Delay Compensation, to (and including) the final Day in which T&S Connection Delay Compensation is paid to the Developer by the GGR Contract Counterparty in accordance with Condition 3.50(A) or Condition 3.50(B) (as applicable). For this purpose: (i) interest shall accrue on such amounts from Day to Day and shall be calculated on the basis of the actual number of Days elapsed and a year of three hundred and sixty five (365) Days; and (ii) the **"T&S Connection Delay Relief Compensatory Interest Rate"** shall be the prevailing Base Rate on each Day during the relevant calculation period.

GGR Contract Counterparty T&S Connection Delay True-Up Notice

3.50 If any T&S Connection Delay Compensation has been agreed or determined, or paid, commenced or effected in respect of a T&S Commissioning Delay Event, the GGR Contract Counterparty may give the Developer a notice (a **"GGR Contract Counterparty T&S Connection Delay True-Up Notice"**), requiring the Developer to confirm:

(A) the impact of the T&S Commissioning Delay Event (including all irrecoverable and unavoidable out-of-pocket costs which have been incurred in respect of the Project by the Developer, and which arose directly from an extension to the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date);

(B) that no amount has been recovered (or is entitled to be recovered) by the Developer pursuant to Conditions 61.5 (*No double recovery*) and 61.7 (*No double recovery*) or, if any amount has been so recovered, confirmation of such amount; and

(C) such other matters which were pertinent to the calculation of the T&S Connection Delay Compensation (including the steps that the Developer has taken to mitigate the effects of the T&S Commissioning Delay Event (including the consequential delay to the Project), including by preserving the Capture Plant in accordance with the Reasonable and Prudent Standard),

(the information referred to or specified in paragraphs (A) to (C) above being **"T&S Connection Delay True-Up Information"**).

Developer T&S Connection Delay True-Up Response Notice

3.51 If the GGR Contract Counterparty gives a GGR Contract Counterparty T&S Connection Delay True-Up Notice to the Developer, the Developer shall, as soon as reasonably practicable and in any event no later than forty (40) Business Days after receipt of such GGR Contract Counterparty T&S Connection Delay True-Up Notice, give a notice to the GGR Contract Counterparty (a **"Developer T&S Connection Delay True-Up Response Notice"**). A Developer T&S Connection Delay True-Up Response Notice shall:

(A) contain the T&S Connection Delay True-Up Information; and

(B) include such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the T&S Connection Delay True-Up Information,

(the information referred to or specified in paragraphs (A) and (B) above being the **"T&S Connection Delay True-Up Response Information"**).

3.52 A Developer T&S Connection Delay True-Up Response Notice shall be accompanied by a Directors' Certificate in relation to the T&S Connection Delay True-Up Response Information.

3.53 If the Developer becomes aware before T&S Connection Delay True-Up Compensation is agreed or determined, or paid, effected or commenced, pursuant to Conditions 3.51 to 3.62 that the T&S Connection Delay True-Up Response Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 3.52), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer T&S Connection Delay True-Up Response Information"**), together with a Directors' Certificate in relation to the Revised Developer T&S Connection Delay True-Up Response Information.

3.54 The GGR Contract Counterparty may, by notice to the Developer no later than twenty (20) Business Days after receipt of a Developer T&S Connection Delay True-Up Response Notice or any Revised Developer T&S Connection Delay True-Up Response Information, require the Developer to provide such Supporting Information in relation to that Developer T&S Connection Delay True-Up Response Notice or, as the case may be, the Revised Developer T&S Connection Delay True-Up Response Information (a **"Developer T&S Connection Delay True-Up Response Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

3.55 If the GGR Contract Counterparty gives a Developer T&S Connection Delay True-Up Response Notice Information Request to the Developer, the Developer shall, no later than twenty (20) Business Days, or such longer period as is specified by the GGR Contract

Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

Developer T&S Connection Delay True-Up Notice

3.56 If any T&S Connection Delay Compensation has been agreed or determined, or paid, commenced or effected, in respect of any T&S Commissioning Delay Event, the Developer may, give the GGR Contract Counterparty a notice (a **"Developer T&S Connection Delay True-Up Notice"**). A Developer T&S Connection Delay True-Up Notice shall:

(A) contain the T&S Connection Delay True-Up Information; and

(B) include such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the T&S Connection Delay True-Up Information,

(the information referred to or specified in paragraphs (A) and (B) above being **"T&S Connection Delay True-Up Supporting Information"**).

3.57 A Developer T&S Connection Delay True-Up Notice shall be accompanied by a Directors' Certificate in relation to the T&S Connection Delay True-Up Supporting Information.

3.58 If the Developer becomes aware before T&S Connection Delay True-Up Compensation is agreed or determined, or paid, effected or commenced, pursuant to Conditions 3.51 to 3.62, that the T&S Connection Delay True-Up Supporting Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 3.52), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer T&S Connection Delay True-Up Information"**), together with a Directors' Certificate in relation to the Revised Developer T&S Connection Delay True-Up Information.

3.59 The GGR Contract Counterparty may, by notice to the Developer no later than twenty (20) Business Days after receipt of a Developer T&S Connection Delay True-Up Notice or any Revised Developer T&S Connection Delay True-Up Information, require the Developer to provide such Supporting Information in relation to that Developer T&S Connection Delay True-Up Notice or, as the case may be, the Revised Developer T&S Connection Delay True-Up Information (a **"Developer T&S Connection Delay True-Up Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

3.60 If the GGR Contract Counterparty gives a Developer T&S Connection Delay True-Up Notice Information Request to the Developer, the Developer shall, no later than twenty (20) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

3.61 The GGR Contract Counterparty shall be under no obligation to consider or take any action in response to a Developer T&S Connection Delay True-Up Notice unless and until the Developer has provided the GGR Contract Counterparty with all the T&S Connection Delay True-Up Information, and a Directors' Certificate in respect of such Developer T&S Connection Delay True-Up Notice.

Agreement between the Parties in respect of a true-up

3.62 The Parties shall meet to discuss and, in good faith, seek to agree:

(A) the T&S Connection Delay True-Up Information;

(B) any such other matters which the Parties consider pertinent to the calculation of the T&S Connection Delay True-Up Compensation (if any);

(C) the T&S Connection Delay True-Up Compensation (if any) that shall be payable by the GGR Contract Counterparty or the Developer (as the case may be); and

(D) the manner in which such T&S Connection Delay True-Up Compensation (if any) shall be paid by the GGR Contract Counterparty or the Developer (as the case may be).

Such meeting shall be convened: (i) as soon as reasonably practicable, and in any event no later than twenty (20) Business Days, after the GGR Contract Counterparty receives a Developer T&S Connection Delay True-Up Response Notice and the associated Directors' Certificate (or, if the GGR Contract Counterparty gives the Developer a Developer T&S Connection Delay True-Up Response Notice Information Request, no later than twenty (20) Business Days after the GGR Contract Counterparty receives the requested Supporting Information); or (ii) if the Developer gives the GGR Contract Counterparty a Developer T&S Connection Delay True-Up Notice and the associated Directors' Certificate, at such date as is determined by the GGR Contract Counterparty in its sole and absolute discretion.

Disputes in respect of a true-up

3.63 If the Parties are not able to agree any of the matters in Condition 3.62, either Party may refer the Dispute for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree in writing that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure.

3.64 Until the Dispute has been resolved by agreement between the Parties or determination in accordance with the Arbitration Procedure or the Expert Determination Procedure, as the case may be, there shall be no T&S Connection Delay True-Up Compensation payable.

T&S Connection Confirmation CP

3.65 If the Developer is entitled to: (i) an extension to one (1) or more of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date; and/or (ii) T&S Connection Delay Compensation and/or the Monthly TCDE Relief Amount pursuant to Condition 3.37 (*Relief due to T&S Commissioning Delay Event*), either Party shall give notice to the other Party that the relevant T&S Network is available to enable the Capture Plant to export captured CO_2 Rich Stream to the relevant T&S Network to enable the Developer to fulfil or procure the fulfilment of the T&S Connection Confirmation CP (a **"T&S Network Availability Notice"**). A T&S Network Availability Notice shall:

(A) specify the date on which the relevant T&S Network is available to enable the Capture Plant to export captured CO_2 Rich Stream to the relevant T&S Network (a **"T&S Network Availability Date"**); and

(B) include such Supporting Information, in reasonable detail, which the relevant party considers to be relevant to and supportive of the foregoing.

3.66 The Party receiving the T&S Network Availability Notice (the **"T&S Network Availability Respondent"**) shall, no later than ten (10) Business Days after receipt of the T&S Network Availability Notice, give notice (a **"T&S Network Availability Response Notice"**) to the other

Party (the **"T&S Network Availability Proposer"**). A T&S Network Availability Response Notice shall specify whether or not the T&S Network Availability Respondent accepts the T&S Network Availability Notice.

3.67 If the T&S Network Availability Respondent states in the T&S Network Availability Response Notice that it:

(A) considers that the T&S Network is not available to enable the Capture Plant to export captured CO_2 Rich Stream to the T&S Network to enable the Developer to fulfil or procure the fulfilment of the T&S Connection Confirmation CP, the T&S Network shall be deemed not to be available for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure;

(B) considers that the T&S Network is available to enable the Capture Plant to export captured CO_2 Rich Stream to the T&S Network to enable the Developer to fulfil or procure the fulfilment of the T&S Connection Confirmation CP, the proposed T&S Network Availability Date in the relevant T&S Network Availability Notice will be deemed to have occurred and Condition 3.70 shall apply; or

(C) requires the T&S Network Availability Proposer to provide the necessary Supporting Information to determine whether the T&S Network is available to enable the Capture Plant to export captured CO_2 Rich Stream to the T&S Network to enable the Developer to fulfil or procure the fulfilment of the T&S Connection Confirmation CP:

(i) the T&S Network Availability Proposer shall provide the necessary Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of the T&S Network Availability Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the Supporting Information, the T&S Network Availability Respondent shall, no later than ten (10) Business Days after receipt of such Supporting Information, give a further T&S Network Availability Response Notice to the T&S Network Availability Proposer (a **"Further T&S Network Availability Response Notice"**). A Further T&S Network Availability Response Notice shall contain one of the statements set out in Conditions 3.67(A) or 3.67(B).

3.68 Nothing in Conditions 3.65 to 3.67 (*T&S Connection Confirmation CP*) shall require the GGR Contract Counterparty to specify in any T&S Network Availability Response Notice or Further T&S Network Availability Response Notice that the GGR Contract Counterparty accepts that the T&S Network is available to enable the Capture Plant to export captured CO_2 Rich Stream to the T&S Network, unless and until the GGR Contract Counterparty is satisfied of the same.

3.69 Any T&S Network Availability Notice or T&S Network Availability Response Notice given by the Developer to the GGR Contract Counterparty shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, such notice.

3.70 The Developer shall use reasonable endeavours to fulfil or procure the fulfilment of the T&S Connection Confirmation CP as soon as reasonably practicable.

3.71 If the Developer is entitled to relief pursuant to Condition 3.37 (*Relief due to T&S Commissioning Delay Event*):

(A) the Developer's entitlement to: (i) an extension to one (1) or more of the Milestone Delivery Date, the Target Commissioning Window and/or the Longstop Date; and/or (ii)

T&S Connection Delay Compensation, in accordance with Condition 3.37, shall end on the earlier of:

(i) the T&S Network Availability Date;

(ii) the date on which the Developer fully implements an Approved Alternative T&S Network Solution Plan such that the T&S Prolonged Unavailability Event has been remedied; and

(iii) the T&S Prolonged Unavailability Termination Date; and

(B) the Developer's entitlement to the Monthly TCDE Relief Amount shall end on the earlier of:

(i) the Start Date;

(ii) the TCDE Relief Amount End Date; and

(iii) the T&S Prolonged Unavailability Termination Date.

Waiver of Subsidy Control Declaration Operational CP

3.72 The GGR Contract Counterparty shall agree by notice to the Developer to waive the fulfilment of the Subsidy Control Declaration Operational CP if the Developer evidences to the satisfaction of the GGR Contract Counterparty that the granter(s) of such Subsidy, State aid, Union Funding and/or International Funding refuses or is unable to accept the repayment of the Subsidy, State aid, Union Funding and/or International Funding (as adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)), in full or in part. If the Developer seeks a waiver of the Subsidy Control Declaration Operational CP, the Developer shall:

(A) provide the GGR Contract Counterparty with such Supporting Information as the Developer considers to be relevant to evidence that the granter refuses or is unable to accept repayment, in accordance with this Condition 3.72; and

(B) provide the GGR Contract Counterparty with such additional Supporting Information as the GGR Contract Counterparty reasonably requires, as soon as reasonably practicable, and in any event no later than ten (10) Business Days following receipt of the GGR Contract Counterparty's request,

in each case accompanied with a Directors' Certificate in respect of such Supporting Information.

3.73 If the GGR Contract Counterparty agrees to waive the Subsidy Control Declaration Operational CP in accordance with Condition 3.72:

(A) the GGR Contract Counterparty shall also notify the Developer of:

(i) the amount of Subsidy, State aid, Union Funding and/or International Funding (excluding the subsidy arising under the GGR Contract, the Grant Funding Agreement and/or any other Approved Scheme of Funding) (as adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)) which has not been repaid to the granter as at that date (**"Previous Subsidy"**); and

(ii) the Subsidy Interest Rate currently applicable;

(B) Condition 3.75 shall apply; and

(C) where the Subsidy Control Declaration Operational CP is the final Operational Condition Precedent to be fulfilled, for the purposes of Condition 3.22:

(i) the request for a waiver in accordance with Condition 3.72, including the Supporting Information and Directors' Certificate, shall be treated as the OCP Notice, and

(ii) the waiver shall be treated as the OCP Response Notice.

3.74 Nothing in Conditions 3.72 to 3.73 (*Waiver of Subsidy Control Declaration Operational CP*) shall require the GGR Contract Counterparty to waive the Subsidy Control Declaration Operational CP, unless and until the GGR Contract Counterparty is satisfied that the requirements of Condition 3.72 have been met.

Set-off of Previous Subsidy

3.75 The Previous Subsidy (as adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)) shall be set off against any amounts payable to the Developer under the GGR Contract, so that no payment shall be made to the Developer until such amount has been set off in its entirety.

3.76 Where any provision of the GGR Contract would, but for this Condition 3.76, require:

(A) the GGR Contract Counterparty to make any payment or otherwise do anything (including without limitation, the making of any adjustment payment under any Initial CP Provision) which would amount to the giving of Subsidy, no such payment or thing shall be required to be made or done unless and until the Subsidy Control Declaration Operational CP has been satisfied or waived; or

(B) any payment to be made by the GGR Contract Counterparty on a date falling prior to the satisfaction or waiver of the Subsidy Control Declaration Operational CP, such payment shall not fall due for payment until the date falling ten (10) Business Days following the satisfaction or waiver of the Subsidy Control Declaration Operational CP. No interest shall accrue in respect of any such payment.

3.77 Subject to Condition 3.78, not less than three (3) Months before the Developer's intended Start Date, the Developer shall give the GGR Contract Counterparty a written confirmation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of whether any Subsidy, State aid, Union Funding and/or International Funding has been received by the Developer or by any other person in relation to the costs of the Project, and, where applicable, details of all such Subsidy, State aid, Union Funding and/or International Funding, accompanied by a Directors' Certificate in relation to the confirmation and the information accompanying it.

3.78 The Developer is not required to give a confirmation to the GGR Contract Counterparty under Condition 3.77 if the Subsidy Control Declaration Operational CP has previously been fulfilled (or waived in accordance with Condition 3.72).

4. MILESTONE REQUIREMENT

Milestone Requirement Notice

4.1 No later than the Milestone Delivery Date, the Developer shall give a notice to the GGR Contract Counterparty (a **"Milestone Requirement Notice"**) that the Developer considers that it has complied with and fulfilled a Milestone Requirement. A Milestone Requirement Notice shall include either:

(A) such invoices, payment receipts and other Supporting Information with respect to the Project as the Developer considers relevant to evidence that it and its direct shareholders have in aggregate spent ten per cent. (10%) or more of the Total Project Pre-Commissioning Costs on the Project; or

(B) such Information as is specified, identified or listed as the Project Commitments and such Supporting Information as the Developer considers relevant to evidence compliance with or fulfilment of the Project Commitments (and for this purpose, where the Project Commitments relate to Material Equipment, taking into consideration the need to demonstrate to the GGR Contract Counterparty's satisfaction that contracts, agreements and purchase orders relating to such Material Equipment constitute significant financial commitments that are real, genuine and made in good faith),

(each, a **"Milestone Requirement"**).

For the purposes of paragraph (A) above:

(i) money spent by a direct shareholder of the Developer to acquire an interest in the Developer may be taken into account but only to the extent that the consideration paid for the acquisition exceeds the amount spent on the Project by the Developer and its direct shareholders in the period prior to the time at which such acquisition took place; and

(ii) money spent by the Developer for the purpose of connecting the Facility to the relevant T&S Network may be taken into account, notwithstanding that assets comprised or to be comprised within any such T&S Network do not form part of the Facility.

4.2 A Milestone Requirement Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Milestone Requirement Notice.

4.3 The GGR Contract Counterparty shall, no later than twenty (20) Business Days after receipt of a Milestone Requirement Notice, give a notice to the Developer (a **"Milestone Assessment Response Notice"**). A Milestone Assessment Response Notice shall specify whether the GGR Contract Counterparty considers that:

(A) the Developer has or has not complied with and fulfilled a Milestone Requirement; or

(B) it has not been provided with sufficient Supporting Information to determine whether the Developer has complied with and fulfilled a Milestone Requirement and, if so, details of the additional Supporting Information which the GGR Contract Counterparty requires to determine whether the Developer has complied with and fulfilled a Milestone Requirement (the **"Requested Milestone Supporting Information"**).

4.4 If the GGR Contract Counterparty states in a Milestone Assessment Response Notice that:

(A) the Developer has complied with and fulfilled a Milestone Requirement, then the Milestone Requirement will be deemed to have been complied with and fulfilled for the purposes of the GGR Contract;

(B) the Developer has not complied with and fulfilled a Milestone Requirement, then the Milestone Requirement will be deemed not to have been complied with and fulfilled for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; or

(C) the Developer has not provided the GGR Contract Counterparty with sufficient Supporting Information to determine whether the Developer has complied with and fulfilled a Milestone Requirement:

(i) the Developer shall provide the Requested Milestone Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of a Milestone Assessment Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the Requested Milestone Supporting Information, the GGR Contract Counterparty shall as soon as reasonably practicable, and in any event no later than twenty (20) Business Days after receipt of such Requested Milestone Supporting Information, give a further Milestone Assessment Response Notice to the Developer (a **"Further Milestone Assessment Response Notice"**). A Further Milestone Assessment Response Notice shall specify whether the GGR Contract Counterparty considers that the Developer has or has not complied with and fulfilled a Milestone Requirement.

4.5 Nothing in this Condition 4 (*Milestone Requirement*) shall require the GGR Contract Counterparty to specify in any Milestone Assessment Response Notice or Further Milestone Assessment Response Notice that the GGR Contract Counterparty accepts that a Milestone Requirement has been complied with and fulfilled, unless and until the GGR Contract Counterparty is satisfied of the same.

Waiver of Milestone Requirement

4.6 The GGR Contract Counterparty may agree by notice to the Developer to waive the fulfilment of any Milestone Requirement.

4.7 Conditions 62 (*No waiver*) and 63 (*Consents*) shall apply to any waiver given by the GGR Contract Counterparty pursuant to Condition 4.6.

Difficulties in achieving the Milestone Requirement

4.8 The Developer shall give the GGR Contract Counterparty a written notice (a **"Milestone Delay Notice"**) promptly upon the Developer becoming aware of any fact, matter or circumstance which will or is reasonably likely to prevent the Developer fulfilling the Milestone Requirement by the Milestone Delivery Date.

4.9 A Milestone Delay Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, such notice.

Effectiveness of a Milestone Requirement Notice

4.10 If the Developer gives a Milestone Requirement Notice to the GGR Contract Counterparty and such notice is ineffective, this shall not, subject to Part 9 (*Termination*), preclude the Developer from giving a further Milestone Requirement Notice to the GGR Contract Counterparty.

4.11 Without limitation, a Milestone Requirement Notice shall be deemed to be ineffective if:

(A) it does not include the information specified in either Condition 4.1(A) or Condition 4.1(B);

(B) it is not accompanied by a Directors' Certificate in accordance with Condition 4.2; or

(C) the GGR Contract Counterparty states in the Milestone Assessment Response Notice that the Developer has not complied with and fulfilled a Milestone Requirement.

Part 4
Adjustments to Net Removal Capacity Estimate[80]

5. **ADJUSTMENT TO NET REMOVAL CAPACITY ESTIMATE: RELEVANT CONSTRUCTION EVENT**

5.1 The Developer may, if it considers that a Relevant Construction Event has occurred, give a notice to the GGR Contract Counterparty (an **"RCE Notice"**). An RCE Notice must be given to the GGR Contract Counterparty no later than three (3) Months prior to the Longstop Date (the **"RCE Deadline"**) and shall:

(A) specify:

(i) the reduction to the Net Removal Capacity Estimate which the Developer considers to be necessary to take into account the Relevant Construction Event; and

(ii) the Net Removal Capacity Estimate which will apply if such reduction is made (an **"RCE-Adjusted Net Removal Capacity Estimate"**);

(B) include details of any change to the Facility which will result from the proposed reduction to the Net Removal Capacity Estimate (which shall include revised details of the assets comprising the Facility and any revised aerial view of the unique geographical location of (a) the Facility; and (b) the [Meter Measurement System][81]), as well as any change to the geographical coordinates specified in Annex 1 (*Description of the Facility*) of the GGR Agreement; and

(C) include such Supporting Information as the Developer considers to be relevant to evidence:

(i) the existence or occurrence of the Construction Event and the basis for the Developer having concluded that the Construction Event constitutes a Relevant Construction Event;

(ii) the basis for the Developer having concluded that, as a result of the existence or occurrence of the Relevant Construction Event, the Net Removal Capacity Estimate is required to be reduced to the RCE-Adjusted Net Removal Capacity Estimate; and

(iii) the details of any change to the assets comprising the Facility which will result from the proposed reduction to the Net Removal Capacity Estimate (which shall include revised details of the assets comprising the Facility and any revised aerial view of the unique geographical location of (a) the Facility; and (b) the [Meter Measurement System][82]), as well as any change to the geographical coordinates specified in Annex 1 (*Description of the Facility*) of the GGR Agreement.

5.2 Each RCE Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the RCE Notice.

---

80 **Note to Reader:** This Part 4 is subject to further review and development by DESNZ, including to reflect further technical and financial input.

81 **Note to Reader:** This reference is subject to further consideration as the measurement provisions are developed.

82 **Note to Reader:** This reference is subject to further consideration as the measurement provisions are developed.

5.3 If a Relevant Construction Event occurs immediately prior to the Milestone Delivery Date, such that the Developer is unable to specify in an RCE Notice given prior to such date: (i) the reduction to the Net Removal Capacity Estimate which it considers to be necessary to take into account the Relevant Construction Event; and (ii) the RCE-Adjusted Net Removal Capacity Estimate, the Developer may include the Developer's good faith estimate of (i) and (ii) (such good faith estimate being in substitution of the requirements provided for in Condition 5.1(A)), provided that the Developer shall, as soon as reasonably practicable following the Milestone Delivery Date, give the GGR Contract Counterparty a further RCE Notice in the form provided for in Condition 5.1.

5.4 If the Developer gives an RCE Notice to the GGR Contract Counterparty, the GGR Contract Counterparty shall, no later than twenty (20) Business Days after receipt of such RCE Notice, give a notice to the Developer (an **"RCE Response Notice"**). An RCE Response Notice shall specify that the GGR Contract Counterparty:

(A) considers that a Relevant Construction Event has or has not occurred;

(B) accepts or does not accept the RCE-Adjusted Net Removal Capacity Estimate; or

(C) has not been provided with sufficient Supporting Information to determine:

(i) whether a Relevant Construction Event has occurred;

(ii) whether it will accept the RCE-Adjusted Net Removal Capacity Estimate;

(iii) the change to the Facility which will result from the proposed reduction to the Net Removal Capacity Estimate (which shall include revised details of the assets comprising the Facility and any revised aerial view of the unique geographical location of (a) the Facility, (b) the [Meter Measurement System][83]), as well as any change to the geographical coordinates specified in Annex 1 (*Description of the Facility*) of the GGR Agreement; or

(iv) any combination of the foregoing,

in which case the GGR Contract Counterparty shall provide details of the additional Supporting Information which the GGR Contract Counterparty requires to determine (as relevant) whether a Relevant Construction Event has occurred, whether to accept the RCE-Adjusted Net Removal Capacity Estimate and/or the change to the assets which comprise the Facility (the **"RCE Supporting Information"**).

5.5 If the GGR Contract Counterparty specifies in an RCE Response Notice that:

(A) the GGR Contract Counterparty considers that a Relevant Construction Event has occurred, then (except where it has requested RCE Supporting Information relating to the RCE-Adjusted Net Removal Capacity Estimate) the RCE Response Notice shall:

(i) include a confirmation that the GGR Contract Counterparty agrees with the RCE-Adjusted Net Removal Capacity Estimate specified in the RCE Notice, in which case the RCE-Adjusted Net Removal Capacity Estimate shall constitute the Net Removal Capacity Estimate with effect from the date of the RCE Response Notice; or

(ii) state that the GGR Contract Counterparty does not agree with the RCE-Adjusted Net Removal Capacity Estimate specified in the RCE Notice, in which case the

[83] **Note to Reader:** This reference is subject to further consideration as the measurement provisions are developed.

Net Removal Capacity Estimate shall remain unadjusted for the purposes of the GGR Contract unless and until it is varied in accordance with the Dispute Resolution Procedure;

(B) the GGR Contract Counterparty considers that a Relevant Construction Event has not occurred, the Net Removal Capacity Estimate shall remain unadjusted for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made in accordance with the Dispute Resolution Procedure; or

(C) the GGR Contract Counterparty requires the Developer to provide RCE Supporting Information:

(i) the Developer shall provide the RCE Supporting Information as soon as reasonably practicable and in any event no later than ten (10) Business Days after receipt of the RCE Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the RCE Supporting Information, the GGR Contract Counterparty shall, no later than ten (10) Business Days after receipt of the RCE Supporting Information, give a further RCE Response Notice to the Developer (a **"Further RCE Response Notice"**). A Further RCE Response Notice shall specify whether the GGR Contract Counterparty:

(a) considers that a Relevant Construction Event has or has not occurred; and

(b) accepts or does not accept the RCE-Adjusted Net Removal Capacity Estimate.

5.6 Nothing in this Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*) shall require the GGR Contract Counterparty to specify in any RCE Response Notice or Further RCE Response Notice that a Relevant Construction Event has occurred or that the GGR Contract Counterparty accepts any RCE-Adjusted Net Removal Capacity Estimate unless and until the GGR Contract Counterparty is satisfied of the same.

5.7 Any RCE Notice shall be irrevocable and, if the Net Removal Capacity Estimate is reduced pursuant to this Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*), the Developer may not subsequently increase the Net Removal Capacity Estimate.

5.8 Subject to Condition 5.3, the Developer may give an RCE Notice on only one (1) occasion prior to the RCE Deadline. Any RCE Notice received by the GGR Contract Counterparty after the RCE Deadline shall be invalid and of no effect.

5.9 No adjustment to the Strike Price shall be made solely as a result of a reduction to the Net Removal Capacity Estimate pursuant to this Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*).

5.10 Where the GGR Contract Counterparty confirms that an RCE-Adjusted Net Removal Capacity Estimate constitutes the Net Removal Capacity Estimate pursuant to this Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*), the GGR Contract Sales Cap shall be adjusted in accordance with Condition 12.1(B) (*GGR Contract Sales Cap calculation*).

6. ADJUSTMENT TO NET REMOVAL CAPACITY ESTIMATE: PERMITTED REDUCTION

6.1 The Developer may, if it considers that the Net Removal Capacity will be lower than the Net Removal Capacity Estimate, give a notice to the GGR Contract Counterparty (an **"NRCE Adjustment Notice"**). An NRCE Adjustment Notice must be given to the GGR Contract Counterparty no later than the Milestone Delivery Date (the **"NRCE Adjustment Deadline"**) and shall:

(A) specify:

(i) the amount by which the Net Removal Capacity will be lower than the Net Removal Capacity Estimate;

(ii) the new Net Removal Capacity Estimate which is to apply to the Facility as a result of such reduction (the **"Revised NRCE"**);

(B) include details of any change in the Facility which will result from the reduction to the Net Removal Capacity Estimate (which shall include revised details of the assets comprising the Facility and any revised aerial view of the unique geographical location of (a) the Facility, (b) the [Meter Measurement System][84]), as well as any change to the geographical coordinates specified in Annex 1 (*Description of the Facility*) of the GGR Agreement; and

(C) include such Supporting Information as the Developer considers to be relevant to evidence the detail of any changes to the assets comprising the Facility which will result from the reduction to the Net Removal Capacity Estimate.

6.2 The Revised NRCE shall constitute the Net Removal Capacity Estimate with effect from the date of the NRCE Adjustment Notice, provided that if an NRCE Adjustment Notice specifies a Revised NRCE which is less than [[●] per cent ([●]%)][85] of the Initial Net Removal Capacity Estimate (or, if relevant, the RCE-Adjusted Net Removal Capacity Estimate), such NRCE Adjustment Notice shall be invalid and of no effect.

6.3 Any NRCE Adjustment Notice shall be irrevocable and the Developer may not subsequently increase the Net Removal Capacity Estimate.

6.4 The Developer may give an NRCE Adjustment Notice on only one (1) occasion prior to the NRCE Adjustment Deadline. Any NRCE Adjustment Notice given to the GGR Contract Counterparty after the NRCE Adjustment Deadline shall be invalid and of no effect.

6.5 No adjustment to the Strike Price shall be made solely as a result of an adjustment to the Net Removal Capacity Estimate pursuant to this Condition 6 (*Adjustment to Net Removal Capacity Estimate : Permitted Reduction*).

6.6 Where the Net Removal Capacity Estimate is adjusted pursuant to a valid NRCE Adjustment Notice pursuant to this Condition 6 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*), the GGR Contract Sales Cap shall be adjusted in accordance with Condition 12.1(A) (*GGR Contract Sales Cap calculation*).

84 **Note to Reader:** This reference is subject to further consideration as the measurement provisions are developed.

85 **Note to Reader:** This figure is subject to further consideration by DESNZ.

7. **FINAL NET REMOVAL CAPACITY**

7.1 The Developer shall, following the Start Date, and in any event no later than ten (10) Business Days after the Longstop Date, give a notice to the GGR Contract Counterparty (a **"Final Net Removal Capacity Notice"**). A Final Net Removal Capacity Notice shall:

(A) specify the Net Removal Capacity which has been Commissioned as at the date of such notice which:

(i) shall not, in any event, exceed the Net Removal Capacity Estimate; and

(ii) where the Net Removal Capacity is lower than the Net Removal Capacity Estimate but higher than [[●] per cent ([●]%)][86] of the Net Removal Capacity Estimate, shall be deemed to be equal to the lower of: (i) the Net Removal Capacity which has been Commissioned plus [[●] per cent ([●]%)][87] of the Net Removal Capacity Estimate ; and (ii) the Net Removal Capacity Estimate,

(the **"Final Net Removal Capacity"**); and

(B) include such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of its conclusion, including a description of the Facility (as prescribed in Annex 1, Part A, paragraph 3 (Conditions Precedent) as at the date of such notice[, and any evidence as required in accordance with Annex 2 (Testing Requirements))].

7.2 A Final Net Removal Capacity Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Final Net Removal Capacity Notice.

7.3 The Developer shall not give to the GGR Contract Counterparty more than one (1) Final Net Removal Capacity Notice.

7.4 The GGR Contract Counterparty shall, no later than twenty (20) Business Days after receipt of the Final Net Removal Capacity Notice, give a notice to the Developer (a **"Final Net Removal Capacity Response Notice"**). A Final Net Removal Capacity Response Notice shall specify that either:

(A) the GGR Contract Counterparty agrees with the Final Net Removal Capacity as specified in the Final Net Removal Capacity Notice; or

(B) the GGR Contract Counterparty has:

(i) not been provided with sufficient Supporting Information to determine the Final Net Removal Capacity or the description of the Facility (as prescribed in Annex 1, Part A, paragraph 3); and/or

(ii) not agreed with the Final Net Removal Capacity which has been Commissioned as specified in the Final Net Removal Capacity Notice, giving reasons,

in which case the Final Net Removal Capacity Response Notice shall provide details of any additional or revised Supporting Information which the GGR Contract Counterparty requires to determine the Final Net Removal Capacity or the description of the Facility

86 **Note to Reader:** This figure is subject to further consideration by DESNZ.

87 **Note to Reader:** This figure is subject to further consideration by DESNZ.

as at the date of the Final Net Removal Capacity Notice (the **"Final Net Removal Capacity Supporting Information"**).

7.5 If the GGR Contract Counterparty:

(A) gives a Final Net Removal Capacity Response Notice pursuant to Condition 7.4(A), the Final Net Removal Capacity shall, subject to Condition 7.1(A)(ii), be the amount so specified in the Final Net Removal Capacity Notice with effect from the date of the Final Net Removal Capacity Notice; or

(B) gives a Final Net Removal Capacity Response Notice pursuant to Condition 7.4(B):

(i) the Developer shall provide the Final Net Removal Capacity Supporting Information, and where relevant if Condition 7.4(B)(ii) applies, a response to the GGR Contract Counterparty's reasons for disagreeing with the Final Net Removal Capacity, as soon as reasonably practicable and in any event no later than ten (10) Business Days after receipt of the Final Net Removal Capacity Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the Final Net Removal Capacity Supporting Information, and where relevant if Condition 7.4(B)(ii) applies, a response to the GGR Contract Counterparty's reasons for disagreeing with the Final Net Removal Capacity, the GGR Contract Counterparty shall, no later than twenty (20) Business Days after receipt of the Final Net Removal Capacity Supporting Information, give a further Final Net Removal Capacity Response Notice to the Developer.

7.6 Nothing in this Condition 7 (*Final Net Removal Capacity*) shall require the GGR Contract Counterparty to specify in any Final Net Removal Capacity Response Notice that the GGR Contract Counterparty accepts the Final Net Removal Capacity notified to it by the Developer unless and until the GGR Contract Counterparty is satisfied of the same.

7.7 Without prejudice to the GGR Contract Counterparty's right to terminate the GGR Contract[pursuant to Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*)], if the Developer does not give the GGR Contract Counterparty a Final Net Removal Capacity Notice on or prior to the date which is ten (10) Business Days after the later of:

(A) the Longstop Date; and

(B) if applicable, the date which is ten (10) Business Days after the GGR Contract Counterparty has given notice to the Developer (on or at any time after the date falling ten (10) Business Days prior to the Longstop Date) reminding the Developer of the requirement to give a Final Net Removal Capacity Notice,

the Final Net Removal Capacity shall, with effect from the Longstop Date, be deemed to be [[●] per cent ([●]%)][88] of the Net Removal Capacity Estimate.

7.8 Without prejudice to the GGR Contract Counterparty's right to terminate the GGR Contract[pursuant to Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*)], if:

88 **Note to Reader:** This figure is subject to further consideration by DESNZ.

(A) the Developer does not provide the additional or revised Final Net Removal Capacity Supporting Information which is sufficient for the GGR Contract Counterparty to determine the Final Net Removal Capacity or the assets comprising the Facility; or

(B) the Developer fails to demonstrate the determination of the Final Net Removal Capacity to the satisfaction of the GGR Contract Counterparty,

within ten (10) Business Days after receipt of the further Final Net Removal Capacity Response Notice, or such longer period as is specified by the GGR Contract Counterparty, the GGR Contract Counterparty may deem the Final Net Removal Capacity to be [[●] per cent ([●]%)][89] of the Net Removal Capacity Estimate, until such time as the GGR Contract Counterparty agrees the Final Net Removal Capacity.

7.9 Once the Final Net Removal Capacity is determined (or is deemed to be determined) pursuant to this Condition 7 (*Final Net Removal Capacity*), the GGR Contract Sales Cap shall be adjusted in accordance with Condition 12.1(D) (*GGR Contract Sales Cap calculation*).

89 **Note to Reader:** This figure is subject to further consideration by DESNZ.

Part 5
Payment Calculations

8. DEFINITIONS: PART 5

In this Part 5 (*Payment Calculations*):

"Base Year Terms" means, for any Strike Price Adjustment initially expressed in a price period (x), with (x) being a calendar year other than the Base Year, the Strike Price Adjustment in respect of the Base Year ADJ_{base}, calculated in accordance with the following formula:

$$ADJ_{base} = ADJ_x \times \frac{CPI_{base}}{CPI_x}$$

where:

ADJ_{base}	=	the Strike Price Adjustment (*£/tCO₂*) in respect of the Base Year
ADJ_x	=	the Strike Price Adjustment (*£/tCO₂*) in any year (x)
CPI_{base}	=	the Base Year CPI
CPI_x	=	the arithmetic mean of the monthly CPI over the year (x)

"Capex Strike Price Adjustment Calculation Period" means, in respect of any calendar year, the period from the date the CPI for January in the relevant calendar year is published (or, where the Reference CPI is used, the fifth (5th) Business Day prior to the end of March in the relevant calendar year) up to and including 1 April in that calendar year;

"CORE Relief Amount" has the meaning given to that term in Condition 14.8(C) (*Capture Outage Relief Events*);

"Excess Sales Quantities" has the meaning given to that term in Condition 12.3 (*GGR Contract Sales Cap*);

"Excess Sales Quantity Adjustment Amount" has the meaning given to that term in Condition 12.3 (*GGR Contract Sales Cap*);

"Further Capture Outage Relief Event Response Notice" has the meaning given to that term in Condition 14.6(F)(ii) (*Capture Outage Relief Events*); and

"Strike Price Adjustment Calculation Period" means, in respect of any calendar year, the period from the date the CPI for January in the relevant calendar year is published (or, where the Reference CPI is used, the fifth (5th) Business Day prior to the end of March in the relevant calendar year) up to and including 1 April in that calendar year.

9. PAYMENT CALCULATIONS

Reference Price calculations

9.1 The GGR Contract Counterparty shall calculate the Reference Price for Qualifying GGR Credits (*expressed in £/tCO₂*) in respect of each Billing Period in accordance with Condition 9.2.

9.2 The **"Reference Price"** for Qualifying GGR Credits shall be calculated as follows:[90]

$$RP_m = \frac{\sum_{t=1}^{n} ASP_{t,m} * Quantity_{IA,t,m}}{\sum_{t=1}^{n} Quantity_{IA,t,m}}$$

where:

RP_m	=	the Reference Price (*£/tCO₂*) in the relevant Billing Period (*m*)
n	=	the number of Confirmed Offtakers in the relevant Billing Period (*m*)
t	=	each Confirmed Offtaker in the relevant Billing Period (*m*)
$ASP_{t,m}$	=	the Achieved Sales Price (*£/tCO₂*) for each Confirmed Offtaker (*t*) in the relevant Billing Period (*m*)
$Quantity_{IA,t,m}$	=	the Invoiced Quantity (*tCO₂*) for each Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)
$\sum_{t=1}^{n} Quantity_{IA,t,m}$	=	the sum of the Invoiced Quantity (*tCO₂*) for each Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)

Achieved Sales Price calculation

9.3 The GGR Contract Counterparty shall calculate the Achieved Sales Price for each Confirmed Offtaker (*expressed in £/tCO₂*) for each Billing Period in accordance with Condition 9.4.

9.4 The **"Achieved Sales Price"** for each Confirmed Offtaker in the relevant Billing Period shall be calculated as follows:[91]

$$ASP_{t,m} = \frac{IA_{t,m}}{Quantity_{IA,t,m}}$$

where:

$ASP_{t,m}$	=	the Achieved Sales Price (*£/tCO₂*) for the Confirmed Offtaker (*t*) in the relevant Billing Period (*m*)
$IA_{t,m}$	=	the Invoiced Amount (*£*) for the Confirmed Offtaker (*t*) in the relevant Billing Period (*m*)
$Quantity_{IA,t,m}$	=	the Invoiced Quantity (*tCO₂*) for the Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)

10. DIFFERENCE AMOUNT

Difference Amount calculation

---

[90] **Note to Reader:** This formula is subject to further review and development by DESNZ.

[91] **Note to Reader:** This formula is subject to further review and development by DESNZ.

10.1 For each Billing Period (*m*) during the Payment Period, the **"Difference Amount"** shall be calculated as follows:[92]

$$DA_m = (SP_m - RP_m) * \sum_{t=1}^{n} Quantity_{IA,t,m}$$

where:

DA_m	=	the Difference Amount (*£*) for the relevant Billing Period (*m*)
SP_m	=	the Strike Price (*£/tCO₂*) that applies in the relevant Billing Period (*m*)
RP_m	=	the Reference Price (*£/tCO₂*) in the relevant Billing Period (*m*)
$\sum_{t=1}^{n} Quantity_{IA,t,m}$	=	the sum of the Invoiced Quantity (*tCO₂*) for each Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)

10.2 If the Difference Amount:

(A) is a positive number, the Difference Amount shall be payable by the GGR Contract Counterparty to the Developer; or

(B) is a negative number, the absolute value of the Difference Amount shall be payable by the Developer to the GGR Contract Counterparty.

11. PRICE DISCOVERY INCENTIVE

Price Discovery Incentive Amount calculation

11.1 For each Billing Period (*m*) during the Payment Period, the **"Price Discovery Incentive Amount"** shall be calculated as follows:[93]

$$PDIA_m = \sum_{t=1}^{n} Quantity_{IA,t,m} * PDI_m$$

where:

$PDIA_m$	=	the Price Discovery Incentive Amount (*£*) for the relevant Billing Period (*m*)
$\sum_{t=1}^{n} Quantity_{IA,t,m}$	=	the sum of the Invoiced Quantity (*tCO₂*) for each Confirmed Offtaker (*t*) relating to the Invoiced Amount in the relevant Billing Period (*m*)
PDI_m	=	the Price Discovery Incentive (*£/tCO₂*) for the relevant Billing Period (*m*)

92 **Note to Reader:** This formula is subject to further review and development by DESNZ, including how best to account for revenue from the sale of GGR Credits which are not Qualifying GGR Credits where the reference price for such credits exceeds the Strike Price.

93 **Note to Reader:** This formula is subject to further review and development by DESNZ.

11.2 For each Billing Period (m) during the Payment Period, the **"Price Discovery Incentive"** shall be calculated as follows:[94]

$$PDI_m = PDIP * RP_m$$

where:

PDI_m	=	the Price Discovery Incentive (*£/tCO₂*) for the relevant Billing Period (*m*)
$PDIP$	=	the Price Discovery Incentive Percentage
RP_m	=	the Reference Price (*£/tCO₂*) in the relevant Billing Period (*m*)

12. GGR CONTRACT SALES CAP

GGR Contract Sales Cap calculation

12.1 With effect from the Agreement Date, the GGR Contract Sales Cap shall be adjusted in accordance with the following calculations:

(A) where the Net Removal Capacity Estimate is adjusted pursuant to a valid NRCE Adjustment Notice which the Developer submits to the GGR Contract Counterparty pursuant to Condition 6 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*), the adjusted GGR Contract Sales Cap shall be equal to:

$$GGRCSC = \frac{ANRCE_{PR,i} * GGRCSC_{i-1}}{NRCE_{i-1}}$$

where:

$GGRCSC$	=	the adjusted GGR Contract Sales Cap (tCO_2)
$ANRCE_{PR,i}$	=	the adjusted Net Removal Capacity Estimate (tCO_2 /Day) that will apply from Day (*i*) following the application of Condition 6 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*)
$GGRCSC_{i-1}$	=	the GGR Contract Sales Cap (tCO_2) that applied in Day (*i-1*) prior to the application of Condition 6 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*)
$NRCE_{i-1}$	=	the Net Removal Capacity Estimate (*tCO*2/Day) that applied in Day (*i-1*) prior to the application of Condition 6 (*Adjustment to Net Removal Capacity Estimate: Permitted Reduction*)

(B) where the GGR Contract Counterparty confirms that an RCE-Adjusted Net Removal Capacity Estimate constitutes the Net Removal Capacity Estimate pursuant to Condition 6 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*), the adjusted GGR Contract Sales Cap shall be equal to:

94 **Note to Reader:** This formula is subject to further review and development by DESNZ.

$$GGRCSC = \frac{ANRCE_{RCE,i} * GGRCSC_{i-1}}{NRCE_{i-1}}$$

where:

$GGRCSC$	=	the adjusted GGR Contract Sales Cap (*tCO_2*)
$ANRCE_{RCE,i}$	=	the adjusted Net Removal Capacity Estimate (*tCO_2* /Day) that will apply from Day (*i*) following the application of Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*)
$GGRCSC_{i-1}$	=	the GGR Contract Sales Cap (*tCO_2*) that applied in Day (*i-1*) prior to the application of Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*)
$NRCE_{i-1}$	=	the Net Removal Capacity Estimate (*tCO_2*/Day that applied in Day (*i-1*) prior to the application of Condition 5 (*Adjustment to Net Removal Capacity Estimate: Relevant Construction Event*)

(C) following the occurrence of the Start Date, the adjusted GGR Contract Sales Cap shall be equal to:

$$GGRSC = \frac{NRC * GGRCSC_{i-1}}{NRCE_{i-1}}$$

where:

$GGRCSC$	=	the adjusted GGR Contract Sales Cap (*tCO_2*)
NRC	=	the Net Removal Capacity (*tCO_2*/Day) as at the Start Date
$GGRCSC_{i-1}$	=	the GGR Contract Sales Cap (*tCO_2*) that applied in Day (*i-1*) prior to the Start Date
$NRCE_{i-1}$	=	the Net Removal Capacity Estimate (*tCO_2*/Day) that applied in Day (*i-1*) prior to the Start Date

(D) where the GGR Contract Counterparty confirms the Final Net Removal Capacity pursuant to Condition 7 (*Final Net Removal Capacity*), the adjusted GGR Contract Sales Cap shall be equal to:

$$GGRCSC = \frac{FNRC * (GGRCSC_{i-1} - TotalAccruedQuantity_{m-1})}{NRC} + TotalAccruedQuantity_{m-1}$$

where:

$GGRCSC$	=	the adjusted GGR Contract Sales Cap (*tCO_2*)
$TotalAccruedQuantity_{m-1}$	=	the aggregate of (i) the Total Invoiced Quantities for all Billing Periods, (ii) any Excess Sales Quantity Adjustment Amount for all Fiscal Years from the Start Date, (iii) any QCiL Adjusted Revenues Quantities, (iv) any Pre-Start Date Relief Reference Quantities for any Pre-Start Date Billing Period(s) to which a Monthly TCDE Relief Amount relates and (v) any Deemed Qualifying GGR Credits

		Quantities for any Relief Event Billing Period(s) to which a Monthly CORE Relief Amount(s) relates, in each case up to and including the Billing Period (*m-1*) prior to the date of the valid Final Net Removal Capacity Notice
$FNRC$	=	the Final Net Removal Capacity (tCO_2/Day) which is confirmed pursuant to Condition 7 (*Final Net Removal Capacity*)
$GGRCSC_{i-1}$	=	the GGR Contract Sales Cap (tCO_2) that applied in Day (*i-1*) prior to the date of the valid Final Net Removal Capacity Notice
NRC	=	the Net Removal Capacity (tCO_2/Day) as at the Start Date

Automatic Expiry

12.2 Subject to Condition 12.3, if at any time during the Term:

$$TotalAccruedQuantity \geq GGRCSC$$

where:

$TotalAccruedQuantity$	=	the aggregate of (i) the Total Invoiced Quantities for all Billing Periods, (ii) any Excess Sales Quantity Adjustment Amount for all Fiscal Years from the Start Date, (iii) any QCiL Adjusted Revenues Quantities, (iv) any Pre-Start Date Relief Reference Quantities for any Pre-Start Date Billing Period(s) to which a Monthly TCDE Relief Amount relates and (v) any Deemed Qualifying GGR Credits Quantities for any Relief Event Billing Period(s) to which a Monthly CORE Relief Amount(s) relates
$GGRCSC$	=	the GGR Contract Sales Cap (tCO_2)

then any additional Invoiced Quantity shall be deemed to be zero (0) and the GGR Contract shall automatically expire.

12.3 For the purpose of calculating the Total Accrued Quantity, if the Total Invoiced Quantities for all Billing Periods in a Fiscal Year exceed the Permitted Annual Sales Cap for such Fiscal Year at any time during the Fiscal Year, the **"Excess Sales Quantity Adjustment Amount"** for such Fiscal Year shall be equal to the Total Invoiced Quantities for all Billing Periods in the Fiscal Year which exceed the Permitted Annual Sales Cap for such Fiscal Year (the **"Excess Sales Quantities"**) multiplied by fifty per cent. (50%).

Permitted Annual Sales Cap

12.4 If the aggregate of the Total Invoiced Quantities for all Billing Periods in a Fiscal Year, any Deemed Qualifying GGR Credits Quantities for any Relief Event Billing Period(s) in a Fiscal Year and any QCiL Adjusted Revenues Quantities exceeds the Permitted Annual Sales Cap for such Fiscal Year at any time during the Fiscal Year, then any additional GGR Credits shall be deemed not to be Qualifying GGR Credits in such Fiscal Year.

12.5 The **"Permitted Annual Sales Cap"** (*tCO_2)* that applies for each Fiscal Year shall be equal to: [95]

$$PASC = \frac{GGRCSC}{15} * 1.1$$

where:

$PASC$	=	the Permitted Annual Sales Cap for the relevant Fiscal Year during the Payment Period (*tCO_2*)
$GGRCSC$	=	the GGR Contract Sales Cap (tCO_2)

13. STRIKE PRICE INDEXATION ADJUSTMENTS

Strike Price Indexation Adjustment

13.1 The GGR Contract Counterparty shall calculate an indexation adjustment to the Strike Price during the Strike Price Adjustment Calculation Period in each calendar year of the Term (each such adjustment, a **"Strike Price Indexation Adjustment"**).

13.2 Each Strike Price Indexation Adjustment shall:

(A) become effective on 1 April in the calendar year in which the Strike Price Indexation Adjustment is calculated (each such date, a **"Strike Price Indexation Anniversary"**); and

(B) use the CPI for January of the relevant calendar year save where the CPI for January is not published by 1 April in such calendar year, in which case the Reference CPI shall be used.

13.3 The Strike Price which is to apply in each Billing Period (*m*) with effect from each Strike Price Indexation Anniversary as a result of the Strike Price Indexation Adjustment shall be calculated as follows:[96]

$$SP_m = \left(\left(SP_{base} + ADJ_i^{base} \right) * \Pi_i \right)$$

SP_m	=	the Strike Price (*£/tCO_2*) that applies in each Billing Period (*m*) with effect from each Strike Price Indexation Anniversary
SP_{base}	=	the Initial Strike Price (*£/tCO_2*)
ADJ_i^{base}	=	the sum of the Strike Price Adjustments applicable to Day (*i*) (other than any adjustment pursuant to Condition 13.1 (*Strike Price Indexation Adjustment*), Condition 13.5 (*Capex Strike Price Indexation Adjustment*) or Condition 13.9 (*Non-Variable Costs Strike Price Indexation Adjustment*)) occurring immediately prior to the relevant Strike Price Indexation Anniversary, expressed in Base Year Terms
Π_i	=	the Inflation Factor applicable to Day (*i*)
Day (i)	=	the first Day of the relevant Billing Period (*m*)

95 **Note to Reader:** The calculation of the Permitted Annual Sales Cap is subject to further consideration by DESNZ.

96 **Note to Reader:** This formula is subject to further review and development by DESNZ.

13.4 The GGR Contract Counterparty shall notify the Developer of the revised Strike Price no later than five (5) Business Days after each Strike Price Indexation Anniversary.

Capex Strike Price Indexation Adjustment

13.5 The GGR Contract Counterparty shall calculate an indexation adjustment to the Capex Strike Price during the Capex Strike Price Adjustment Calculation Period in each calendar year of the Term (each such adjustment, a **"Capex Strike Price Indexation Adjustment"**).

13.6 Each Capex Strike Price Indexation Adjustment shall:

(A) become effective on 1 April in the calendar year in which the Strike Price Indexation Adjustment is calculated (each such date, a **"Capex Strike Price Indexation Anniversary"**) and shall apply for each Billing Period or Pre-Start Date Billing Period (as applicable) in the Fiscal Year starting on the Capex Strike Price Indexation Anniversary; and

(B) use the CPI for January of the relevant calendar year save where the CPI for January is not published by 1 April in such calendar year, in which case the Reference CPI shall be used.

13.7 The Capex Strike Price which is to apply in each Billing Period (*m*) or Pre-Start Date Billing Period (as applicable) with effect from each Capex Strike Price Indexation Anniversary as a result of the Capex Strike Price Indexation Adjustment shall be calculated as follows:[97]

$$SP_m = (SP_{base} * \Pi_i)$$

SP_m	=	the Capex Strike Price (*£/tCO_2*) that applies in each Billing Period or Pre-Start Date Billing Period (as applicable) (*m*) with effect from each Capex Strike Price Indexation Anniversary
SP_{base}	=	the Initial Capex Strike Price (*£/tCO_2*)
Π_i	=	the Inflation Factor applicable to Day (*i*)
$\text{Day } (i)$	=	the first Day of the relevant Billing Period or Pre-Start Date Billing Period (as applicable) (*m*)

13.8 The GGR Contract Counterparty shall notify the Developer of the revised Capex Strike Price no later than five (5) Business Days after each Capex Strike Price Indexation Anniversary.

Non-Variable Costs Strike Price Indexation Adjustment

13.9 The GGR Contract Counterparty shall calculate an indexation adjustment to the Non-Variable Costs Strike Price in each calendar year of the Term (each such adjustment, an **"NVCSP Indexation Adjustment"**).

13.10 Each NVCSP Indexation Adjustment shall:

(A) become effective on 1 April in the calendar year in which the NVCSP Indexation Adjustment is calculated (each such date, an **"NVCSP Indexation Anniversary"**); and

97 **Note to Reader:** This formula is subject to further review and development by DESNZ.

(B) use the CPI for January of the relevant calendar year save where the CPI for January is not published by 1 April in such calendar year, in which case the Reference CPI shall be used.

13.11 The Non-Variable Costs Strike Price which is to apply in each Billing Period (*m*) with effect from each NVCSP Indexation Anniversary as a result of the NVCSP Indexation Adjustment shall be calculated as follows:[98]

$$NVCSP_m = (NVCSP_{base} * \Pi_i)$$

where:

$NVCSP_m$	=	the Non-Variable Costs Strike Price (*£/tCO₂*) that applies in each Billing Period (*m*) with effect from each NVCSP Indexation Anniversary
$NVCSP_{base}$	=	the Initial Non-Variable Costs Strike Price (*£/tCO₂*)
Π_i	=	the Inflation Factor applicable to Day (*i*)
Day (i)	=	the first Day of the relevant Billing Period

13.12 The GGR Contract Counterparty shall notify the Developer of the revised Non-Variable Costs Strike Price no later than five (5) Business Days after each NVCSP Indexation Anniversary.

14. CAPTURE OUTAGE RELIEF EVENTS[99]

14.1 The Developer shall give the GGR Contract Counterparty a notice promptly following the occurrence of a Capture Outage Relief Event (a **"Capture Outage Relief Event Notice"**). A Capture Outage Relief Event Notice shall:

(A) specify the Reporting Unit(s) in which the Capture Outage Relief Event occurred (a **"Relief Event Reporting Unit"**) within the relevant Billing Period(s) (a **"Relief Event Billing Period"**);

(B) describe the Capture Outage Relief Event including the reason for the Capture Outage Relief Event and the impact, if any, of the Capture Outage Relief Event on [the Deemed Daily CO_2 Removal Rate for the purpose of calculating the Deemed Qualifying GGR Credits Quantity and/or the Metered CO_2 Output to T&S];

(C) include evidence relating to the Capture Outage Relief Event from the relevant T&S Operator;

(D) specify whether a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has occurred on or before and is continuing at the same time as the Capture Outage Relief Event and if so:

(i) describe such Capture Outage Event; and

(ii) specify the proposed Capture Outage Reduction Factor;

---

98 **Note to Reader:** This formula is subject to further review and development by DESNZ.

99 **Note to Reader:** This Condition 14 is subject to further consideration by DESNZ for DACCS projects that are awarded a GGR Contract.

(E) include such Supporting Information as the Developer considers to be relevant to:

(i) the Capture Outage Relief Event (including the impact, if any, of the Capture Outage Relief Event on [the Deemed Daily CO_2 Removal Rate for the purpose of calculating the Deemed Qualifying GGR Credits Quantity and/or the Metered CO_2 Output to T&S]; and

(ii) if applicable, any Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event and which occurred on or before and is continuing at the same time as the Capture Outage Relief Event, and the proposed Capture Outage Reduction Factor; and

(F) include details of the steps that the Developer has taken and/or proposes to take to mitigate the effect of the relevant Capture Outage Relief Event.

14.2 Each Capture Outage Relief Event Notice shall be accompanied by:

(A) a Directors' Certificate in relation to the information contained in, and enclosed with, the Capture Outage Relief Event Notice; and

(B) if a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has occurred and is continuing at the same time as the Capture Outage Relief Event, a report from the Developer's technical adviser addressed to the GGR Contract Counterparty in relation to the proposed Capture Outage Reduction Factor.

14.3 The Developer shall give a notice (a **"Capture Outage Relief Event Update Notice"**) to the GGR Contract Counterparty as soon as reasonably practicable upon becoming aware of any update to the Information provided to the GGR Contract Counterparty relating to:

(A) the Capture Outage Relief Event; and

(B) any Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event and which occurred on or before and is continuing at the same time as the Capture Outage Relief Event, and the proposed Capture Outage Reduction Factor.

14.4 Each Capture Outage Relief Event Update Notice shall be accompanied by:

(A) a Directors' Certificate in relation to the information contained in, and enclosed with, the Capture Outage Relief Event Update Notice; and

(B) if the Capture Outage Relief Event Update Notice relates to an update to the Capture Outage Reduction Factor, a report from the Developer's technical adviser addressed to the GGR Contract Counterparty in relation to the proposed Capture Outage Reduction Factor.

14.5 The GGR Contract Counterparty shall, no later than ten (10) Business Days after receipt of a Capture Outage Relief Event Notice, give a notice to the Developer (a **"Capture Outage Relief Event Response Notice"**). A Capture Outage Relief Event Response Notice shall specify:

(A) whether the GGR Contract Counterparty considers that the Capture Outage Relief Event to which the Capture Outage Relief Event Notice relates has or has not occurred;

(B) if the Developer has stated in the Capture Outage Relief Event Notice that a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief

Event has occurred on or before and is continuing at the same time as the Capture Outage Relief Event:

(i) whether the GGR Contract Counterparty considers that such Capture Outage Event has or has not occurred and is or is not continuing at the same time as the Capture Outage Relief Event; and

(ii) if the GGR Contract Counterparty considers that such Capture Outage Event has occurred and is continuing at the same time as the Capture Outage Relief Event, whether the GGR Contract Counterparty agrees or does not agree with the proposed Capture Outage Reduction Factor; or

(C) whether the GGR Contract Counterparty considers that it has not been provided with sufficient Supporting Information to determine whether: (i) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has or has not occurred; (ii) a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has or has not occurred on or before and is or is not continuing at the same time as the Capture Outage Relief Event to which the Capture Outage Relief Event Notice relates; and/or (iii) it agrees or does not agree with the proposed Capture Outage Reduction Factor and, if so, details of the additional Supporting Information which the GGR Contract Counterparty requires (the **"Capture Outage Relief Event Supporting Information"**).

14.6 If the GGR Contract Counterparty states in the Capture Outage Relief Event Response Notice that:

(A) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has not occurred, then a Capture Outage Relief Event will be deemed not to have occurred for the purposes of the GGR Contract unless and until a resolution or determination to the contrary is made pursuant to the Expert Determination Procedure;

(B) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has occurred and a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has not occurred on or before and is not continuing at the same time as the Capture Outage Relief Event, then a Capture Outage Relief Event will be deemed to have occurred for the purposes of the GGR Contract and the proposed Capture Outage Reduction Factor shall be equal to one (1);

(C) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has occurred, a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has occurred on or before and is continuing at the same time as the Capture Outage Relief Event and the GGR Contract Counterparty agrees with the Developer's proposed Capture Outage Reduction Factor, then a Capture Outage Relief Event will be deemed to have occurred for the purposes of the GGR Contract and the Capture Outage Reduction Factor set out in the Capture Outage Relief Event Notice will be used to calculate the Deemed Qualifying GGR Credits Quantity;

(D) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has occurred, a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has occurred on or before and is continuing at the same time as the Capture Outage Relief Event but the GGR Contract Counterparty does not agree with the Developer's proposed Capture Outage Reduction Factor, then a Capture Outage Relief Event will be deemed to have occurred for the purposes of the

GGR Contract and the Capture Outage Reduction Factor set out in the Capture Outage Relief Event Notice will be used to calculate the Deemed Qualifying GGR Credits Quantity unless or until a resolution or determination to the contrary is made pursuant to the Expert Determination Procedure;

(E) the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has occurred but the GGR Contract Counterparty considers that a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has not occurred on or before and is not continuing at the same time as the Capture Outage Relief Event, then a Capture Outage Relief Event will be deemed to have occurred for the purposes of the GGR Contract and the Capture Outage Reduction Factor shall be equal to one (1) unless or until a resolution or determination to the contrary is made pursuant to the Expert Determination Procedure; or

(F) the Developer has not provided the GGR Contract Counterparty with sufficient Supporting Information to determine whether the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has occurred, a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has occurred on or before and is continuing at the same time as the Capture Outage Relief Event and/or it agrees with the proposed Capture Outage Reduction Factor then:

(i) the Developer shall provide the Capture Outage Relief Event Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of the Capture Outage Relief Event Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the Capture Outage Relief Event Supporting Information, the GGR Contract Counterparty shall, as soon as reasonably practicable and in any event no later than ten (10) Business Days after receipt of such Capture Outage Relief Event Supporting Information, give a further Capture Outage Relief Event Response Notice to the Developer (a **"Further Capture Outage Relief Event Response Notice"**). A Further Capture Outage Relief Event Response Notice shall specify whether the GGR Contract Counterparty considers that the Capture Outage Relief Event to which the Capture Outage Relief Event Response Notice relates has or has not occurred, the GGR Contract Counterparty considers that a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has or has not occurred on or before and is or is not continuing at the same time as the Capture Outage Relief Event to which the Capture Outage Relief Event Notice relates and the GGR Contract Counterparty agrees or does not agree with the proposed Capture Outage Reduction Factor.

14.7 Nothing in Conditions 14.1 to 14.6 (*Capture Outage Relief Events*) shall require the GGR Contract Counterparty to specify in any Capture Outage Relief Event Response Notice or Further Capture Outage Relief Event Response Notice that a Capture Outage Relief Event has occurred, that a Capture Outage Event which has not occurred as a direct result of a Capture Outage Relief Event has or has not occurred on or before and is or is not continuing at the same time as the Capture Outage Relief Event and/or that it agrees with the proposed Capture Outage Reduction Factor, unless and until the GGR Contract Counterparty is satisfied of the same.

14.8 If a Capture Outage Relief Event is deemed to have occurred in accordance with Condition 14.6(B), Condition 14.6(C), Condition 14.6(D), Condition 14.6(E) or Condition 14.6(F)(ii):[100]

(A) the GGR Contract Counterparty shall calculate the Deemed Qualifying GGR Credits Quantity for each applicable Relief Event Reporting Unit;

(B) the GGR Contract Counterparty shall calculate the Strike Price that shall apply in each applicable Relief Event Reporting Unit, which shall be calculated as follows:

$$\boldsymbol{SP_i = S_{initial,i} - \left(\left(S_{initial,i} \times VC_i\right) \times MA_i\right)}$$

where:

SP_i	=	the Strike Price (*£/tCO₂*) that applies in the Relief Event Reporting Unit (*i*)
$S_{initial,i}$	=	the pre-adjustment Strike Price (*£/tCO₂*) that would have applied in the Relief Event Reporting Unit (*i*)
VC_i	=	the Variable Component of Strike Price (*expressed as a percentage (%)*)
MA_i	=	the Mitigation Adjustment (*expressed as a percentage (%)*) that applies in the Relief Event Reporting Unit (*i*)[101]

(C) the GGR Contract Counterparty shall calculate the amount that shall be payable in respect of the Deemed Qualifying GGR Credits Quantity in each applicable Relief Event Reporting Unit (the **"CORE Relief Amount"**), which shall be calculated as follows:[102]

$$CORE\_RA_i = SP_i \times DQCQ_i$$

where:

$CORE\_RA_i$	=	the CORE Relief Amount (*£*) for the Relief Event Reporting Unit (*i*)
SP_i	=	the Strike Price (*£/tCO₂*) that applies in the Relief Event Reporting Unit (*i*)
$DQCQ_i$	=	the Deemed Qualifying GGR Credits Quantity (*expressed in tCO₂/Day*) in the Relief Event Reporting Unit (*i*)

(D) the GGR Contract Counterparty shall calculate the amount that shall be payable in respect of the sum of the Deemed Qualifying GGR Credits Quantity for all applicable Relief Event Reporting Units in the Relief Event Billing Period (the **"Monthly CORE Relief Amount"**), which shall be calculated as follows:

---

[100] **Note to Reader:** The calculations set out in this Condition 14.8 are subject to further review and development by DESNZ, including to reflect further technical and financial input.

[101] **Note to Reader:** The Variable Component of Strike Price will be adjusted during a Capture Outage Relief Event by reference to the duration of the Capture Outage Relief Event, the Developer Available T&S Capacity, and the variable operating costs that a Developer will be able to mitigate, and will be deemed to have mitigated, including, for example, from reduced energy consumption by turning down the throughput of the Capture Plant from a full load to a part-load operating condition during such Capture Outage Relief Event (see Annex 3 (*Mitigation Adjustment*)). The details of such adjustment are subject to further review and development by DESNZ, including to reflect further technical and financial input**.**

[102] **Note to Reader:** This formula is subject to further review and development by DESNZ.

$$CORE\_RA_m = \sum_{i=1}^{n} CORE\_RA_{i,m}$$

where:

$CORE\_RA_m$	=	the Monthly CORE Relief Amount (*£*)
$CORE\_RA_{i,m}$	=	the CORE Relief Amount (*£*) for each Relief Event Reporting Unit (*i*) in the Relief Event Billing Period (*m*) calculated in accordance with Condition 14.8(C)
n	=	the number of Relief Event Reporting Units (*i*) the Relief Event Billing Period (*m*)

(E) the Monthly CORE Relief Amount for the Relief Event Billing Period shall be payable by the GGR Contract Counterparty to the Developer and shall be included in the T&S Billing Statement which is next issued by the GGR Contract Counterparty to the Developer.

15. T&S CHARGES AMOUNT

T&S Charges Amount calculation

15.1 The T&S charges amount for each Billing Period (*m*) during the Payment Period (the **"Monthly T&S Charges Amount"**) shall be calculated as follows:

$$T\&S_m = \sum_{i=1}^{n} T\&S_{i,m}$$

where:

$T\&S_m$	=	the Monthly T&S Charges Amount (*£*) for the relevant Billing Period (*m*)
$T\&S_{i,m}$	=	the T&S Charges Amount (*£*) for each Day (*i*) in the relevant Billing Period (*m*)
n	=	the number of Days (*i*) in the relevant Billing Period (*m*)

15.2 The T&S Charges Amount for each Day (*i*) during the Payment Period (**"T&S Charges Amount"**) shall be calculated as follows:[103]

$$T\&S_i = TSNC_i + TSFC_i + TSCC_i$$

where:

$T\&S_i$	=	the T&S Charges Amount (*£*) for each Day (*i*)
$TSNC_i$	=	the T&S Network Charge (*£*) for each Day (*i*)
$TSFC_i$	=	the T&S Flow Charge (*£*) for each Day (*i*)

[103] **Note to Reader:** This formula is subject to further review and development by DESNZ.

$TSCC_i$	=	the T&S Capacity Charge (£) for each Day (*i*)

provided that if there is a T&S Commissioning Delay Event then:

(A) the T&S Capacity Charge, the T&S Flow Charge and the T&S Network Charge shall not be payable by the GGR Contract Counterparty to the Developer, until the T&S Network Availability Date; and

(B) the T&S Capacity Charge, the T&S Flow Charge and the T&S Network Charge shall be deemed to be zero (0) during any period in which there is a T&S Commissioning Delay Event.

Part 6
Billing and payment

16. DEVELOPER PAYMENT INFORMATION

Delivery of Payment Information Notice

16.1 The Developer shall, in relation to each Billing Period, deliver a payment information notice to the GGR Contract Counterparty (a **"Payment Information Notice"**).

16.2 Each Payment Information Notice shall:

(A) be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Payment Information Notice; and

(B) be delivered to the GGR Contract Counterparty no later than five (5) Business Days after the end of the relevant Billing Period.

16.3 Without prejudice to Condition 16.1, if a Developer fails to submit a Payment Information Notice and/or accompanying Directors' Certificate to the GGR Contract Counterparty:

(A) by the date that falls [five (5)] Business Days after the end of the relevant Billing Period, then:

(i) subject to Condition 16.3(B), no payment shall be payable by the GGR Contract Counterparty to the Developer in relation to the relevant Billing Period; and

(ii) the Developer may not submit a Payment Information Notice for any subsequent Billing Period(s) unless and until the Developer has submitted a Payment Information Notice to the GGR Contract Counterparty in respect of the relevant Billing Period in accordance with Condition 16.1 and Condition 16.2; and

(B) by the date that falls three (3) Months after the end of the relevant Billing Period, then the GGR Contract Counterparty shall:

(i) not be required to accept or make any payment in respect of such Payment Information Notice; and

(ii) [have the right, but not the obligation, to estimate the Achieved Sales Price for each Confirmed Offtaker for the relevant Billing Period in accordance with a methodology which the GGR Contract Counterparty shall determine taking into account the prevailing market price of GGR Credits (where available).][104]

16.4 [The Developer acknowledges and agrees that it shall not be entitled to raise a Dispute in respect of, or refer to the Dispute Resolution Procedure, any decision or determination by the GGR Contract Counterparty pursuant to Condition 16.3(B)(ii) of:

(A) an estimated Achieved Sales Price for each Confirmed Offtaker; or

---

[104] **Note to Reader:** This provision is subject to further review and development by DESNZ in the context of how best to account for revenue from the sale of GGR Credits which are not Qualifying GGR Credits where the reference price for such credits exceeds the Strike Price.

(B) a methodology for deciding or determining (A).] [105]

16.5 [If the GGR Contract Counterparty estimates the Achieved Sales Price for each Confirmed Offtaker pursuant to Condition 16.3(B)(ii), and the Developer subsequently submits a Payment Information Notice and accompanying Directors' Certificate to the GGR Contract Counterparty by a date that falls more than three (3) Months after the end of the relevant Billing Period, then the GGR Contract Counterparty shall have the right, but not the obligation, to:

(A) accept and/or make or request any payment in respect of such Payment Information Notice; and

(B) if the Achieved Sales Price for each Confirmed Offtaker is higher than the estimated Achieved Sales Price for each Confirmed Offtaker for the same Billing Period, to reconcile the Difference Amount for such Billing Period.] [106]

16.6 If a Developer fails to submit a Payment Information Notice and/or accompanying Directors' Certificate to the GGR Contract Counterparty by the date that falls six (6) Months after the end of the relevant Billing Period then a **"Payment Information Notice Termination Event"** will be deemed to have occurred.

Contents of Payment Information Notice [107]

16.7 Each Payment Information Notice shall set out, identify or include:

Identification information

(A) the Billing Period or other period to which the Payment Information Notice relates;

(B) the details of the GGR Contract (or a unique identifier attributed to the GGR Contract by the GGR Contract Counterparty);

(C) the unique identifier attributed to each Confirmed Offtaker by the GGR Contract Counterparty;

(D) the unique invoice number generated for each Confirmed Offtaker by the Developer in respect of the relevant Billing Period;

Developer Payment Information

(E) in respect of each Payment Information Notice issued on or after the date on which the Start Date Notice is given:

(i) the Invoiced Amount for each Confirmed Offtaker in the relevant Billing Period, as set out in the relevant Confirmed Offtaker Invoice;

---

105 **Note to Reader:** This provision is subject to further review and development by DESNZ in the context of how best to account for revenue from the sale of GGR Credits which are not Qualifying GGR Credits where the reference price for such credits exceeds the Strike Price.

106 **Note to Reader:** This provision is subject to further review and development by DESNZ in the context of how best to account for revenue from the sale of GGR Credits which are not Qualifying GGR Credits where the reference price for such credits exceeds the Strike Price.

107 **Note to Reader:** The contents of the Payment Information Notice will need to reflect the information the GGR Contract Counterparty requires to carry out the calculations in Part 5 (*Payment Calculations*). Therefore, this section remains subject to further consideration to ensure it is fully aligned with Part 5.

(ii) for each Confirmed Offtaker, the Invoiced Quantity which corresponds to the Invoiced Amount in the relevant Billing Period, as set out in the relevant Confirmed Offtaker Invoice;

(iii) the Total Invoiced Quantity in the relevant Billing Period;

(iv) the quantity of GGR Credits which are not Qualifying GGR Credits, which are sold by the Developer during the relevant Billing Period;

(v) any Invoiced Quantity which is deemed to be zero (0) pursuant to Condition 12.2 (*Automatic Expiry*);

(vi) any additional GGR Credits which are deemed not to be Qualifying GGR Credits pursuant to Condition 12.4 (*Permitted Annual Sales Cap*);

(vii) any additional GGR Credits which are deemed not to be Qualifying GGR Credits pursuant to Condition 34.2 (*Developer FMV and Offtake Compliance Obligations*);

(viii) any additional GGR Credits which are deemed to not be Qualifying GGR Credits pursuant to Condition 35.1 (*Compliance Schemes*);

(ix) each Confirmed Offtaker Invoice in respect of the relevant Billing Period;[108] and

(x) the Invoice Document submitted to the Developer pursuant to Section H of the CCS Network Code for the relevant Billing Period.

17. **GGR BILLING STATEMENTS**

Delivery of GGR Billing Statement

17.1 The GGR Contract Counterparty:

(A) may, in relation to any Pre-Start Date Billing Period(s); and

(B) shall, in relation to each Billing Period,

deliver a billing statement to the Developer (each, a **"GGR Billing Statement"**).

17.2 Each GGR Billing Statement issued pursuant to Condition 17.1(A) shall be delivered to the Developer, together with (subject to Condition 17.10) the relevant Payment Calculation Data in respect of such GGR Billing Statement, no later than ten (10) Business Days after the Start Date.

17.3 Subject to Condition 16.1 and Condition 16.2, each GGR Billing Statement issued pursuant to Condition 17.1(B) shall be delivered to the Developer, together with (subject to Condition 17.10) the relevant Payment Calculation Data in respect of such GGR Billing Statement, no later than ten (10) Business Days after the end of the relevant Billing Period.

Contents of GGR Billing Statement

17.4 Each GGR Billing Statement shall set out or identify:

[108] **Note to Reader:** With each Confirmed Offtaker Invoice, the Developer will be required to provide evidence that the GGR Credits to which the invoice relates have been verified and issued under the GGR Standard (to evidence that they are Qualifying GGR Credits).

Identification information

(A) the Billing Statement number generated by the GGR Contract Counterparty;

(B) the date on which the Billing Statement is issued by the GGR Contract Counterparty;

(C) the date on which payment is due in respect of the GGR Billing Statement pursuant to either Condition 18.2 (*Payment from Developer*) or Condition 18.1 (*Payment from GGR Contract Counterparty)*;

(D) the Billing Period or other period to which the GGR Billing Statement relates;

(E) the details of the GGR Contract (or a unique identifier attributed to the GGR Contract by the GGR Contract Counterparty);

Difference Amount and Price Discovery Incentive Amount

(F) in respect of each GGR Billing Statement issued on or after the Start Date:

(i) the Difference Amount for the relevant Billing Period;

(ii) the Price Discovery Incentive Amount for the relevant Billing Period;

Additional components

(G) any GGR Reconciliation Amounts;

(H) any GGR Compensatory Interest Amount; and

(I) [if applicable, any costs payable in relation to a GGR Meter Audit;]

(J) [if applicable, any costs payable in relation to an Offtake Compliance Audit;]

GGR Net Payable Amount

(K) the GGR Net Payable Amount in respect of the relevant Billing Period or other period to which the GGR Billing Statement relates; and

Set-off Amount

(L) any amount set-off against the GGR Net Payable Amount pursuant to Condition 3.75 (*Set-off of Previous Subsidy*) or Condition 31.17 (*Set-off of Other Subsidy*).

Calculation of GGR Reconciliation Amounts

17.5 The **"GGR Reconciliation Amounts"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a GGR Billing Statement is issued), comprise any revisions to the GGR Net Payable Amount in respect of any preceding Billing Period (or any other prior period in respect of which a GGR Billing Statement was issued) which are required to reflect:

(A) the resolution of any GGR Technical Dispute;

(B) any Monthly CORE Relief Amount that would have been payable by the GGR Contract Counterparty to the Developer in respect of the relevant Deemed Qualifying GGR Credits Quantity pursuant to Condition 14.8 (*Capture Outage Relief Events*);

(C) any amount payable pursuant to:

(i) [Condition 25.2(A) (*Failure to comply with compliance of technology undertaking*),] Condition 27.10 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension*), Condition 31.4 (*Suspension of payments (failure to provide KYC Information)*),Condition 33.13 (*Failure to provide an Offtake Review Notice: suspension*), Condition 36.7 (*Failure to comply with the GGR Contract Counterparty Audit Right: suspension*), Condition 37.8 (*Failure to comply with Offtake Compliance Audit: suspension*), Condition 38.11 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension*), Condition 48.16 (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*); or

(ii) Condition 31.8 (*Suspension of Payments (no cumulation of Subsidy, State aid, Union Funding and/or International Funding)*), Condition 31.11 (*Suspension of payments (failure to provide Information)*) or Condition 31.14 (*Waiver of Developer's Obligation to Repay Subsidy, State aid, Union Funding and/or International Funding*);

(D) any agreed or determined adjustment to the Final Net Removal Capacity;

(E) any adjustment to the Invoiced Quantities pursuant to Condition 12.2 (*Automatic Expiry*);

(F) any QCiL Compensation (including any QCiL Strike Price Adjustment);

(G) any QCiL True-Up Compensation (including any QCiL True-Up Strike Price Adjustment);

(H) any Strike Price Indexation Adjustment;

(I) any Capex Strike Price Indexation Adjustment;

(J) any NVCSP Indexation Adjustment; and

(K) the correction of any error in, and/or any adjustment to, any previous GGR Billing Statement including to reflect the outcome of an audit carried out under or in connection with the GGR Contract and/or any adjustment to any previously issued Payment Information Notice.

Calculation of GGR Compensatory Interest Amount

17.6 The **"GGR Compensatory Interest Amount"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a GGR Billing Statement is issued), comprise interest due and payable in relation to each GGR Reconciliation Amount reflected in the GGR Billing Statement for the relevant Billing Period (or such other period) (a **"GGR Reconciliation Billing Period"**), calculated on the basis that interest on each GGR Reconciliation Amount shall accrue on such amount at the GGR Compensatory Interest Rate for the period from and including:

(A) the relevant Day(s) in the Billing Period to which a GGR Technical Dispute relates in respect of any GGR Reconciliation Amount resulting from the resolution of a GGR Technical Dispute;

(B) the Day on which the Monthly CORE Relief Amount would have been payable by the GGR Contract Counterparty to the Developer in respect of the relevant Deemed Qualifying GGR Credits Quantity pursuant to Condition 14.8 (*Capture Outage Relief Events*);

(C) the earlier of: (i) the Longstop Date; and (ii) the date of the Final Net Removal Capacity Notice, in respect of any GGR Reconciliation Amount resulting from the agreement or determination of the Final Net Removal Capacity;

(D) the relevant Day(s) in the Billing Period to which an adjustment to the Invoiced Quantities relates pursuant to Condition 12.2 (*Automatic Expiry*);

(E) the QCiL Compensation Date in respect of any GGR Reconciliation Amount to reflect any QCiL Compensation (including any QCiL Strike Price Adjustment) or QCiL True-Up Compensation (including any QCiL True-Up Strike Price Adjustment);

(F) the relevant Strike Price Indexation Anniversary in respect of any Strike Price Indexation Adjustment;

(G) the relevant Capex Strike Price Indexation Anniversary in respect of any Capex Strike Price Indexation Adjustment;

(H) the relevant NVCSP Indexation Anniversary in respect of any NVCSP Indexation Adjustment; and

(I) the relevant Day(s) in the Billing Period to which any correction of any error in, and/or any adjustment to, any previous GGR Billing Statement relates in respect of any GGR Reconciliation Amount to correct such error and/or make such adjustment, or if such GGR Reconciliation Amount to correct such error and/or make such adjustment was included in a GGR Billing Statement issued prior to the Start Date, the date of the prior GGR Billing Statement to which such error and/or adjustment relates,

to and including the final Day in the relevant Reconciliation Billing Period. For this purpose: (i) interest shall accrue on such amounts from Day to Day and shall be calculated on the basis of the actual number of Days elapsed and a year of three hundred and sixty five (365) Days; and (ii) the **"GGR Compensatory Interest Rate"** shall be the prevailing Base Rate on each Day during the relevant calculation period.

Calculation of GGR Net Payable Amount

17.7 The **"GGR Net Payable Amount"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a Billing Statement is issued), be an amount (*expressed in pounds (£)*) calculated as follows:[109]

$$GGR\ Net\ Payable\ Amount = DA_m + PDIA_m + GGRRA_m + GGRCIA_m$$

where:

DA_m	=	the Difference Amount in respect of such Billing Period (*m*)
$PDIA_m$	=	the Price Discovery Incentive Amount in respect of such Billing Period (*m*)
$GGRRA_m$	=	any GGR Reconciliation Amount in respect of such Billing Period (*m*) (or such other period to which the GGR Billing Statement relates)

109 **Note to Reader:** This formula is subject to further review and development by DESNZ.

$GGRCIA_m$ = any GGR Compensatory Interest Amount in respect of such Billing Period (*m*) (or such other period to which the GGR Billing Statement relates)

and if such amount is:

(A) positive, it shall represent an amount payable by the GGR Contract Counterparty to the Developer; or

(B) negative, it shall represent an amount payable by the Developer to the GGR Contract Counterparty.

Further Payment Calculation Data

17.8 The Developer may, if it considers (acting reasonably) that any other Payment Calculation Data should have been provided by the GGR Contract Counterparty in the relevant GGR Billing Statement, request such data no later than fifteen (15) Business Days after the end of the relevant Billing Period.

17.9 Subject to Condition 17.10, the GGR Contract Counterparty shall provide the Developer with a copy of such data no later than ten (10) Business Days after the date of the relevant request.

[***Access to Derived Data***

17.10 The Developer acknowledges and agrees that:

(A) unless and until the Developer has entered into a Derived Data Agreement; or

(B) if, following the entry by the Developer into a Derived Data Agreement, such Derived Data Agreement is terminated or otherwise becomes void, voidable, unenforceable, invalid, or otherwise ineffective,

the Developer shall not be entitled to access the Derived Data and the GGR Contract Counterparty shall not be required to provide the Developer with Payment Calculation Data relating to the Derived Data.]

Delivery of T&S Billing Statement

17.11 The GGR Contract Counterparty shall, in relation to each Billing Period, deliver a billing statement to the Developer (a **"T&S Billing Statement"**).

17.12 Subject to Condition 16.1 and Condition 16.2, each T&S Billing Statement issued pursuant to Condition 17.11 shall be delivered to the Developer, together with the relevant Payment Calculation Data in respect of such T&S Billing Statement, no later than ten (10) Business Days after the end of the relevant Billing Period.

Contents of T&S Billing Statement

17.13 Each T&S Billing Statement shall set out or identify:

Identification information

(A) the Billing Statement number generated by the GGR Contract Counterparty;

(B) the date on which the Billing Statement is issued by the GGR Contract Counterparty;

(C) the date on which payment is due in respect of the T&S Billing Statement pursuant to either Condition 18.2 (*Payment from Developer*) or Condition 18.1 (*Payment from GGR Contract Counterparty*);

(D) the Billing Period or other period to which the T&S Billing Statement relates;

(E) the details of the GGR Contract (or a unique identifier attributed to the GGR Contract by the GGR Contract Counterparty);

Monthly T&S Charges Amount, Monthly CORE Relief Amount

(F) in respect of each T&S Billing Statement issued on or after the Start Date:

(i) the Monthly T&S Charges Amount for the relevant Billing Period; and

(ii) any Monthly CORE Relief Amount for the relevant Billing Period;

Additional components

(G) any T&S Reconciliation Amounts;

(H) any T&S Compensatory Interest Amount;

(I) [if applicable, the duration of each Capture Outage Relief Event falling within the relevant Billing Period, the number of Relief Event Reporting Units in such Billing Period, the Strike Price that applies in each such Relief Event Reporting Unit(s) and the Deemed Qualifying GGR Credits Quantity in each such Relief Event Reporting(s);][110]

(J) [if applicable, the duration of each Capture Outage Relief Event and the Developer Available T&S Capacity for each Relief Event Reporting Unit falling within the relevant Relief Event Billing Period, and the corresponding Mitigation Adjustment;][111] and

(K) [if applicable, any costs payable in relation to a GGR Meter Audit;]

T&S Net Payable Amount

(L) the T&S Net Payable Amount in respect of the relevant Billing Period or other period to which the T&S Billing Statement relates; and

Set-Off Amount

(M) any amount set off against the T&S Net Payable Amount pursuant to Condition 3.75 (*Set-Off of Previous Subsidy*) or Condition 31.17 (*Set-Off of Other Subsidy*).

Calculation of* T&S *Reconciliation Amounts

---

110 **Note to Reader:** The Variable Component of Strike Price will be adjusted during a Capture Outage Relief Event by reference to the duration of the Capture Outage Relief Event, the Developer Available T&S Capacity, and the variable operating costs that a Developer will be able to mitigate, and will be deemed to have mitigated, including, for example, from reduced energy consumption by turning down the throughput of the Capture Plant from a full load to a part-load operating condition during such Capture Outage Relief Event (see Annex 3 (*Mitigation Adjustment*) of the GGR Agreement). The details of such adjustment are subject to further review and development by DESNZ, including to reflect further technical and financial input.

111 **Note to Reader:** The Variable Component of Strike Price will be adjusted during a Capture Outage Relief Event by reference to the duration of the Capture Outage Relief Event, the Developer Available T&S Capacity, and the variable operating costs that a Developer will be able to mitigate, and will be deemed to have mitigated, including, for example, from reduced energy consumption by turning down the throughput of the Capture Plant from a full load to a part-load operating condition during such Capture Outage Relief Event (see Annex 3 (*Mitigation Adjustment*) of the GGR Agreement). The details of such adjustment are subject to further review and development by DESNZ, including to reflect further technical and financial input.

17.14 The **"T&S Reconciliation Amounts"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a T&S Billing Statement is issued), comprise any revisions to the T&S Net Payable Amount in respect of any preceding Billing Period (or any other prior period in respect of which a T&S Billing Statement was issued) which are required to reflect:

(A) the resolution of any CO_2 Measurement Disputes;

(B) any Business Interruption Proceeds received by the Developer (including by way of direct payment from the relevant T&S Operator or by way of set off against amounts that the Developer would have otherwise paid the relevant T&S Operator) from the relevant T&S Operator;

(C) any amount payable pursuant to:

(i) [Condition 25.2(A) (*Failure to comply with compliance of technology undertaking*),] Condition 27.10 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension*), Condition 31.4 (*Suspension of payments (failure to provide KYC Information)*), Condition 33.13 (*Failure to provide an Offtake Review Notice: suspension*), Condition 36.7 (*Failure to comply with the GGR Contract Counterparty Audit Right: suspension*), Condition 37.8 (*Failure to comply with Offtake Compliance Audit: suspension*), Condition 38.11 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension*), Condition 48.16 (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*)

(ii) Condition 31.8 (*Suspension of payments (no cumulation of Subsidy, State aid, Union Funding and/or International Funding*), Condition 31.11 (*Suspension of payments (failure to provide Information*)) or Condition 31.14 (*Waiver of Developer's Obligation to Repay Subsidy, State aid, Union Funding and/or International Funding*); and

(D) the correction of any error in, and/or any adjustment to, any previous T&S Billing Statement including to reflect the outcome of an audit carried out under or in connection with the GGR Contract and/or any adjustment to any previously issued Payment Information Notice.

Calculation of* T&S *Compensatory Interest Amount

17.15 The **"T&S Compensatory Interest Amount"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a T&S Billing Statement is issued), comprise interest due and payable in relation to each T&S Reconciliation Amount reflected in the T&S Billing Statement for the relevant Billing Period or such other period (a **"T&S Reconciliation Billing Period"**), calculated on the basis that interest on each T&S Reconciliation Amount shall accrue on such amount at the T&S Compensatory Interest Rate for the period from (and including):

(A) the relevant Day(s) in the Billing Period to which a CO_2 Measurement Dispute relates in respect of any T&S Reconciliation Amount resulting from the resolution of a CO_2 Measurement Dispute;

(B) the relevant Day(s) in the Billing Period to which any Business Interruption Proceeds received by the Developer (including by way of direct payment from the relevant T&S Operator or by way of set off against amounts that the Developer would have otherwise paid the relevant T&S Operator) from the relevant T&S Operator relates; and

(C) the relevant Day(s) in the Billing Period to which any correction of any error in, and/or any adjustment to, any previous T&S Billing Statement relates in respect of any T&S Reconciliation Amount to correct such error and/or make such adjustment (or if such T&S Reconciliation Amount to correct such error and/or make such adjustment was included in a T&S Billing Statement issued prior to the Start Date, the date of the prior T&S Billing Statement to which such error and/or adjustment relates),

to (and including) the final Day in the relevant T&S Reconciliation Billing Period. For this purpose: (i) interest shall accrue on such amounts from Day to Day and shall be calculated on the basis of the actual number of Days elapsed and a year of three hundred and sixty five (365) Days; and (ii) the **"T&S Compensatory Interest Rate"** shall be the prevailing Base Rate on each Day during the relevant calculation period.

Calculation of* T&S *Net Payable Amount

17.16 The **"T&S Net Payable Amount"** shall, in respect of each Billing Period (or such other period prior to the Start Date in respect of which a T&S Billing Statement is issued), be an amount (*expressed in pounds (£))* calculated as follows:[112]

$$T\&S\ Net\ Payable\ Amount = T\&S_m + CORE\_RA_m + T\&SRA_m + T\&SCIA_m$$

where:

$T\&S_m$	=	the Monthly T&S Charges Amount in respect of such Billing Period (*m*)
$CORE\_RA_m$	=	the Monthly CORE Relief Amount (£) for the relevant Billing Period (*m*)
$T\&SRA_m$	=	any T&S Reconciliation Amount in respect of such Billing Period (*m*) (or such other period to which the T&S Billing Statement relates)
$T\&SCIA_m$	=	any T&S Compensatory Interest Amount in respect of such Billing Period (*m*) (or such other period to which the T&S Billing Statement relates)

17.17 If the T&S Net Payable Amount is:

(A) positive, it shall represent an amount payable by the GGR Contract Counterparty to the Developer; or

(B) negative, it shall represent an amount payable by the Developer to the GGR Contract Counterparty.

Further Payment Calculation Data

17.18 The Developer may, if it considers (acting reasonably) that any other Payment Calculation Data should have been provided by the GGR Contract Counterparty in the relevant T&S Billing Statement, request a copy of such data no later than fifteen (15) Business Days after the end of the relevant Billing Period.

17.19 The GGR Contract Counterparty shall provide the Developer with a copy of such data no later than ten (10) Business Days after the date of the relevant request.

---

[112] **Note to Reader:** This formula is subject to further review and development by DESNZ.

18. SETTLEMENT

Payment from GGR Contract Counterparty

18.1 Subject to Condition 3.75 (*Set-off of Previous Subsidy*) and Condition 31.17 (*Set-off of Other Subsidy*), if the sum of the GGR Net Payable Amount and the T&S Net Payable Amount is a positive number, no later than the end of the tenth (10th) Business Day after the delivery of the relevant GGR Billing Statement and T&S Billing Statement, the GGR Contract Counterparty shall pay to the Developer such amount in Sterling by direct bank transfer or equivalent transfer of immediately available funds into the account notified to the GGR Contract Counterparty pursuant to Condition 22(B) (*Payment accounts*).

Payment from Developer

18.2 If the sum of the GGR Net Payable Amount and the T&S Net Payable Amount is a negative number, no later than the end of the eighth (8th) Business Day after the delivery of the relevant GGR Billing Statement and T&S Billing Statement, the Developer shall pay to the GGR Contract Counterparty the absolute value of such amount in Sterling by direct bank transfer or equivalent transfer of immediately available funds into the account notified to the Developer pursuant to Condition 22(A) (*Payment accounts*).

Billing Statement Disputes

18.3 Condition 18.1 and Condition 18.2 shall apply notwithstanding any dispute with respect to any Billing Statement and, if a Party wishes to dispute any amount shown in a Billing Statement, it shall give a notice to the other Party (a **"Billing Statement Dispute Notice"**) which shall:

(A) specify the Billing Statement(s) to which the Dispute relates by reference to the relevant Billing Statement number(s) generated by the GGR Contract Counterparty (as set out in the relevant Billing Statement);

(B) specify the name of the GGR Contract (or the unique identifier attributed to the GGR Contract by the GGR Contract Counterparty);

(C) specify the Billing Statement items to which the Dispute relates;

(D) specify the amount in dispute and the apportionment of such amount in relation to the relevant Billing Statement items;

(E) include details of any other Billing Statement dispute which the referring Party considers should be consolidated with or joined to the dispute;

(F) specify the position the Party considers is correct and the Party's reasons for that position;

(G) include copies of any Supporting Information on which the referring Party intends to rely; and

(H) include any other Information that the Party deems relevant in relation to the dispute.

18.4 The making of a payment pursuant to Condition 18.1 or Condition 18.2 shall not prevent a Party from raising a dispute pursuant to Condition 18.3.

GGR Technical Disputes

18.5 If a dispute or part of a dispute pursuant to Condition 18.3 is a GGR Technical Dispute:

(A) such GGR Technical Dispute shall be resolved in accordance with the Dispute Resolution Procedure (except to the extent applicable, for those provisions of the Dispute Resolution Procedure which are expressly stated not to apply to a GGR Technical Dispute);

(B) such GGR Technical Dispute must be brought by the Party before the GGR Technical Dispute Deadline in relation to all Days to which the GGR Technical Dispute relates;

(C) the Parties shall continue to comply with their obligations under the GGR Contract notwithstanding GGR Technical Dispute;

(D) the final determination of the GGR Technical Dispute in accordance with the Dispute Resolution Procedure (except, to the extent applicable, for those provisions of the Dispute Resolution Procedure which are expressly stated not to apply to GGR Technical Disputes) shall be binding on the Parties; and

(E) neither Party shall dispute or attempt to dispute a final determination made in accordance with the Dispute Resolution Procedure (except, to the extent applicable, for those provisions of the Dispute Resolution Procedure which are expressly stated not to apply to a GGR Technical Dispute).

19. DEFAULT INTEREST

Calculation of Default Interest

19.1 **"Default Interest"** as applied for any period (a **"calculation period"**) shall be calculated as follows:[113]

$$\prod_{i=1}^{D}\left\{1+\frac{Base\ Rate\ +5\%}{365}\right\}$$

where:

i	=	is a series of whole numbers from one (1) to "D" each representing the relevant Day in chronological order from, and including, the first (1st) Day in such calculation period
D	=	is the number of Days in such calculation period
$Base\ Rate$	=	is the prevailing Base Rate on the relevant Day in the calculation period

Application of Default Interest

19.2 Subject to Condition 19.4, Condition 19.5 and Condition 80 (*Costs*), if either Party fails to pay any sum payable by it pursuant to the GGR Contract (including any amounts payable under any Arbitral Award or Expert determination) on the due date for payment, Default Interest shall accrue on that sum for the period from the due date for payment to the date of actual payment of that sum (after as well as before award or judgment).

19.3 The right to receive Default Interest pursuant to the GGR Contract (and as calculated in accordance with this Condition 19 (*Default Interest*)) is not exclusive of any rights and remedies provided by law in respect of the failure to pay the relevant sum on the due date or at all,

[113] **Note to Reader:** This formula is subject to further review and development by DESNZ.

provided that the Late Payment of Commercial Debts (Interest) Act 1988 shall not apply in respect of any unpaid sum due pursuant to the GGR Contract.

19.4 Default Interest shall be payable by the GGR Contract Counterparty only in circumstances in which the GGR Contract Counterparty is in breach of Condition 68.2, Condition 68.3 or Condition 68.4 (*GGR Contract Counterparty payment undertakings*), but not otherwise.

19.5 Subject to Condition 19.4, no Default Interest shall be payable by one Party to the other Party in relation to a Reconciliation Amount in respect of the period during which a Compensatory Interest Amount has accrued and been calculated pursuant to Condition 17.6 or Condition 17.15, except that Default Interest shall accrue in respect of any Compensatory Interest Amount (and the Reconciliation Amount to which it relates) if and to the extent that such Compensatory Interest Amount has accrued and become due and payable and has not been paid.

20. SET-OFF

Each Party may set off any matured obligations due by the other Party pursuant to the GGR Contract against any matured obligation owed by that Party to the other Party pursuant to the GGR Contract.

21. DEDUCTIONS AND WITHHOLDINGS

Subject to Condition 20 (*Set-off*), all payments required to be made by the Developer pursuant to the GGR Contract shall be made in full, free and clear of any right of set-off and from any restriction, condition or deduction because of any counterclaim.

22. PAYMENT ACCOUNTS

Any payments made pursuant to or in connection with the GGR Contract and made to:

(A) the GGR Contract Counterparty shall be made to such account as may be notified to the Developer by the GGR Contract Counterparty from time to time; and

(B) the Developer shall be made to such account in the United Kingdom as may be notified to the GGR Contract Counterparty by the Developer from time to time.

Part 7
Representations, warranties and undertakings

23. DEVELOPER REPRESENTATIONS AND WARRANTIES

Agreement Date Representations

23.1 The Developer represents and warrants to the GGR Contract Counterparty that, as at the Agreement Date, the following statements are true, accurate and not misleading:

(A) *Status*: The Developer:

(i) is duly formed and validly existing under the laws of its jurisdiction of formation; and

(ii) has the power to own its assets and carry on its business as it is currently being conducted and as contemplated by the GGR Contract, the other GGR Documents and (where relevant) the Grant Funding Agreement.

(B) *Power and authority*: The Developer has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, the GGR Contract, the other GGR Documents and (where relevant) the Grant Funding Agreement (including the obligations of the Developer, and the transactions contemplated by or provided for by the GGR Contract, the other GGR Documents and (where relevant) the Grant Funding Agreement).

(C) *Enforceability*: The obligations expressed to be assumed by the Developer pursuant to the GGR Contract, the other GGR Documents and (where relevant) the Grant Funding Agreement are legal, valid, binding and enforceable subject only to the Legal Reservations.

(D) *Non-conflict with other obligations*: The entry into, delivery and performance by the Developer of, and the transactions contemplated by, the GGR Contract, the other GGR Documents and (where relevant) the Grant Funding Agreement does not conflict with:

(i) its constitutional documents;

(ii) any Law or Directive applicable to it to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect;

(iii) any Required Authorisations to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect; or

(iv) any agreement or instrument binding upon it or any of its assets to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect.

(E) *Required Authorisations*:

(i) All Required Authorisations which are required to be obtained or effected by the Developer on or before the date on which this representation and warranty is made or deemed to be repeated by the Developer have been obtained or effected by the Developer and are in full force and effect, save to the extent that failure to do so has not had and is not reasonably expected to have a Material Adverse Effect.

(ii) All conditions of, and all obligations and liabilities under, Required Authorisations which are required to be performed, complied with or satisfied by the Developer on or before the date on which this representation and warranty is made or deemed to be repeated by the Developer have been performed, complied with or satisfied, save where failure to do so has not had and is not reasonably expected to have a Material Adverse Effect.

(F) *No Default*: No Default with respect to the Developer has occurred and is continuing or might reasonably be expected to result from its entry into or performance of the GGR Contract, any of the other GGR Documents or (where relevant) the Grant Funding Agreement.

(G) *No litigation*: No litigation, arbitration or administrative suit or proceeding, adjudication, expert determination, Tax claim or Tax investigation against the Developer (or, so far as the Developer is aware, relating to the Project) is:

(i) current;

(ii) pending before any court, arbitral or other tribunal, administrative or regulatory body or, as the case may be, expert; or

(iii) so far as the Developer is aware, by reason of receipt of a formal written notice before action or similar, threatened,

and which, if adversely determined, would have or would reasonably be expected to have a Material Adverse Effect.

(H) *No requirement to deduct or withhold*: The Developer is not required by any Law or Directive applicable to it, as applied, interpreted or modified by the published practice of any relevant Competent Authority of any jurisdiction in which it is resident for Tax purposes, to make any deduction or withholding for or on account of any Tax from any payment to be made by it to the GGR Contract Counterparty pursuant to the GGR Contract, any of the other GGR Documents or (where relevant) the Grant Funding Agreement.

(I) *CO_2 storage*: The Developer is party to a T&S Connection Agreement pursuant to which, as far as the Developer is aware (having made all due and careful enquiries), the CO_2 captured by the Capture Plant and transferred to a T&S Network is required to be stored in underground geological formations with a view to being permanently stored, subject to and in accordance with applicable laws and regulations, including the Licence (as defined in the CCS Network Code).

Start Date representation

23.2 The Developer represents and warrants to the GGR Contract Counterparty that, as at and from the Start Date, the following statements are true, accurate and not misleading:

(A) *Ownership*: The Developer is the legal and beneficial owner of the Facility, subject only to such rights and benefits as have been assigned by way of security to or in favour of any Lender, Affected Person or parent undertaking of the Developer (or an agent or security trustee on its behalf) in accordance with Condition 78 (*Transfers*).

(B) *Compliance of technology*: The GGR Technology deployed by the Facility is the Facility GGR Technology.[114]

(C) *Facility Feedstock:* For BECCS Facilities only, the Developer has ensured that the fuel used by the Facility is the Facility Feedstock, unless the Developer obtains the prior written consent from the GGR Contract Counterparty to use Alternative Feedstock(s), which, if provided, may be provided subject to such conditions as the GGR Contract Counterparty may specify.

Repeating representations

23.3 The Developer Repeating Representations are deemed to be repeated by the Developer on the Start Date in each case by reference to the facts and circumstances then existing.

24. GGR CONTRACT COUNTERPARTY REPRESENTATIONS AND WARRANTIES

24.1 The GGR Contract Counterparty represents and warrants to the Developer that as at the Agreement Date, the following statements are true, accurate and not misleading:

(A) *Status*: The GGR Contract Counterparty:

(i) is a limited liability company, duly incorporated and validly existing pursuant to the laws of England and Wales; and

(ii) has the power to own its assets and carry on its business as contemplated by the GGR Contract and the other GGR Documents.

(B) *Power and authority*: The GGR Contract Counterparty has the power to enter into, deliver and perform, and has taken all necessary action to authorise its entry into, delivery and performance of, the GGR Contract and the other GGR Documents (including the obligations of the GGR Contract Counterparty, and the transactions contemplated by or provided for by the GGR Contract and the other GGR Documents).

(C) *Enforceability*: The obligations expressed to be assumed by the GGR Contract Counterparty pursuant to the GGR Contract and the other GGR Documents are legal, valid, binding and enforceable subject only to the Legal Reservations.

(D) *Non-conflict with other obligations*: The entry into, delivery and performance by the GGR Contract Counterparty of the GGR Contract and the other GGR Documents does not conflict with:

(i) its constitutional documents;

(ii) any Law or Directive applicable to it to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect;

(iii) any authorisation, licence, accreditation, permit, consent, certificate, resolution, clearance, exemption, order, confirmation or other approval of or from any Competent Authority required to enable it to perform and comply with its obligations under the GGR Contract and the other GGR Documents to which it is a party, to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect; or

[114] **Note to Reader:** This representation remains subject to further consideration as the GGR Standard is developed.

(iv) any agreement or instrument binding upon it or any of its assets to an extent or in a manner which has or is reasonably expected to have a Material Adverse Effect.

(E) *No requirement to deduct or withhold*: The GGR Contract Counterparty is not required by any Law or Directive applicable to it, as applied, interpreted or modified by the published practice of any relevant Competent Authority of any jurisdiction in which it is resident for Tax purposes, to make any deduction or withholding for or on account of any Tax from any payment to be made by it to the Developer pursuant to the GGR Contract or any of the other GGR Documents.

24.2 The representations in Conditions 24.1(A) to 24.1(D) are deemed to be repeated by the GGR Contract Counterparty on the Start Date in each case by reference to the facts and circumstances then existing.

25. DEVELOPER UNDERTAKINGS: GENERAL

25.1 The Developer undertakes to the GGR Contract Counterparty as follows:

(A) *Compliance with Laws and Directives*: The Developer shall at all times comply with all Laws and Directives to which it may be subject if failure to do so would have or would reasonably be expected to have a Material Adverse Effect.

(B) *Required Authorisations*: The Developer shall:

(i) promptly obtain all Required Authorisations;

(ii) at all times perform, comply with and satisfy all conditions of, and all obligations and liabilities under, all Required Authorisations; and

(iii) do all that is necessary to maintain in full force and effect all Required Authorisations, to the extent, in each case, that failure to do so would have or would reasonably be expected to have a Material Adverse Effect.

(C) *Industry Documents*: The Developer shall at all times comply with all terms of those Industry Documents to which it is a party or by which it is bound if failure to do so would have or would reasonably be expected to have a Material Adverse Effect.

(D) *No insolvency action*: The Developer shall not petition, apply for, institute, support or vote for the administration, winding-up or liquidation of the GGR Contract Counterparty or seek any other relief as against the GGR Contract Counterparty under any administration, insolvency or bankruptcy law or similar law affecting creditors' rights generally.

(E) *Ownership*: The Developer shall at all times be the legal and beneficial owner of the Facility, subject only to any third party rights arising by reason of any security interest created or subsisting over or in respect of the Facility.

(F) *Compliance of technology*: The Developer shall at all times ensure that the GGR Technology deployed by the Facility is the Facility GGR Technology provided that (without prejudice to any other provision of the GGR Contract) this Condition 25.1(F) shall not prevent the operation of the Installation in unabated mode.

(G) *Facility Feedstock:* For BECCS Facilities only, the Developer has ensured that the fuel used by the Facility is the Facility Feedstock, unless the Developer obtains the prior written consent from the GGR Contract Counterparty to use Alternative Feedstock(s), which, if provided, may be provided subject to such conditions as the GGR Contract Counterparty may specify.

(H) *Notification*: The Developer shall:

(i) provide the GGR Contract Counterparty as soon as reasonably practicable with such Information regarding compliance or non-compliance by the Developer with the undertakings in this Condition 25.1 as the GGR Contract Counterparty may reasonably request; and

(ii) give notice to the GGR Contract Counterparty as soon as reasonably practicable upon becoming aware of the occurrence of any Default (together with details of the steps, if any, being taken to remedy it); and

(I) *CO_2 Utilisation*: The Developer shall ensure that, at all times, no CO_2 is directed to CO_2 Utilisation.

Failure to comply with compliance of technology undertaking

25.2 If the Developer fails to comply with Condition 25.1(F), the GGR Contract Counterparty:

(A) may withhold payment of any amounts which would otherwise be payable by the GGR Contract Counterparty to the Developer which are attributable to the period during which the Developer is not in compliance with such Condition; and

(B) shall be entitled to recover from the Developer any amounts paid by the GGR Contract Counterparty to the Developer which are attributable to the period during which the Developer is not in compliance with such Condition.

Failure to comply with CO2 Utilisation undertaking

25.3 If the Developer fails to comply with Condition 25.1(I), a **"CO_2 Utilisation Termination Event"** will be deemed to have occurred.

26. DEVELOPER UNDERTAKINGS: METERING[115]

26.1 [●]

27. DEVELOPER UNDERTAKINGS: MINIMUM CO_2 STORAGE RATE[116]

Undertaking: Minimum CO_2 Storage Rate

27.1 With effect from the Start Date, the Developer undertakes to the GGR Contract Counterparty that for each Billing Period, the Average Achieved CO_2 Storage Rate, determined in accordance with limb (A) of the definition of **"Calculation Period"**[117], will be equal to or greater than the Minimum CO_2 Storage Rate (a **"Minimum CO_2 Storage Rate Obligation"**).

[115] **Note to Reader:** The metering provisions are being developed separately and will be made available following publication of the August GGR Contract.

[116] **Note to Reader:** This Condition (and any other Condition which relate to storage rates) are applicable only to BECCS Facilities. An equivalent minimum efficiency test and threshold for DACCS Facilities will be developed following publication of the August GGR Contract.

[117] **Note to Reader:** This definition is subject to further review and development by DESNZ.

Notification of Minimum CO_2 Storage Rate Obligation breach

27.2 If the Developer is in breach of the Minimum CO_2 Storage Rate Obligation for either three (3) consecutive Billing Periods or three (3) non-consecutive Billing Periods within six (6) consecutive Billing Periods (a **"Minimum CO_2 Storage Rate Breach"**), then the GGR Contract Counterparty may at any time following the occurrence of such breach give notice to the Developer (a **"Storage Rate Breach Notice"**). A Storage Rate Breach Notice shall:

(A) specify the Storage Rate Breach Deadline, being the date on and from which the GGR Contract Counterparty may, subject to the remainder of this Condition 27, give the Developer a Default Termination Notice in respect of the Minimum CO_2 Storage Rate Breach in accordance with Condition 48.27 (*Default termination*); and

(B) be accompanied by such Supporting Information as the GGR Contract Counterparty considers necessary to evidence the Minimum CO_2 Storage Rate Breach.

Response to notification of Minimum CO_2 Storage Rate Obligation breach

27.3 No later than twenty (20) Business Days after receipt of the Storage Rate Breach Notice, the Developer shall submit a notice to the GGR Contract Counterparty (a **"Storage Rate Breach Response Notice"**). A Storage Rate Breach Response Notice shall specify that either:

(A) the Developer intends to rectify the Minimum CO_2 Storage Rate Breach by achieving the Minimum CO_2 Storage Rate, determined in accordance with limb (A) of the definition of "Calculation Period", for three (3) consecutive Billing Periods (a **"Storage Rate Breach Rectification"**) on or before the Storage Rate Breach Deadline; or

(B) the Developer considers that it will not be able to achieve a Storage Rate Breach Rectification on or before the Storage Rate Breach Deadline in which case the notice shall specify the date by which the Developer considers that it will be able to achieve a Storage Rate Breach Rectification.

27.4 If the Developer fails to submit a Storage Rate Breach Response Notice to the GGR Contract Counterparty in accordance with Condition 27.3, then the Developer will be deemed to have notified the GGR Contract Counterparty that it intends to achieve a Storage Rate Breach Rectification on or before the Storage Rate Breach Deadline in accordance with Condition 27.3.

Rectification of Minimum CO_2 Storage Rate Obligation breach

27.5 Unless the Developer has achieved a Storage Rate Breach Rectification by the date which falls six (6) Months after the date of the Storage Rate Breach Notice (the **"Storage Rate Breach Rectification Plan Deadline"**), the Developer shall prepare and submit to the GGR Contract Counterparty for approval a draft Storage Rate Breach Rectification Plan (with such Supporting Information as the Developer considers to be relevant to the content of the Storage Rate Breach Rectification Plan) no later than the Storage Rate Breach Rectification Plan Deadline, during which period the Developer shall use its best endeavours to mitigate the effects of the Minimum CO_2 Storage Rate Breach.

27.6 The GGR Contract Counterparty shall no later than sixty (60) Business Days after receipt of the draft Storage Rate Breach Rectification Plan (and Supporting Information), provide a notice to the Developer (a **"Storage Rate Breach Rectification Review Notice"**). A Storage Rate Breach Rectification Review Notice shall specify whether the GGR Contract Counterparty considers that the Developer has or has not satisfied the Storage Rate Breach Rectification Plan Minimum Requirements. If the GGR Contract Counterparty states in the Storage Rate Breach Rectification Review Notice that:

(A) the Developer has not satisfied the Storage Rate Breach Rectification Plan Minimum Requirements, then the Developer shall be deemed not to have submitted a draft Storage Rate Breach Rectification Plan unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; or

(B) the Developer has satisfied the Storage Rate Breach Rectification Plan Minimum Requirements then:

(i) if the Developer has notified the GGR Contract Counterparty under Condition 27.3(A) that it intends to rectify the Minimum CO_2 Storage Rate Breach by achieving a Storage Rate Breach Rectification on or before the Storage Rate Breach Deadline then the draft Storage Rate Breach Rectification Plan shall be deemed to have been approved by the GGR Contract Counterparty, following which the draft Storage Rate Breach Rectification Plan shall become the Approved Storage Rate Breach Rectification Plan; or

(ii) if the Developer has notified the GGR Contract Counterparty under Condition 27.3(B) that it will not be able to achieve a Storage Rate Breach Rectification on or before the Storage Rate Breach Deadline, then the GGR Contract Counterparty shall specify whether the GGR Contract Counterparty:

(a) approves the draft Storage Rate Breach Rectification Plan without amendment, following which the draft Storage Rate Breach Rectification Plan shall become the Approved Storage Rate Breach Rectification Plan;

(b) requires the Developer to provide additional Supporting Information in relation to the draft Storage Rate Breach Rectification Plan, in order for the GGR Contract Counterparty to determine whether or not to approve such plan;

(c) requires amendments to the draft Storage Rate Breach Rectification Plan, in which case the Storage Rate Breach Rectification Review Notice shall provide the Developer with sufficient detail in relation to such amendments; or

(d) in its sole and absolute discretion, rejects the draft Storage Rate Breach Rectification Plan, in which case the Storage Rate Breach Rectification Review Notice shall provide the Developer with sufficient detail in relation to such rejection and the Developer agrees and acknowledges that it shall not be entitled to refer any decision made by the GGR Contract Counterparty pursuant to this Condition 27.6(B)(ii)(d) to the Dispute Resolution Procedure.

27.7 The Developer shall submit to the GGR Contract Counterparty:

(A) no later than fifteen (15) Business Days after receipt of a Storage Rate Breach Rectification Review Notice:

(i) if Condition 27.6(B)(ii)(b) applies, the relevant additional Supporting Information specified in the Storage Rate Breach Rectification Review Notice; or

(ii) if Condition 27.6(B)(ii)(c) applies, an amended draft Storage Rate Breach Rectification Plan which includes the amendments specified in the Storage Rate Breach Rectification Review Notice; or

(B) no later than six (6) Months after receipt of a Storage Rate Breach Rectification Review Notice if Condition 27.6(B)(ii)(d) applies, an amended draft Storage Rate Breach Rectification Plan,

following which Condition 27.5 and Condition 27.6 shall then reapply, provided that:

(i) the GGR Contract Counterparty shall not be required to review more than three (3) Storage Rate Breach Rectification Plans; and

(ii) the GGR Contract Counterparty shall not be required to review a Storage Rate Breach Rectification Plan submitted after the date which is twelve (12) Months after the date of the Storage Rate Breach Notice.

27.8 If either Condition 27.6(B)(i) or Condition 27.6(B)(ii)(a) applies:

(A) as soon as reasonably practicable after receipt of the Storage Rate Breach Rectification Review Notice, and in any event no later than sixty (60) Business Days after such date, the Developer shall commence the implementation of the Approved Storage Rate Breach Rectification Plan, and the Developer shall continue to implement the Approved Storage Rate Breach Rectification Plan in accordance with its terms in order to remedy the Minimum CO_2 Storage Rate Breach; and

(B) the Developer shall notify the GGR Contract Counterparty in writing no later than five (5) Business Days following the date on which the Developer fully implements the Approved Storage Rate Breach Rectification Plan in accordance with its terms in order to achieve a Storage Rate Breach Rectification (a **"Developer Storage Rate Breach Remediation Notice"**), together with such Supporting Information as is reasonably necessary to evidence that the breach has been remedied.

Failure to remedy Minimum CO_2 Storage Rate Obligation breach

27.9 If:

(A) subject to Condition 27.9(B), the Developer fails to achieve a Storage Rate Breach Rectification by the Storage Rate Breach Deadline; or

(B) Condition 27.6(B)(ii)(a) applies and either:

(i) the Developer fails to achieve a Storage Rate Breach Rectification by the date agreed by the GGR Contract Counterparty in the Approved Storage Rate Breach Rectification Plan; or

(ii) at and/or following the Storage Rate Breach Deadline the Developer has failed to commence the implementation of and/or continue to implement an Approved Storage Rate Breach Rectification Plan in accordance with its terms in order to achieve a Storage Rate Breach Rectification,

then a **"Storage Rate Termination Event"** will be deemed to have occurred.

Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension

27.10 Without prejudice to Conditions 27.1 to 27.9, if the Developer has not achieved a Storage Rate Breach Rectification by the Storage Rate Breach Rectification Plan Deadline and the Developer either:

(A) fails to submit a Storage Rate Breach Rectification Plan (with such Supporting Information as the Developer considers to be relevant to the content of the Storage

Rate Breach Rectification Plan) by the Storage Rate Breach Rectification Plan Deadline; or

(B) submits a draft Storage Rate Breach Rectification Plan by the Storage Rate Breach Rectification Plan Deadline but such Storage Rate Breach Rectification Plan does not meet the Storage Rate Breach Rectification Plan Minimum Requirements,

then the GGR Contract Counterparty may at any time following the Storage Rate Breach Rectification Plan Deadline, elect to suspend payment of any amounts which would otherwise be payable by the GGR Contract Counterparty to the Developer in any period during which the Developer is in breach of such obligation, provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

27.11 If the Developer either:

(A) evidences to the satisfaction of the GGR Contract Counterparty that it has achieved a Storage Rate Breach Rectification by the Storage Rate Breach Deadline; or

(B) submits a draft Storage Rate Breach Rectification Plan that is approved by the GGR Contract Counterparty pursuant to Condition 27.6(B)(i) or Condition 27.6(B)(ii)(a) (notwithstanding that such plan is submitted to the GGR Contract Counterparty following the Storage Rate Breach Rectification Plan Deadline),

then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 27.10. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amounts payable to the Developer pursuant to this Condition 27.11.

27.12 Any evidence provided by the Developer to the GGR Contract Counterparty pursuant to Condition 27.11 shall be accompanied by a Directors' Certificate in respect of such evidence.

Relief due to Force Majeure and Capture Outage Relief Events

27.13 The Developer shall be relieved from liability, and deemed not to be in breach of the Minimum CO_2 Storage Rate Obligation and/or Condition 27.9 (Failure to remedy Minimum CO_2 Storage Rate Obligation breach), for any failure or delay in the performance of such obligations if and to the extent such failure or delay is directly attributable to the occurrence and continuance of either:

(A) Force Majeure in respect of which the Developer is the FM Affected Party but only to the extent that the Developer has satisfied the requirements and conditions of Condition 66 (*Force Majeure*); or

(B) a Capture Outage Relief Event which directly affects the ability of the Developer to achieve a Storage Rate Breach Rectification.

28. DEVELOPER UNDERTAKINGS: MEASUREMENT DATA[118]

28.1 [●]

---

[118] **Note to Reader:** The measurement data provisions are being developed separately and will be made available following publication of the August GGR Contract.

29. DEVELOPER UNDERTAKINGS: PLANNED OUTAGES

Notification of T&S Planned Outages

29.1 With effect from the Start Date, the Developer undertakes to the GGR Contract Counterparty to:

(A) submit details to the GGR Contract Counterparty of:

(i) the start time (to the nearest minute) of each T&S Planned Outage; and

(ii) the reason for each such T&S Planned Outage,

in form and content satisfactory to the GGR Contract Counterparty (acting reasonably) as soon as reasonably practicable and in any event no later than twenty-four (24) hours after the start of each such T&S Planned Outage (a **"T&S Planned Outage Start Notification"**);

(B) submit details to the GGR Contract Counterparty of the end time (*to the nearest minute*) and the total duration of each T&S Planned Outage, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably) as soon as reasonably practicable and in any event no later than twenty-four (24) hours after the end of each such T&S Planned Outage (a **"T&S Planned Outage End Notification"** and together with T&S Planned Outage Start Notifications, **"T&S Planned Outage Notifications"**);

(C) ensure that all T&S Planned Outage Notifications provided by or on behalf of the Developer pursuant to Condition 29.1(A) and Condition 29.1(B) are true, complete and accurate in all material respects and are not misleading;

(D) if the Developer becomes aware at any time that any T&S Planned Outage Notification submitted pursuant to Condition 29.1(A) or Condition 29.1(B) was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, promptly:

(i) notify the GGR Contract Counterparty of the relevant error(s); and

(ii) provide the GGR Contract Counterparty with an updated T&S Planned Outage Notification which is true, complete and accurate in all material respects and is not misleading (the **"T&S Revised Planned Outage Notification"**), together with a Directors' Certificate and Supporting Information in relation to such data; and

(E) if the GGR Contract Counterparty notifies the Developer that the GGR Contract Counterparty considers that any T&S Planned Outage Notification or T&S Revised Planned Outage Notification submitted pursuant to Condition 29.1(A), Condition 29.1(B) or Condition 29.1(D)(ii) (as applicable) was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, promptly investigate such issue and provide the GGR Contract Counterparty with a T&S Revised Planned Outage Notification together with a Directors' Certificate and Supporting Information in relation to such data,

(each, a **"T&S Planned Outage Notification Obligation"** and together the **"T&S Planned Outage Notification Obligations"**).

Notification of Developer Planned Outages

29.2 With effect from the Start Date, the Developer undertakes to the GGR Contract Counterparty to:

(A) submit details to the GGR Contract Counterparty of:

(i) the start time (*to the nearest minute*) of each Developer Planned Outage; and

(ii) the reason for each such Developer Planned Outage,

in form and content satisfactory to the GGR Contract Counterparty (acting reasonably) as soon as reasonably practicable and in any event no later than twenty-four (24) hours after the start of each such Developer Planned Outage (a **"Developer Planned Outage Start Notification"**);

(B) submit details to the GGR Contract Counterparty of the end time (*to the nearest minute*) and the total duration of each Developer Planned Outage, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably) as soon as reasonably practicable and in any event no later than twenty-four (24) hours after the end of each such Developer Planned Outage (a **"Developer Planned Outage End Notification"** and together with Developer Planned Outage Start Notifications, **"Developer Planned Outage Notifications"**);

(C) ensure that all Developer Planned Outage Notifications provided by or on behalf of the Developer pursuant to Condition 29.2(A) and Condition 29.2(B) are true, complete and accurate in all material respects and are not misleading;

(D) if the Developer becomes aware at any time that any Developer Planned Outage Notification submitted pursuant to Condition 29.2(A) or Condition 29.2(B) was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, promptly:

(i) notify the GGR Contract Counterparty of the relevant error(s); and

(ii) provide the GGR Contract Counterparty with an updated Developer Planned Outage Notification which is true, complete and accurate in all material respects and is not misleading (the **"Developer Revised Planned Outage Notification"**), together with a Directors' Certificate and Supporting Information in relation to such data; and

(E) if the GGR Contract Counterparty notifies the Developer that the GGR Contract Counterparty considers that any Developer Planned Outage Notification or Developer Revised Planned Outage Notification submitted pursuant to Condition 29.2(A), Condition 29.2(B) or Condition 29.2(D)(ii) (as applicable) was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, promptly investigate such issue and provide the GGR Contract Counterparty with a Developer Revised Planned Outage Notification together with a Directors' Certificate and Supporting Information in relation to such data,

(each, a **"Developer Planned Outage Notification Obligation"** and together the **"Developer Planned Outage Notification Obligations"**).

Scheduling of Developer Planned Outages

29.3 With effect from the Start Date, the Developer undertakes to the GGR Contract Counterparty to ensure that any Developer Planned Outage is scheduled to align with any T&S Planned Outage.

30. DEVELOPER UNDERTAKINGS: SUPPLY CHAIN REPORTING

Supply Chain Report

30.1 The Developer shall provide the GGR Contract Counterparty with a Supply Chain Report (together with such Supporting Information as the Developer considers to be relevant to the content of the Supply Chain Report):

(A) no earlier than six (6) Months prior to the Milestone Delivery Date and no later than the Milestone Delivery Date;

(B) no earlier than six (6) Months prior to the third (3rd) anniversary of the Start Date and no later than the third (3rd) anniversary of the Start Date;

(C) no earlier than six (6) Months prior to the seventh (7th) anniversary of the Start Date and no later than the seventh (7th) anniversary of the Start Date; and

(D) no earlier than six (6) Months prior to the eleventh (11th) anniversary of the Start Date and no later than the eleventh (11th) anniversary of the Start Date,

(each a **"Supply Chain Report Deadline"** and together the **"Supply Chain Report Deadlines"**).

30.2 Each Supply Chain Report shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Supply Chain Report.

30.3 The Developer acknowledges and agrees that each Supply Chain Report shall be provided by the GGR Contract Counterparty to the Secretary of State.

30.4 The GGR Contract Counterparty shall:

(A) if the Developer has failed to submit a Supply Chain Report by the relevant Supply Chain Report Deadline, no later than seven (7) Business Days after the relevant Supply Chain Report Deadline; or

(B) if the Developer has submitted a Supply Chain Report by the relevant Supply Chain Report Deadline, no later than forty (40) Business Days after the relevant Supply Chain Report Deadline,

give a notice to the Developer (a **"Supply Chain Report Response Notice"**). A Supply Chain Report Response Notice shall specify whether the Developer:

(i) has or has not submitted a Supply Chain Report by the relevant Supply Chain Report Deadline; and/or

(ii) has or has not submitted a Supply Chain Report which complies with the requirements set out in Annex 7 (*Form of Supply Chain Report*).

30.5 If the GGR Contract Counterparty states in a Supply Chain Report Response Notice that:

(A) the Supply Chain Report complies with the requirements set out in Annex 7 (*Form of Supply Chain Report*), then such Supply Chain Report shall be deemed to be approved by the GGR Contract Counterparty as a valid Supply Chain Report and no Supply Chain Report Fees shall be payable in relation to such Supply Chain Report; or

(B) the:

(i) Supply Chain Report does not comply with the requirements set out in Annex 7 (*Form of Supply Chain Report*) and is therefore not a valid Supply Chain Report; or

(ii) Developer has failed to submit a valid Supply Chain Report by the relevant Supply Chain Report Deadline,

then the Supply Chain Report Fees shall be payable by the Developer.

Payment of Supply Chain Report Fees

30.6 Subject to Condition 30.7, if Condition 30.5(B) applies, the Developer shall pay the Supply Chain Report Fees in respect of the relevant Supply Chain Report to the GGR Contract Counterparty by the date each Supply Chain Report Fee is due and payable, provided that if at any time after the relevant Supply Chain Report Deadline the Developer submits the relevant Supply Chain Report to the GGR Contract Counterparty which the GGR Contract Counterparty subsequently confirms under Condition 30.5(A) complies with the requirements of Annex 7 (*Form of Supply Chain Report*), then no further Supply Chain Report Fees shall be payable by the Developer in relation to such Supply Chain Report.

30.7 Any Supply Chain Report Fees that accrue prior to the Start Date shall not be due and payable by the Developer unless and until the Start Date has occurred, except to the extent that any amounts become due and payable by the GGR Contract Counterparty to the Developer prior to the Start Date whereby such Supply Chain Report Fees shall become due and payable.

Set-off of Supply Chain Report Fees

30.8 Without prejudice to the generality of Condition 20 (*Set-off*), the GGR Contract Counterparty may set off any Supply Chain Report Fees that are due and payable by the Developer against any amounts that are due and payable to the Developer under the GGR Contract.

31. DEVELOPER UNDERTAKINGS: INFORMATION PROVISION AND NO CUMULATION OF SUBSIDY, STATE AID, UNION FUNDING AND/OR INTERNATIONAL FUNDING

Provision of Information to the GGR Contract Counterparty

31.1 In addition and without prejudice to its obligations under Condition 3.7 (*Operational Conditions Precedent: General Reporting Obligations*), Condition 4.8 (*Difficulties in achieving the Milestone Requirement*), Condition 25.1 (*Developer undertakings: General*) and Condition 66.5 (*Provision of Force Majeure information*), the Developer, acting in accordance with the Reasonable and Prudent Standard, shall provide the GGR Contract Counterparty (and, if requested by the GGR Contract Counterparty, the GGR Contract Settlement Services Provider) with:[119]

(A) the Developer's estimate of:

(i) the expected Start Date;

(ii) the Net Removal Capacity as at the Start Date;

(iii) for BECCS Facilities only, the Achieved CO_2 Storage Rate;

[119] **Note to Reader:** This Condition is subject to further review and development by DESNZ.

(iv) for DACCS Facilities only, the [●];[120]

(v) the Metered CO_2 Output to T&S, the Metered CO_2 Rich Stream Output to T&S, the Measured CO_2 Input, Lifecycle CO_2 Emissions and [*any other information to be determined*] as at the Start Date];[121]

(vi) [Qualifying GGR Credits and Additional Revenue as at the Start Date;][122] and

(vii) the commissioning profile of the Facility,

each such estimate to be provided on the Agreement Date and at monthly intervals thereafter;

(B) all Information requested by the GGR Contract Counterparty (acting reasonably): (i) to comply with its responsibilities and obligations under the GGR Contract (including the GGR Contract Settlement Required Information); (ii) in relation to the exercise of its rights, powers or discretions under the GGR Contract; or (iii) where it has the right to receive such Information under the GGR Contract, such Information to be provided, unless otherwise expressly stated under the GGR Contract, as soon as reasonably practicable, and no later than five (5) Business Days (or, if such Information is not within the possession of the Developer, no later than ten (10) Business Days) or such longer period as is specified by the GGR Contract Counterparty, after the Information is requested;

(C) all Information requested by the GGR Contract Counterparty (acting reasonably) to conduct "know your customer" or similar identification procedures or checks under all applicable laws and regulations pursuant to the transactions contemplated by the GGR Contract and the other GGR Documents, such Information to be provided as soon as reasonably practicable, and in any event no later than twenty (20) Business Days (or, if such Information is not within the possession of the Developer, no later than thirty (30) Business Days) or such longer period as is specified by the GGR Contract Counterparty, following receipt of the GGR Contract Counterparty's request. Any Information provided by the Developer to the GGR Contract Counterparty under this Condition 31.1(C) shall be accompanied by a Directors' Certificate in respect of such Information;

(D) all Information relating to the T&S Charges (including any invoice provided by the relevant T&S Operator to the Developer), such Information to be provided as soon as reasonably practicable, and in any event no later than three (3) Business Days after the relevant T&S Operator has notified the Developer of the same;

(E) all Information relating to any planned outage or planned maintenance of the relevant T&S Network (including any maintenance programme prepared by the relevant T&S Operator) such Information to be provided as soon as reasonably practicable, and no later than three (3) Business Days after the relevant T&S Operator has notified the Developer of the same;

(F) all Information the Developer receives from the relevant T&S Operator relating to any Capacity Constraint (as defined in the CCS Network Code), such information to be provided as soon as reasonably practicable, and in any event no later than three (3)

120 **Note to Reader:** The efficiency measurement test for DACCS is subject to further consideration and development by DESNZ.

121 **Note to Reader:** This Condition is subject to further consideration as the metering and measurement provisions are developed.

122 **Note to Reader:** This Condition is subject to further review and development by DESNZ.

Business Days after the relevant T&S Operator provides such Information to the Developer;

(G) the Forecast Data, such Forecast Data to be provided:

(i) no later than ten (10) Business Days after the Agreement Date, for the period from the expected Start Date to the following 31 March and in respect of each Month (or part of a Month) during such period (but only if the Start Date is expected to occur before the following 31 March);

(ii) no later than 31 January in each year (or, in relation to the first (1st) such forecast, and if the Agreement Date is after 31 January, no later than ten (10) Business Days after the Agreement Date) for the twelve (12) Month period commencing on 1 April in the following year in respect of each Month (or part of a Month) during such period, provided that either:

(a) such period commences after the Start Date; or

(b) the Start Date is expected to occur during such period;

(iii) no later than six (6) Months prior to the expected Start Date (as provided by the Developer at intervals in accordance with Condition 31.1(A)(i)), for the twelve (12) Month period commencing on the expected Start Date; and

(iv) no later than five (5) Business Days prior to the first (1st) Day of each Month after the Start Date in respect of the next thirty-six (36) Months;

(H) notification of the occurrence of any event or circumstance which will or is reasonably likely to affect significantly the:

(i) any information to be set out, identified or included in a Payment Information Notice;

(ii) for BECCS Facilities only, Achieved CO_2 Storage Rate;

(iii) for DACCS Facilities only, the [●];[123]

(iv) [Measured CO_2 Input (including a breakdown of the relevant components therein);]

(v) [Metered CO_2 Rich Stream Output to T&S;][124]

(vi) [Metered CO_2 Output to T&S;][125]

(vii) T&S Charges;

(viii) any Information provided by the Developer pursuant to Condition 31.1(C); and

(ix) [*any other information to be determined*][126],

---

[123] **Note to Reader:** The efficiency measurement test for DACCS is subject to further consideration and development by DESNZ.

[124] **Note to Reader:** This Condition is subject to further consideration as the metering and measurement provisions are developed.

[125] **Note to Reader:** This Condition is subject to further consideration as the metering and measurement provisions are developed.

[126] **Note to Reader:** This Condition is subject to further review by DESNZ.

together with Supporting Information in respect of the reasons for such event or circumstance and the impact on (i) to (ix), such notification to be provided as soon as reasonably practicable, and no later than five (5) Business Days after the Developer has become aware of such an event or circumstance;

(I) all Information reasonably requested by the GGR Contract Counterparty regarding the financial condition, business or operations of the Developer to enable or assist the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes, such Information to be provided as soon as soon as reasonably practicable and no later than ten (10) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after such Information is requested;

(J) all Information reasonably requested by the GGR Contract Counterparty for the purposes of: (i) compiling and evaluating statistics relating to the outcomes of the GGR Contract and the CCUS Programme and the impact of the CCUS Programme across a range of social and economic factors; and (ii) publishing material relating thereto, including announcements and reports describing the general outcomes, merits and achievements relating to the CCUS Programme, such Information to be provided as soon as reasonably practicable and no later than ten (10) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after such Information is requested;

(K) as soon as reasonably practicable upon request, all Information reasonably requested by the GGR Contract Counterparty for the purposes of assessing compliance by the Developer with the [Measurement Obligations and/or, the Measurement Data Obligation][127];

(L) as soon as reasonably practicable upon becoming aware of them, the details of any litigation, arbitration or administrative suit or proceeding, adjudication, expert determination, Tax claim, or Tax investigation against the Developer which is current; pending before any court, arbitral or other tribunal, administrative or regulatory body or, as the case may be, expert; or, so far as the Developer is aware, for which a formal written notice before action or similar threatening such suit or proceedings has been received and which, if adversely determined, would have or would be reasonably likely to have a Material Adverse Effect;

(M) the Expected Facility Data, such Expected Facility Data to be provided:

(i) no later than two (2) Months after the Agreement Date;

(ii) no later than two (2) Months after the Milestone Delivery Date; and

(iii) no later than the 31 January in each year during the Term, starting with the year after the year in which the Milestone Delivery Date falls,

except that where the Expected Facility Data has not changed significantly since the last submission by the Developer to the GGR Contract Counterparty of such information, the Developer is not required to resubmit the Expected Facility Data but must submit to the GGR Contract Counterparty a written confirmation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that such information has not changed significantly since the last submission;

(iv) as soon as reasonably practicable and in any event no later than ten (10) Business Days after the Developer has become aware of the occurrence of any

[127] **Note to Reader:** This Condition is subject to further consideration as the metering and measurement provisions are developed.

event or circumstance which will, or is reasonably likely to, significantly affect the accuracy of the Expected Facility Data last submitted; and

(v) as soon as reasonably practicable and in any event no later than ten (10) Business Days after receipt of a written request by the GGR Contract Counterparty;

(N) as soon as reasonably practicable, all Information (kept to the Reasonable and Prudent Standard) reasonably requested that represents the status and progress of the Project to date against contractual and Project milestones, showing the critical path of the Project towards these milestones up to the delivery of the OCP Notice relating to the fulfilment of the final Operational Condition Precedent; and

(O) each Annual Compliance Report, to be provided in accordance with Condition 38 (*Annual Compliance Report and Audit*); and

(P) each Additional Revenue Report together with a Directors' Certificate and Supporting Information in relation to the same, such report to be provided no later than the 31 January in each year during the Payment Period.

Forecast Data

31.2 For the purposes of Condition 31.1(G), the **"Forecast Data"** means:

(A) data relating to the availability of the Facility;

(B) any information to be set out, identified or included in a Payment Information Notice;

(C) for BECCS Facilities only, the Achieved CO_2 Storage Rate;

(D) for DACCS Facilities only, the [●];[128]

(E) [the Measured CO_2 Input (including a breakdown of the relevant components therein);]

(F) [the Metered CO_2 Rich Stream Output to T&S;]

(G) [the Metered CO_2 Output to T&S;][129]

(H) [the Lifecycle CO_2 Emissions;]

(I) the T&S Charges;

(J) [the Qualifying GGR Credits and Additional Revenue as at the Start Date;]

(K) the Offtaker Forecast Data; and

(L) [*any other information to be determined*][130],

in each case in relation to the period referred to in Condition 31.1(G).

[128] **Note to Reader:** The efficiency measurement test for DACCS is subject to further review and development by DESNZ.

[129] **Note to Reader:** This condition is subject to further consideration as the metering and measurement provisions are developed.

[130] **Note to Reader:** This Condition is subject to further review and development by DESNZ.

Accuracy of Information

31.3 The Developer shall ensure that:

(A) all forecasts, forward-looking statements and data provided by or on behalf of the Developer pursuant to Condition 31.1 are prepared in good faith, on a reasonable basis and with due care and attention; and

(B) all other Information provided by or on behalf of the Developer pursuant to Condition 31.1 is true, complete and accurate in all material respects and is not misleading.

Suspension of payments (failure to provide KYC information)

31.4 If the Developer fails to comply with Condition 31.1(C), the GGR Contract Counterparty may elect to suspend payment of any amount(s) which would otherwise be payable by the GGR Contract Counterparty to the Developer in any period during which the Developer is not in compliance with such Condition, provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any amounts; and (ii) the date from which it proposes to effect such suspension.

31.5 If the Developer subsequently provides the GGR Contract Counterparty with the Information (accompanied by a Directors' Certificate) requested pursuant to Condition 31.1(C), any suspension under Condition 31.4 shall cease and the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 31.4. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amounts payable to the Developer pursuant to this Condition 31.5.

Warranty: No cumulation of Subsidy

31.6 The Developer represents and warrants to the GGR Contract Counterparty that, as at the Start Date, the following statement is true, accurate and not misleading:

(A) no Subsidy, State aid, Union Funding and/or International Funding has been received in relation to the costs of the Project (regardless of whether such subsidy, aid and/or funding is received by the Developer or by any other person), other than:

(i) the subsidy arising under the GGR Contract, the Grant Funding Agreement and/or any Approved Scheme of Funding; or

(ii) any Subsidy, State aid, Union Funding and/or International Funding notified to the GGR Contract Counterparty in accordance with the process for the satisfaction or waiver of the Subsidy Control Declaration Operational CP.

Undertaking: No cumulation of Subsidy, State aid, Union Funding and/or International Funding

31.7 With effect from the Subsidy Control Declaration Date, the Developer undertakes to the GGR Contract Counterparty as follows:

(A) the Developer shall at all times ensure that no Subsidy, State aid, Union Funding and/or International Funding is received in relation to the costs of the Project (regardless of whether such subsidy, aid and/or funding is received by the Developer or by any other person), other than the subsidy arising under the GGR Contract;

(B) *Notification*: the Developer shall:

(i) give notice to the GGR Contract Counterparty as soon as reasonably practicable upon becoming aware that any Subsidy, State aid, Union Funding and/or International Funding has been received in relation to the costs of the Project (regardless of whether such subsidy, aid and/or funding is received by the Developer or by any other person, or is received before, on or after the Subsidy Control Declaration Date) (other than any Subsidy, State aid, Union Funding and/or International Funding of the types described at Condition 31.6(A)(i) and Condition 31.6(A)(ii)); and

(ii) provide the GGR Contract Counterparty with such Supporting Information regarding compliance or non-compliance by the Developer with the undertaking in Condition 31.7(A) as the GGR Contract Counterparty reasonably requires, as soon as reasonably practicable and in any event no later than thirty (30) Business Days following receipt of the GGR Contract Counterparty's request. Any Supporting Information provided by a Developer to the GGR Contract Counterparty under this Condition 31.7(B)(ii) shall be accompanied by a Directors' Certificate in respect of such Supporting Information; and

(C) *Repayment*: the Developer shall repay or procure the repayment of any Subsidy, State aid, Union Funding and/or International Funding which has been received in relation to the costs of the Project (regardless of whether such subsidy, aid and/or funding is received by the Developer or by any other person or is received before, on or after the Subsidy Control Declaration Date) (as adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)) to the granter of such subsidy, aid or funding (other than any Subsidy, State aid, Union Funding and/or International Funding of the types described at Condition 31.6(A)(i) and Condition 31.6(A)(ii).

Suspension of payments (no cumulation of Subsidy, State aid, Union Funding and/or International Funding)

31.8 If the Developer breaches Condition 31.6 or fails to comply with Condition 31.7(A), the GGR Contract Counterparty shall:

(A) suspend payment of any amount(s) which would otherwise be payable by the GGR Contract Counterparty to the Developer, from the date the GGR Contract Counterparty becomes aware that the Developer has breached or failed to comply with such Condition (or as soon as reasonably practicable thereafter); and

(B) notify the Developer of any suspension as soon as reasonably practicable.

31.9 If the Developer evidences to the satisfaction of the GGR Contract Counterparty that the Subsidy, State aid, Union Funding and/or International Funding (as adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)) has been repaid in full to the granter, any suspension under Condition 31.8 shall cease and the GGR Contract Counterparty shall (subject to Condition 31.11, where applicable) pay any amounts to the Developer which would have been payable but for the operation of Condition 31.8. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amounts payable to the Developer pursuant to this Condition 31.9.

31.10 Any evidence provided by the Developer to the GGR Contract Counterparty pursuant to Condition 31.9 shall be accompanied by a Directors' Certificate in respect of such evidence.

Suspension of payments (failure to provide Information)

31.11 If the Developer fails to comply with Condition 31.7(B)(ii), the GGR Contract Counterparty shall:

(A) suspend payment of any amount(s) which would otherwise be payable by the GGR Contract Counterparty to the Developer, from the date the GGR Contract Counterparty becomes aware that the Developer failed to comply with such Condition (or as soon as reasonably practicable thereafter); and

(B) notify the Developer of any suspension as soon as reasonably practicable.

31.12 Subject to Condition 31.8 and Condition 31.17, if the Developer subsequently provides the GGR Contract Counterparty with the Supporting Information (accompanied by a Directors' Certificate) requested pursuant to Condition 31.7(B)(ii), any suspension under Condition 31.11 shall cease and the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 31.11. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amounts payable to the Developer pursuant to this Condition 31.12.

Subsidy Interest

31.13 Interest shall be due and payable in relation to any amount of Subsidy, State aid, Union Funding and/or International Funding which has been received in relation to the costs of the Project (regardless of whether such subsidy, aid and/or funding is received by the Developer or any other person), calculated on the basis that interest shall accrue on the outstanding balance of any such amount at the Subsidy Interest Rate from (and including) the date that the Subsidy, State aid, Union Funding and/or International Funding was received, to (but excluding): (i) the date that the Subsidy, State aid, Union Funding and/or International Funding and interest is repaid in full to the granter; or (ii) where Condition 31.18 applies, the date that payments equivalent to the amount of Subsidy, State aid, Union Funding and/or International Funding and interest are recovered in full; or (iii) where Condition 3.75 (*Set-off of Previous Subsidy*) or Condition 31.17 (*Set-off of Other Subsidy*) applies, the date the Subsidy, State aid, Union Funding and/or International Funding and interest are set off in full. For this purpose:

(A) interest shall accrue from day to day and shall be calculated on the basis of the actual number of Days elapsed and a year of three hundred and sixty-five (365) Days;

(B) the **"Subsidy Interest Rate"** shall be either:

(i) the interest rate set out by the UK awarding body of the Subsidy;

(ii) the interest rate set out in any recovery order issued by a Subsidy Control Competent Authority; or

(iii) in the case of State aid, Union Funding or International Funding only, the interest rate that applies to recovery under the relevant State aid, Union Funding or International Funding scheme,

in each case as applicable, and if none of (i) to (iii) is applicable, the interest rate determined by the GGR Contract Counterparty in accordance with the Interest Rate Methodology; and

(C) to the extent that interest accrues for more than a year, the Subsidy Interest Rate shall be recalculated on an annual basis by the GGR Contract Counterparty in accordance with the applicable methodology, and interest shall be compounded annually, so that interest accruing in the previous year shall be subject to interest in any subsequent year.

For the avoidance of doubt, interest pursuant to this Condition 31.13 shall not be due and payable in relation to any subsidy arising under the GGR Contract.

Waiver of Developer's Obligation to Repay Subsidy, State aid, Union Funding and/or International Funding

31.14 The GGR Contract Counterparty shall agree by notice to waive the Developer's obligation under Condition 31.7(C) if the Developer evidences to the satisfaction of the GGR Contract Counterparty that the granter of such Subsidy, State aid, Union Funding and/or International Funding refuses or is unable to accept the repayment of the Subsidy, State aid, Union Funding and/or International Funding (as adjusted for interest in accordance with Condition 31.13), in full or in part. If the Developer seeks a waiver, the Developer shall:

(A) provide the GGR Contract Counterparty with such Supporting Information as the Developer considers to be relevant to evidence that the granter refuses or is unable to accept repayment in accordance with this Condition 31.14; and

(B) provide the GGR Contract Counterparty with such additional Supporting Information as the GGR Contract Counterparty reasonably requires, as soon as reasonably practicable, and in any event no later than ten (10) Business Days following receipt of the GGR Contract Counterparty's request,

in each case accompanied by a Directors' Certificate in respect of such Supporting Information.

31.15 If the GGR Contract Counterparty agrees to waive the Developer's obligation to repay Subsidy, State aid, Union Funding and/or International Funding pursuant to Condition 31.7(C):

(A) the GGR Contract Counterparty shall also notify the Developer of:

(i) the amount of Subsidy, State aid, Union Funding and/or International Funding (as adjusted for interest in accordance with Condition 31.13) which has not been repaid to the granter as at that date (the **"Other Subsidy"**); and

(ii) the Subsidy Interest Rate currently applicable;

(B) Condition 31.17 shall apply; and

(C) subject to Condition 31.17, the suspension under Condition 31.8(A) shall cease and the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 31.8(A). The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amounts payable pursuant to this Condition 31.15(C).

31.16 Nothing in this Condition 31 (*Developer undertakings: Information provision and no cumulation of Subsidy, State aid, Union Funding and/or International Funding*) shall require the GGR Contract Counterparty to waive the Developer's obligation under Condition 31.7(C), unless and until the GGR Contract Counterparty is satisfied that the requirements of Condition 31.14 have been met.

Set-off of Other Subsidy

31.17 Any amount of Other Subsidy (as adjusted for interest in accordance with Condition 31.13) shall be set off against any amounts payable to the Developer under the GGR Contract, so that no payment shall be made to the Developer until such amount has been set off in its entirety.

Recovery

31.18 If the GGR Contract expires or terminates and any amount of Subsidy, State aid, Union Funding and/or International Funding (as adjusted for interest in accordance with Condition 31.13) has not yet been repaid in full pursuant to Condition 31.7(C) or set off in full, pursuant to Condition 3.75 (*Set-off of Previous Subsidy*) or Condition 31.17 (*Set-off of Other Subsidy*), the GGR Contract Counterparty shall be entitled to recover any payments made to the Developer under the GGR Contract, up to the value of the outstanding amount. The GGR Contract Counterparty shall give notice to the Developer of the outstanding amount and the currently applicable Subsidy Interest Rate and the Developer shall repay or procure the repayment of the notified amount (as adjusted for interest in accordance with Condition 31.13) to the GGR Contract Counterparty within ten (10) Business Days from the date of such notice.

32. DEVELOPER UNDERTAKINGS: COMPLIANCE WITH GGR STANDARD[131]

32.1 [●]

33. FAIR MARKET VALUE AND OFFTAKE REVIEW PROCEDURE[132]

Offtake Review Notice

33.1 If, at any time:

(A) the Developer enters into a new Offtake Agreement;

(B) an amendment or variation is made to:

(i) the Offtake Compliance Provisions contained within an Offtake Agreement; or

(ii) an Offtake Agreement which affects the interpretation or application of the Offtake Compliance Provisions;

(C) an amendment or variation is made to an Offtake Agreement which affects, or has the potential to affect, the Developer's compliance with any FMV Principle(s), including but not limited to any amendment or variation to the price and/or volume of GGR Credits to be sold pursuant to the relevant Offtake Agreement;

(D) the Developer enters into any agreement replacing all or part of an Offtake Agreement; or

(E) an Offtaker transfers (whether by way of novation, sub-contract, delegation or otherwise) an Offtake Agreement to a new Offtaker,

then the Developer shall, no later than thirty (30) Business Days from the date on which the relevant event(s) in limb (A) to (E) occurs (the **"Offtake Review Notice Deadline"**), give a notice to the GGR Contract Counterparty (an **"Offtake Review Notice"**).

33.2 Subject to Condition 33.3, each Offtake Review Notice shall include the Offtake Information.

33.3 If the Developer is required to provide an Offtake Review Notice:

---

131 **Note to Reader:** This Condition remains under consideration as the GGR Standard is developed.

132 **Note to Reader:** The scope and details of the Fair Market Value and Offtake Review Procedure (including the application of the FMVP) are subject to further consideration by DESNZ in the context of sales into the Compliance Scheme. DESNZ is considering whether further amendments are required to the Fair Market Value and Offtake Review Procedure, including in relation to Affiliate Offtakers.

(A) pursuant to Condition 33.1(B) only, the Developer shall not be required to provide, as part of the Offtake Information, the information referred to in paragraphs (C) and (D) of the definition of "Offtake Information" in respect of such Offtake Review Notice; or

(B) pursuant to Condition 33.1(C) only, the Developer shall only be required to include, as part of the Offtake Information, the information referred to in paragraph (C) of the definition of "Offtake Information" in respect of such Offtake Review Notice.

GGR Contract Counterparty Offtake Review Request Notice

33.4 The GGR Contract Counterparty may, no later than ten (10) Business Days after receipt of an Offtake Review Notice, give a notice to the Developer (a **"GGR Contract Counterparty Offtake Review Request Notice"**) specifying:

(A) whether the GGR Contract Counterparty considers that such Offtake Review Notice is misleading in any respect and/or contains any material errors or inconsistencies and/or does not include the Offtake Information; and

(B) that the Developer must promptly submit an updated Offtake Review Notice addressing the matters referred to above in limb (A),

following which the GGR Contract Counterparty shall be entitled to issue a further GGR Contract Counterparty Offtake Review Request Notice pursuant to this Condition 33.4 (*GGR Contract Counterparty Offtaker Confirmation Request Notification*) in respect of any updated Offtake Review Notice.

Offtake Review Response and Offtake Information Request

33.5 The GGR Contract Counterparty shall, no later than twenty (20) Business Days following receipt of an Offtake Review Notice, give a notice to the Developer:

(A) specifying that:

(i) the relevant Offtake Agreement shall be confirmed to be a Confirmed Offtake Agreement with effect from the Offtake Confirmation Date; or

(ii) the relevant Offtake Agreement shall not be confirmed to be a Confirmed Offtake Agreement unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure,

an **"Offtake Review Response Notice"**, or

(B) requiring the Developer to provide additional Supporting Information required by the GGR Contract Counterparty (acting reasonably) in relation to such Offtake Review Notice (an **"Offtake Information Request"**).

33.6 An Offtake Information Request shall include details of the additional Supporting Information which the GGR Contract Counterparty requires (the **"Offtake Supporting Information"**).

33.7 If the GGR Contract Counterparty gives an Offtake Information Request to the Developer, the Developer shall provide (or, if the relevant Offtake Supporting Information is not within the possession of the Developer, shall use reasonable endeavours to provide) the Offtake Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of the Offtake Information Request or such longer period as is specified by the GGR Contract Counterparty.

Offtake Information Response Notice

33.8 Upon receipt of the Offtake Supporting Information, the GGR Contract Counterparty shall, as soon as reasonably practicable and in any event no later than twenty (20) Business Days after receipt of such Offtake Supporting Information, give a notice to the Developer (an **"Offtake Information Response Notice"**).

33.9 An Offtake Information Response Notice shall specify that:

(A) the relevant Offtake Agreement shall be confirmed to be a Confirmed Offtake Agreement with effect from the Offtake Confirmation Date;

(B) the relevant Offtake Agreement shall not be confirmed to be a Confirmed Offtake Agreement unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; or

(C) the Developer has not provided sufficient Supporting Information to enable the GGR Contract Counterparty to determine whether or not the relevant Offtake Agreement should be confirmed to be a Confirmed Offtake Agreement, in which case Condition 33.7 shall reapply as if the Offtake Information Response Notice was an Offtake Information Request.

33.10 Notwithstanding any other provision of this Agreement, an Offtake Agreement shall not be a Confirmed Offtake Agreement unless and until the GGR Contract Counterparty confirms the same pursuant to this Condition 33.

33.11 Nothing in this Condition 33 shall require the GGR Contract Counterparty to specify in any Offtake Information Response Notice that the relevant Offtake Agreement shall be confirmed to be a Confirmed Offtake Agreement unless and until the GGR Contract Counterparty is satisfied of the same.

Failure to provide an Offtake Review Notice

33.12 If:

(A) the Developer fails to provide an Offtake Review Notice by the relevant Offtake Review Notice Deadline in accordance with Condition 33.1 containing the relevant Offtake Information; or

(B) the GGR Contract Counterparty notifies the Developer pursuant to an Offtake Information Request that it requires the Developer to provide Offtake Supporting Information and the Developer fails to provide such information in accordance with Condition 33.7,

the GGR Contract Counterparty may give a notice to the Developer (an **"Offtake Confirmation Non-Compliance Notice"**). An Offtake Confirmation Non-Compliance Notice shall:

(i) notify the Developer that either:

(a) the Developer has failed to provide an Offtake Review Notice by the relevant Offtake Review Notice Deadline in accordance with Condition 33.1 containing the relevant Offtake Information; or

(b) the Developer has failed to provide the Offtake Supporting Information required by the GGR Contract Counterparty in accordance with Condition 33.7;

(ii) specify the date on and from which the GGR Contract Counterparty may suspend payments in accordance with Condition 33.13, which shall be the relevant Offtake Confirmation Non-Compliance Deadline;

(iii) specify the date on and from which the GGR Contract Counterparty may elect not to confirm the relevant Offtake Agreement to be a Confirmed Offtake Agreement in accordance with Condition 33.15, which shall be the relevant Offtake Confirmation Non-Compliance Deadline; and

(iv) specify the date on and from which the GGR Contract Counterparty may terminate the GGR Contract in accordance with Condition 33.17, which shall be the relevant Offtaker Confirmation Non-Compliance Deadline.

Failure to provide an Offtake Review Notice: suspension

33.13 If:

(A) Condition 33.12(A) applies and the Developer fails to provide an Offtake Review Notice to the GGR Contract Counterparty in accordance with Condition 33.1 and Condition 33.2; or

(B) Condition 33.12(B) applies and the Developer fails to provide the Offtake Supporting Information to the GGR Contract Counterparty in accordance with Condition 33.7,

in each case by the relevant Offtake Confirmation Non-Compliance Deadline, then without prejudice to Condition 33.15 and Condition 33.17, the GGR Contract Counterparty may elect to suspend payment of any amounts which would otherwise be payable by the GGR Contract Counterparty to the Developer for the period from the relevant Offtake Confirmation Non-Compliance Deadline until the date on which the Developer subsequently complies with the obligation in Condition 33.1 and Condition 33.2, Condition 33.3 and/or Condition 33.5(B) (as applicable), provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

33.14 If the Developer subsequently complies with its obligation to:

(A) provide an Offtake Review Notice in accordance with Condition 33.1 and Condition 33.2; or

(B) provide the Offtake Supporting Information required by the GGR Contract Counterparty in accordance with Condition 33.7,

then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 33.13, Condition 33.4 and Condition 33.7 (as applicable) shall apply. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amount payable pursuant to this Condition 33.14.

Failure to provide an Offtake Review Notice: no Confirmed Offtake Agreement

33.15 If:

(A) Condition 33.12(A) applies and the Developer fails to provide an Offtake Review Notice to the GGR Contract Counterparty in accordance with Condition 33.1 and Condition 33.2; or

(B) Condition 33.12(B) applies and the Developer fails to provide the Offtake Supporting Information to the GGR Contract Counterparty in accordance with Condition 33.7,

in each case by the relevant Offtake Confirmation Non-Compliance Deadline, then without prejudice to Condition 33.10, Condition 33.13 and Condition 33.17, the GGR Contract Counterparty may elect to confirm that the relevant Offtake Agreement is not a Confirmed Offtake Agreement for the period from the relevant Offtake Confirmation Non-Compliance Deadline until the date on which the Developer subsequently complies with the obligation in Condition 33.1 and/or Condition 33.7 (as applicable), provided that, prior to effecting any such right, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to confirm that the relevant Offtake Agreement is not a Confirmed Offtake Agreement; and (ii) the date from which it proposes to exercise such right.

33.16 If the Developer subsequently complies with its obligation to:

(A) provide an Offtake Review Notice containing the relevant Offtake Information in accordance with Condition 33.1 and Condition 33.2; or

(B) provide the Offtake Supporting Information required by the GGR Contract Counterparty in accordance with Condition 33.7,

any confirmation that the relevant Offtake Agreement is not a Confirmed Offtake Agreement under Condition 33.15 shall cease from the date on which the Developer complies with the relevant obligation.

Failure to provide an Offtake Review Notice: termination

33.17 If:

(A) Condition 33.12(A) applies and the Developer fails to provide an Offtake Review Notice to the GGR Contract Counterparty in accordance with Condition 33.1 containing the relevant Offtake Information by the relevant Offtake Confirmation Non-Compliance Deadline;

(B) Condition 33.12(B) applies and the Developer fails to provide the Offtake Supporting Information to the GGR Contract Counterparty in accordance with Condition 33.7 by the relevant Offtake Confirmation Non-Compliance Deadline,

then an **"Offtake Confirmation Process Termination Event"** will be deemed to have occurred.

34. DEVELOPER UNDERTAKINGS: FAIR MARKET VALUE AND OFFTAKE COMPLIANCE

Developer FMV and Offtake Compliance Obligations

34.1 The Developer undertakes to the GGR Contract Counterparty that, at all times:

(A) it shall comply with each of the FMV Principles in respect of each Confirmed Offtake Agreement;

(B) each Confirmed Offtake Agreement which is entered into with a Confirmed Offtaker, including where any such agreement is amended, waived, supplemented or otherwise varied, shall include:

(i) the Offtake Compliance Provisions; and

(ii) one (1) or more express contractual right or remedy against the relevant Confirmed Offtaker for any breach of the Offtake Compliance Provisions (in addition to any right or remedy under common law, in equity, by statute or otherwise in respect of such breach) and the right to terminate the relevant Confirmed Offtake Agreement for any persistent, material or wilful breach of the Offtake Compliance Provisions; and

(C) it shall not grant a waiver or release in respect of a Confirmed Offtaker's obligation to comply with the Offtake Compliance Provisions.

34.2 If the Developer has sold, traded or transferred any GGR Credits to:

(A) an Offtaker in breach of any of the undertakings in Condition 34.1 (*Developer FMV and Offtake Compliance Obligations*); or

(B) an Affiliate Offtaker under an Offtake Agreement which has not been confirmed by the GGR Contract Counterparty to be a Confirmed Offtake Agreement pursuant to Condition 33 (*Fair Market Value and Offtake Review Procedure*),

such GGR Credits shall be deemed not to be Qualifying GGR Credits for the purposes of the GGR Contract.

34.3 The Developer undertakes to the GGR Contract Counterparty to notify the GGR Contract Counterparty promptly if the Developer becomes aware that it may be in breach of any of the undertakings in Condition 34.1.

34.4 The Developer shall use reasonable endeavours to perform its obligations under and observe all the terms of each Confirmed Offtake Agreement to which it is a party.

34.5 With effect from the Start Date, the Developer undertakes to the GGR Contract Counterparty to:

(A) notify the GGR Contract Counterparty promptly if:

(i) the Developer becomes aware that a Confirmed Offtaker may be in breach of the Offtake Compliance Provisions;

(ii) a Confirmed Offtake Agreement is terminated; and/or

(iii) the Developer grants a waiver or release in respect of a Confirmed Offtaker's breach of the Offtake Compliance Provisions; and

(B) use reasonable endeavours to enforce the rights or remedies that the Developer has against any Confirmed Offtaker who breaches the Offtake Compliance Provisions.

Misleading Offtaker Confirmation, Report or Payment Information Notice

34.6 If the Developer becomes aware at any time that any Information contained within:

(A) an Offtake Review Notice provided in accordance with Conditions 33.1, 33.2 and/or 33.4(B);

(B) any Offtake Supporting Information provided to the GGR Contract Counterparty in accordance with Condition 33.7;

(C) an Offtake Compliance Audit provided in accordance with Condition 37.2; and/or

(D) any Payment Information Notice provided in accordance with Conditions 16.1 and 16.2 (*Delivery of Payment Information Notice*),

was not true, complete and accurate in all material respects and/or was misleading, in each case as at the date of submission, the Developer shall promptly:

(i) notify the GGR Contract Counterparty of the relevant error(s); and

(ii) provide the GGR Contract Counterparty with (as applicable):

(a) an updated Offtake Review Notice and/or Supporting Information which is true, complete and accurate in all material respects and is not misleading (the **"Revised Offtake Review Notice"**), together with a Directors' Certificate and Supporting Information in relation to such notice;

(b) an updated Offtake Compliance Report and/or Supporting Information which is true, complete and accurate in all material respects and is not misleading (the **"Revised Offtake Compliance Audit"**), together with a Directors' Certificate and Supporting Information in relation to such report; or

(c) an updated Payment Information Notice and/or Supporting Information which is true, complete and accurate in all material respects and is not misleading (the **"Revised Payment Information Notice"**), together with a Directors' Certificate and Supporting Information in relation to such notice.

34.7 If any:

(A) Offtake Review Notice provided by the Developer in accordance with Conditions 33.1 and 33.2 and/or 33.4(B);

(B) Offtake Supporting Information provided by the Developer in accordance with Condition 33.7;

(C) Offtake Compliance Audit or Revised Offtake Compliance Audit provided by the Developer pursuant to Condition 37 or Condition 34.6(D)(ii)(b); or

(D) Payment Information Notice provided by the Developer pursuant to Conditions 16.1 and 16.2 (*Delivery of Payment Information Notice*),

is misleading, or the Developer's failure to provide such notice, report or information is misleading, provided that: (i) the Developer knew that such notice, report or information was, or a failure to provide such notice, report or information would be, misleading; (ii) the Developer acted recklessly in providing or failing to provide such notice, report or information; or (iii) there have been three (3) or more Developer System Failures in any rolling three (3) year period in relation to such notice, report or information, then a **"Misleading Declaration Termination Event"** will be deemed to have occurred.

35. COMPLIANCE SCHEMES[133]

35.1 Any GGR Credits sold, traded, transferred, forfeited or surrendered in a Compliance Scheme shall be deemed not to be Qualifying GGR Credits prior to the Compliance Scheme Alignment

[133] **Note to Reader:** If compliance sales become eligible for subsidy pursuant to the Compliance Scheme Alignment Review, amendments will be required to the GGR Contract as a result of the Compliance Scheme Alignment Review are being considered by DESNZ.

Review Implementation Date in respect of that Compliance Scheme (the **Compliance Scheme Restriction"**).

36. GGR CONTRACT COUNTERPARTY AUDIT RIGHTS

Scope of GGR Contract Counterparty Audit Right

36.1 With effect from the Start Date, the Developer shall grant the GGR Contract Counterparty (and any and all persons nominated by the GGR Contract Counterparty who the GGR Contract Counterparty considers to be suitably qualified) access to:

(A) the Developer;

(B) any plant, machinery, meters, property, processing or storage facility, associated with the Facility, in each case owned, occupied or controlled by the Developer and to which the Developer can lawfully grant access;

(C) the Developer's personnel, systems, books, records and any other information, and

(D) the directors, officers and employees of the Developer (who will be instructed to give as soon as reasonably practicable all Supporting Information reasonably requested by the GGR Contract Counterparty (and any persons nominated by it in accordance with this Condition 36.1)),

in each case as the GGR Contract Counterparty considers reasonably necessary for the GGR Contract Counterparty to assess the Developer's compliance with its obligations under Condition 33 (*Fair Market Value and Offtake Review Procedure*) and Condition 34 (*Fair Market Value and Offtake Compliance*) (the **"GGR Contract Counterparty Audit Right"**).

36.2 If the GGR Contract Counterparty intends to exercise the GGR Contract Counterparty Audit Right, it shall give written notice to the Developer (a **"GGR Contract Counterparty Audit Notice"**). A GGR Contract Counterparty Audit Notice shall:

(A) specify that the GGR Contract Counterparty (or any suitably qualified persons nominated by it under Condition 36.1) intends to exercise the GGR Contract Counterparty Audit Right; and

(B) specify a date and time during regular office hours by which the Developer shall, in accordance with Condition 36.3, permit (and/or use reasonable endeavours to procure that the relevant Offtaker(s) permits) the exercise of the GGR Contract Counterparty Audit Right.

36.3 On receipt of the GGR Contract Counterparty Audit Notice, the Developer shall permit (and/or use reasonable endeavours to procure that the relevant Offtaker(s) permits) the GGR Contract Counterparty to exercise the GGR Contract Counterparty Audit Right at such time as the GGR Contract Counterparty may nominate provided that it is no earlier than two (2) Business Days after the Developer's receipt of the GGR Contract Counterparty Audit Notice.

36.4 The Developer shall cooperate and provide, and shall use reasonable endeavours to procure that any Representatives (including any Offtakers) cooperate and provide, all required access, assistance and information to enable the GGR Contract Counterparty to exercise its GGR Contract Counterparty Audit Right.

36.5 The GGR Contract Counterparty shall (and shall procure that any suitably qualified persons nominated by it in accordance with Condition 36.1(A) shall):

(A) take or refrain from taking all such other action as may be reasonably required by the Developer in order to comply with health and safety rules which, in accordance with the Reasonable and Prudent Standard, relate to the Facility; and

(B) obtain each authorisation, licence, accreditation, permit, consent, certificate, resolution, clearance, exemption, order confirmation, permission or other approval of or from a Competent Authority,

in each case, as is necessary for it to exercise the GGR Contract Counterparty Audit Right.

36.6 If, pursuant to or as a result of the GGR Contract Counterparty exercising its GGR Contract Counterparty Audit Right, it is agreed or determined that there has been a breach by the Developer of its obligations under Condition 33 (*Fair Market Value and Offtake Review Procedure*) and Condition 34 (*Fair Market Value and Offtake Compliance*), the Developer shall reimburse the GGR Contract Counterparty for all out-of-pocket costs, expenses and fees incurred by the GGR Contract Counterparty arising out of or in connection with exercising the GGR Contract Counterparty Audit Right.

Failure to comply with the GGR Contract Counterparty Audit Right: suspension

36.7 If the Developer fails to comply with its obligation under Condition 36.3 to permit the GGR Contract Counterparty to exercise the GGR Contract Counterparty Audit Right, then without prejudice to Condition 36.8, the GGR Contract Counterparty may elect to suspend payment of any amount(s) which would otherwise be payable by the GGR Contract Counterparty to the Developer in any period during which the Developer is in breach of such obligation, provided that, prior to effecting such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

36.8 If the Developer subsequently complies with its obligation to permit the GGR Contract Counterparty to exercise the GGR Contract Counterparty Audit Right, then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 36.6. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amount payable pursuant to this Condition 36.8.

36.9 If the Developer:

(A) fails to comply with its obligation under Condition 36.3 to permit the GGR Contract Counterparty to exercise the GGR Contract Counterparty Audit Right; and

(B) has not permitted the GGR Contract Counterparty to exercise its GGR Contract Counterparty Audit Right within four (4) Business Days of the date on which the GGR Contract Counterparty or its appointed representative first sought to exercise the GGR Contract Counterparty Audit Right in accordance with Condition 36.2,

then a **"GGR Contract Audit Termination Event"** will be deemed to have occurred.

37. OFFTAKE COMPLIANCE AUDIT

37.1 The GGR Contract Counterparty may, if it has reason to believe that there has been a breach or failure to comply with Condition 33 (*Fair Market Value and Offtake Review Procedure*) and/or Condition 34 (*Developer Undertakings: Fair Market Value and Offtake Compliance*), request that the Developer procure that an Auditor conducts an audit which satisfies the requirements of Condition 37.4 and 37.5 (**"Offtake Compliance Audit"**).

37.2 The Developer shall provide to the GGR Contract Counterparty an Offtake Compliance Audit no later than thirty (30) Business Days following a request by the GGR Contract Counterparty pursuant to Condition 37.1 (the **"Offtake Compliance Audit Deadline"**).

37.3 The Developer shall appoint an Auditor to carry out the Offtake Compliance Audit at its own cost and expense, except where the Offtake Compliance Audit finds no breach or non-compliance on the part of the Developer in respect of the matters contained in the Offtake Compliance Audit, in which case, the GGR Contract Counterparty shall pay such reasonable costs and expenses incurred by the Developer in procuring such Offtake Compliance Audit.

37.4 Each Offtake Compliance Audit shall:

(A) include the GGR Contract Counterparty as an addressee;

(B) contain the following elements:

(i) the name of the Developer that was subject to verification;

(ii) the objectives of the verification;

(iii) the scope of the verification;; and

(iv) the verification opinion statement;

(C) contain a detailed narrative of the information collected during the audit;

(D) be prepared in accordance with the requirements in respect of reasonable assurance engagements prescribed in ISAE 3000 (or an equivalent standard); and

(E) be in form and content satisfactory to the GGR Contract Counterparty (acting reasonably).

37.5 Each Offtake Audit Report shall contain a statement from the Auditor confirming whether, in respect of the time period specified by the GGR Contract Counterparty:

(A) each Confirmed Offtake Agreement which is entered into with a Confirmed Offtaker (including where any such agreement is amended, waived, supplemented or otherwise varied) includes:

(i) the Offtake Compliance Provisions; and

(ii) one (1) or more express contractual right or remedy against the relevant Confirmed Offtaker for any breach of the Offtake Compliance Provisions (in addition to any right or remedy under common law, in equity, by statute or otherwise) and the right to terminate the relevant Confirmed Offtake Agreement for any persistent, material or wilful breach of the Offtake Compliance Provisions;

(B) the Developer has complied with the FMV Principles in respect of each Confirmed Offtake Agreement entered into since the immediately preceding Offtake Compliance Audit, or for the first Offtake Compliance Audit, since the Agreement Date;

(C) the Developer has submitted an Offtake Review Notice to the GGR Contract Counterparty in accordance with Condition 33.1 (*Offtake Review Notice*);

(D) each Offtake Review Notice that the Developer has submitted to the GGR Contract Counterparty pursuant to Condition 33.1 (*Offtake Review Notice*) since the immediately preceding Offtake Compliance Audit, or for the first Offtake Compliance Audit, since the Agreement Date, is true, complete and accurate;

(E) the Developer has notified the GGR Contract Counterparty on becoming aware that it may be in breach of any FMV Principle(s);

(F) the Developer has accurately notified the GGR Contract Counterparty where:

(i) the Developer has become aware that a Confirmed Offtaker may be in breach of the Offtake Compliance Provisions;

(ii) any Confirmed Offtake Agreement has been terminated; and/or

(iii) the Developer has granted a waiver or release in respect of a Confirmed Offtaker's breach of the Offtake Compliance Provisions;

(G) where the Developer becomes aware at any time that any Information contained within any Offtake Review Notice was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, the Developer has:

(i) notified the GGR Contract Counterparty of the relevant error(s); and

(ii) provided the GGR Contract Counterparty with (as applicable) a Revised Offtake Review Notice;

(H) the Developer has made all due and careful enquiries to:

(i) in respect of each Confirmed Offtake Agreement, confirm that each Confirmed Offtaker has complied with the Offtake Compliance Provisions since the Agreement Date; and

(ii) identify any fact, matter or change of circumstance which could have a material impact on: (i) a Confirmed Offtaker's ability to comply with the Offtake Compliance Provisions since the Agreement Date; and/or (ii) the information contained in any Offtake Review Notice that the Developer has provided to the GGR Contract Counterparty,

together with Supporting Information in relation to the matters set out in paragraphs (A) to (H).

Offtake Compliance Audit Non-Compliance Notice

37.6 If the Developer fails to provide an Offtake Compliance Audit by the Offtake Compliance Audit Deadline, the GGR Contract Counterparty may give a notice to the Developer (an **"Offtake Compliance Audit Non-Compliance Notice"**).

37.7 An Offtake Compliance Audit Non-Compliance Notice shall:

(A) notify the Developer that the Developer has failed to provide an Offtake Compliance Audit by the Offtake Compliance Audit Deadline;

(B) specify the date on and from which the GGR Contract Counterparty may suspend payments in accordance with Condition 37.8, which shall be the relevant Offtake Compliance Audit Non-Compliance Deadline; and

(C) specify the date on and from which the GGR Contract Counterparty may terminate the GGR Contract in accordance with Condition 37.10, which shall be the relevant Offtake Compliance Audit Non-Compliance Deadline.

Failure to provide an Offtake Compliance Audit: suspension

37.8 If the Developer fails to provide an Offtake Compliance Audit, by the relevant Offtake Compliance Audit Non-Compliance Deadline then, without prejudice to Condition 37.10, the GGR Contract Counterparty may elect to suspend payment of any amounts which would otherwise be payable by the GGR Contract Counterparty to the Developer for the period from the relevant Offtake Compliance Audit Non-Compliance Deadline until the date on which the Developer subsequently complies with the relevant obligation, provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

37.9 If the Developer subsequently complies with its obligation to provide the Offtake Compliance Audit then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 37.8 The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amount payable pursuant to this Condition 37.9.

Failure to provide an Offtake Compliance Audit: termination

37.10 If the Developer fails to provide an Offtake Compliance Audit by the relevant Offtake Compliance Audit Non-Compliance Deadline, then an **"Offtake Compliance Audit Termination Event"** will be deemed to have occurred.

38. ANNUAL COMPLIANCE REPORT AND AUDIT

Annual Compliance Report

38.1 With effect from the Start Date, the Developer shall, by no later than forty (40) Business Days following the end of each Fiscal Year (the **"Annual Compliance Report Deadline"**), provide to the GGR Contract Counterparty a report (an **"Annual Compliance Report"**) in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), which shall, subject to Condition 38.2, include, as a minimum:[134]

(A) confirmation that all GGR Credits generated by the Facility which the Developer has sold since the Agreement Date have been reported in the Payment Information Notices the Developer has submitted to the GGR Contract Counterparty in accordance with Condition 16 (*Developer Payment Information*);

(B) confirmation that the Developer has not issued any Offtaker with a Confirmed Offtaker Invoice in respect of which the Achieved Sales Price has been decreased in a way which is designed to, or a main purpose of which is to, increase the Difference Amounts payable by the GGR Contract Counterparty to the Developer and/or decrease the Difference Amounts payable by the Developer to the GGR Contract Counterparty; and

(C) such Supporting Information as the Developer considers to be relevant to the content of the Annual Compliance Report,

---

[134] **Note to Reader:** The scope and contents of the Annual Compliance Report is subject to further consideration by DESNZ.

(the information referred to in paragraphs (A) to (C) above being the **"Annual Compliance Report Minimum Requirements"**).

38.2 Each Annual Compliance Report shall include details of any failure by the Developer to comply with one (1) or more of the Annual Compliance Report Minimum Requirements, together with such Supporting Information as the Developer considers to be relevant to evidence the reasons for such failure to comply.

38.3 Each Annual Compliance Report shall be accompanied by:

(A) a Directors' Certificate in relation to the information contained in, and enclosed within, the Annual Compliance Report; and

(B) an Annual Auditor's Certificate, together with an Annual Compliance Audit Report,

in each case in respect of the relevant Fiscal Year (together, the **"Annual Compliance Documents"**).

Annual Audit Documents

38.4 With effect from the Start Date, the Developer shall procure that an Auditor conducts an audit in respect of each Fiscal Year in accordance with Part A (*General*) of Annex 11 (*Annual Audit Reports*) (an **"Annual Audit"**) and prepares:

(A) an Annual Compliance Audit Report which satisfies the requirements of Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); and

(B) an Annual Auditor's Certificate,

in each case in respect of the relevant Fiscal Year (together, the **"Annual Audit Documents"**).

Annual Compliance Report Response Notice

38.5 Without prejudice to any other rights and remedies of the GGR Contract Counterparty under the GGR Contract, the GGR Contract Counterparty shall, no later than [forty (40)] Business Days after receipt of an Annual Compliance Report, give a notice to the Developer (an **"Annual Compliance Report Response Notice"**). An Annual Compliance Report Response Notice shall specify whether:

(A) the Annual Compliance Report has or has not been accompanied by the Annual Compliance Documents; and

(B) the GGR Contract Counterparty considers that:

(i) the Annual Compliance Report does or does not satisfy the Annual Compliance Report Minimum Requirements; and/or

(ii) the Annual Compliance Audit Report does or does not satisfy the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(C) the GGR Contract Counterparty considers that it has not been provided with sufficient Supporting Information (acting reasonably) to determine the matters set out in Condition 38.5(B) and, if so, details of the additional Supporting Information which the GGR Contract Counterparty requires (acting reasonably) to make such determination(s) (the **"Annual Compliance Report Supporting Information"**).

38.6 If the GGR Contract Counterparty states in the Annual Compliance Report Response Notice that it requires the Developer to provide Annual Compliance Report Supporting Information then:

(A) the Developer shall:

(i) provide the Annual Compliance Report Supporting Information as soon as reasonably practicable, and in any event no later than thirty (30) Business Days after receipt of the Annual Compliance Report Response Notice, or such longer period as is specified by the GGR Contract Counterparty;

(ii) procure that the Auditor cooperates and provides all required assistance and information to enable the Developer to provide such Annual Compliance Report Supporting Information in accordance with Condition 38.6(A)(i); and

(B) no later than thirty (30) Business Days after receipt of such Annual Compliance Report Supporting Information, the GGR Contract Counterparty shall give a further Annual Compliance Report Response Notice to the Developer (a **"Further Annual Compliance Report Response Notice"**). A Further Annual Compliance Report Response Notice shall confirm whether the GGR Contract Counterparty considers that:

(i) the Annual Compliance Report satisfies the Annual Compliance Report Minimum Requirements; and

(ii) the Annual Compliance Audit Report satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*).

38.7 Nothing in Conditions 38.5 and 38.6(B) (*Annual Compliance Report*) shall require the GGR Contract Counterparty to specify in any Annual Compliance Report Response Notice or Further Annual Compliance Report Response Notice that it considers that:

(A) the Annual Compliance Report satisfies the Annual Compliance Report Minimum Requirements; and/or

(B) the Annual Compliance Audit Report satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*),

unless and until the GGR Contract Counterparty is satisfied of the same.

Annual Compliance Report Non-Compliance Notice

38.8 If:

(A) the Developer fails to provide an Annual Compliance Report by the Annual Compliance Report Deadline;

(B) the GGR Contract Counterparty specifies in an Annual Compliance Report Response Notice that the Annual Compliance Report has not been accompanied by the Annual Compliance Documents;

(C) the GGR Contract Counterparty specifies in an Annual Compliance Report Response Notice or Further Annual Compliance Report Response Notice that:

(i) the Annual Compliance Report does not satisfy the Annual Compliance Report Minimum Requirements; and/or

(ii) the Annual Compliance Audit Report does not satisfy the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(D) the GGR Contract Counterparty specifies in an Annual Compliance Report Response Notice that it requires the Developer to provide Annual Compliance Report Supporting Information and the Developer fails to provide such Annual Compliance Report Supporting Information in accordance with Condition 38.6(A)(i),

the GGR Contract Counterparty may give a notice to the Developer (an **"Annual Compliance Report Non-Compliance Notice"**). An Annual Compliance Report Non-Compliance Notice shall:

(i) notify the Developer that:

(a) if Condition 38.8(A) applies, the Developer has failed to provide an Annual Compliance Report by the Annual Compliance Report Deadline;

(b) if Condition 38.8(B) applies, the Developer has failed to provide an Annual Compliance Report accompanied by the Annual Compliance Documents;

(c) if Condition 38.8(C) applies, the Developer has failed to provide:

(1) an Annual Compliance Report which satisfies the Annual Compliance Report Minimum Requirements; and/or

(2) an Annual Compliance Audit Report which satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(d) if Condition 38.8(D) applies, the Developer has failed to provide the Annual Compliance Report Supporting Information in accordance with Condition 38.6(A)(i);

(ii) specify the date on and from which the GGR Contract Counterparty may suspend payments in accordance with Condition 38.11 which shall be the relevant Annual Compliance Report Non-Compliance Deadline; and

(iii) specify the date on and from which the GGR Contract Counterparty may terminate the GGR Contract in accordance with Condition 38.13 which shall be the relevant Annual Compliance Report Non-Compliance Deadline.

38.9 If Condition 37.638.8(A) applies and the Developer provides an Annual Compliance Report and the Annual Compliance Documents to the GGR Contract Counterparty by the relevant Annual Compliance Report Non-Compliance Deadline, Conditions 38.5 to 38.6(B) shall re-apply.

38.10 If Condition 38.8(B) applies and the Developer provides the Annual Compliance Documents to the GGR Contract Counterparty by the relevant Annual Compliance Report Non-Compliance Deadline, Conditions 38.5 to 38.6(B) shall re-apply.

Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension

38.11 If:

(A) Condition 38.8(A) applies and the Developer fails to provide an Annual Compliance Report;

(B) Condition 38.8(B) applies and the Developer fails to provide the Annual Compliance Documents;

(C) Condition 38.8(C) applies and the Developer fails to provide

(i) an Annual Compliance Report which satisfies the Annual Compliance Report Minimum Requirements; and/or

(ii) an Annual Compliance Audit Report which satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(D) Condition 38.8(D) applies and the Developer fails to provide the Annual Compliance Report Supporting Information,

in each case, by the relevant Annual Compliance Report Non-Compliance Deadline then, without prejudice to Condition 38.13, the GGR Contract Counterparty may elect to suspend payment of any amounts which would otherwise be payable by the GGR Contract Counterparty to the Developer for the period from the relevant Annual Compliance Report Non-Compliance Deadline until the date on which the Developer subsequently complies with the relevant obligation, provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

38.12 If the Developer subsequently complies with its obligation to provide:

(A) if Condition 38.8(A) applies, the Annual Compliance Report;

(B) if Condition 38.8(B) applies, the Annual Compliance Documents;

(C) if Condition 38.8(C) applies:

(i) an Annual Compliance Report which satisfies the Annual Compliance Report Minimum Requirements; and/or

(ii) an Annual Compliance Audit Report which satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(D) Condition 38.8(D) applies, the Annual Compliance Report Supporting Information,

then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 38.11 The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amount payable pursuant to this Condition 38.12.

Failure to provide an Annual Compliance Report or Annual Compliance Documents: termination

38.13 If:

(A) Condition 38.8(A) applies and the Developer fails to provide an Annual Compliance Report;

(B) Condition 38.8(B) applies and the Developer fails to provide the Annual Compliance Documents;

(C) Condition 38.8(C) applies and the Developer fails to provide:

(i) an Annual Compliance Report which satisfies the Annual Compliance Report Minimum Requirements; and/or

(ii) an Annual Compliance Audit Report which satisfies the requirements set out in Part A (*General*) and Part B (*Annual Compliance Audit Report*) of Annex 11 (*Annual Audit Reports*); or

(D) Condition 38.8(D) applies and the Developer fails to provide the Annual Compliance Report Supporting Information,

in each case by the relevant Annual Compliance Report Non-Compliance Deadline, then an **"Annual Compliance Report Termination Event"** will be deemed to have occurred.

Part 8
Changes in Law

39. QUALIFYING CHANGE IN LAW: PROCEDURE

GGR Contract Counterparty QCiL Notice

39.1 If the GGR Contract Counterparty considers that a Qualifying Change in Law has been implemented, occurred or become effective (or is shortly to be implemented, to occur or to become effective), it may give a notice to the Developer (a **"GGR Contract Counterparty QCiL Notice"**). A GGR Contract Counterparty QCiL Notice shall:

(A) include reasonable details of the relevant Qualifying Change in Law;

(B) specify the QCiL Effective Date or the Expected QCiL Effective Date (as appropriate);

(C) specify why the GGR Contract Counterparty considers that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law, including whether the GGR Contract Counterparty considers the Qualifying Change in Law to be a Discriminatory Change in Law, a Specific Change in Law or an Other Change in Law; and

(D) (if the GGR Contract Counterparty considers it reasonably practicable to do so) specify whether the GGR Contract Counterparty considers that the Notified Change in Law will give rise to or result in:

(i) QCiL Operating Costs or QCiL Operating Savings;

(ii) QCiL Capital Costs or QCiL Capital Savings;

(iii) an Adjusted Output Period (and, if so, the GGR Contract Counterparty's AOP Estimate);

(iv) a QCiL Construction Event; and/or

(v) a QCiL Operations Cessation Event.

Developer QCiL Response Notice

39.2 If the GGR Contract Counterparty gives a GGR Contract Counterparty QCiL Notice to the Developer, the Developer shall as soon as reasonably practicable, and in any event no later than forty (40) Business Days after receipt of such GGR Contract Counterparty QCiL Notice, give a notice to the GGR Contract Counterparty (a **"Developer QCiL Response Notice"**). A Developer QCiL Response Notice shall:

(A) specify whether the Developer considers that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law (and, if the Developer does not consider that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law, the Developer shall include Supporting Information, in reasonable detail, which the Developer considers to be relevant to and supportive of that conclusion);

(B) include either:

(i) a statement that the Developer agrees with the QCiL Effective Date or the Expected QCiL Effective Date specified in the GGR Contract Counterparty QCiL Notice; or

(ii) if the Developer does not agree with the QCiL Effective Date or the Expected QCiL Effective Date specified in the GGR Contract Counterparty QCiL Notice, an alternative QCiL Effective Date or Expected QCiL Effective Date;

(C) specify whether the Developer considers that the Notified Change in Law will give rise to or result in:

(i) QCiL Operating Costs or QCiL Operating Savings and, if so, include the Developer's good faith estimate of such amounts and the profile of the incurrence of, or the making or receipt of, such costs or savings (as applicable);

(ii) QCiL Capital Costs or QCiL Capital Savings and, if so, include the Developer's good faith estimate of such amounts and the profile of the incurrence of, or the making or receipt of, such costs or savings (as applicable);

(iii) an Adjusted Output Period and, if so, (a) the Developer's AOP Estimate; and (b) the Developer's good faith estimate of the impact of the Notified Change in Law on the Estimated Facility Net Removal;

(iv) a QCiL Construction Event and, if so, the Developer's good faith estimate of the QCiL Construction Event Payment; and/or

(v) a QCiL Operations Cessation Event and, if so, the Developer's good faith estimate of the QCiL Operations Cessation Event Payment,

together with such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the foregoing; and

(D) include Supporting Information evidencing, in reasonable detail, the steps that the Developer has taken and/or proposes to take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard,

(the information referred to or specified in paragraphs (A) to (D) above being **"QCiL Response Information"**).

39.3 If the Developer, in a Developer QCiL Response Notice, indicates that it does not consider that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law, it shall nonetheless provide the QCiL Response Information on the basis of an assumption that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law.

39.4 Any Developer QCiL Response Notice shall be accompanied by a Directors' Certificate in relation to the QCiL Response Information which states (without prejudice to the generality of the certification required pursuant to this Condition 39.4) whether, in the opinion of the Developer, having made all due and careful enquiries, the Notified Change in Law is or will be a Qualifying Change in Law.

39.5 If the Developer becomes aware before any QCiL Compensation is agreed or determined, or paid, commenced or effected, pursuant to this Part 8 (*Changes in Law*) that any of the QCiL Response Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 39.4), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer QCiL Response Information"**), together with a Directors' Certificate in relation to the Revised Developer QCiL Response Information.

39.6 The GGR Contract Counterparty may, by notice to the Developer no later than thirty (30) Business Days after receipt of a Developer QCiL Response Notice or any Revised Developer QCiL Response Information, require the Developer to provide such Supporting Information in relation to that Developer QCiL Response Notice or, as the case may be, the Revised Developer QCiL Response Information (a **"Developer QCiL Response Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

39.7 If the GGR Contract Counterparty gives a Developer QCiL Response Notice Information Request to the Developer, the Developer shall, no later than thirty (30) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

Developer QCiL Notice

39.8 If the Developer considers that a Qualifying Change in Law has been implemented, occurred or become effective or is shortly to be implemented, occur or become effective, it may give a notice to the GGR Contract Counterparty (a **"Developer QCiL Notice"**). A Developer QCiL Notice shall:

(A) include reasonable details of the relevant Qualifying Change in Law;

(B) specify the QCiL Effective Date or the Expected QCiL Effective Date (as appropriate);

(C) specify why the Developer considers that the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law, including whether the Developer considers the Qualifying Change in Law to be a Discriminatory Change in Law, a Specific Change in Law or an Other Change in Law (and including Supporting Information, in reasonable detail, which the Developer considers to be relevant to and supportive of that conclusion);

(D) specify whether the Developer considers that the Notified Change in Law will give rise to or result in:

(i) QCiL Operating Costs or QCiL Operating Savings and, if so, include the Developer's good faith estimate of such amounts and the profile of the incurrence of, or the making or receipt of, such costs or savings (as applicable);

(ii) QCiL Capital Costs or QCiL Capital Savings and, if so, include the Developer's good faith estimate of such amounts and the profile of the incurrence of, or the making or receipt of, such costs or savings (as applicable);

(iii) an Adjusted Output Period and, if so: (a) the Developer's AOP Estimate and (b) the Developer's good faith estimate of the impact of the Notified Change in Law on the Estimated Facility Net Removal;

(iv) a QCiL Construction Event and, if so, the Developer's good faith estimate of the QCiL Construction Event Payment; and/or

(v) a QCiL Operations Cessation Event and, if so, the Developer's good faith estimate of the QCiL Operations Cessation Event Payment,

together with such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the foregoing; and

(E) include Supporting Information evidencing, in reasonable detail, the steps that the Developer has taken and/or proposes to take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard,

(the information referred to or specified in paragraphs (A) to (E) above being **"QCiL Supporting Information"**).

39.9 Any Developer QCiL Notice shall be accompanied by a Directors' Certificate in relation to the QCiL Supporting Information which states (without prejudice to the generality of the certification required pursuant to this Condition 39.9) whether, in the opinion of the Developer, having made all due and careful enquiries, the Notified Change in Law is or will be a Qualifying Change in Law.

39.10 If the Developer becomes aware before any QCiL Compensation is agreed or determined, or paid, commenced or effected, pursuant to this Part 8 (*Changes in Law*) that any of the QCiL Supporting Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 39.9), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer QCiL Information"**), together with a Directors' Certificate in relation to the Revised Developer QCiL Response Information.

39.11 The GGR Contract Counterparty may, by notice to the Developer no later than thirty (30) Business Days after receipt of a Developer QCiL Notice or any Revised Developer QCiL Information, require the Developer to provide such Supporting Information in relation to that Developer QCiL Notice or, as the case may be, the Revised Developer QCiL Information (a **"Developer QCiL Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

39.12 If the GGR Contract Counterparty gives a Developer QCiL Notice Information Request to the Developer, the Developer shall, no later than thirty (30) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

39.13 The GGR Contract Counterparty shall be under no obligation to consider or take any action in response to a Developer QCiL Notice unless and until the Developer shall have provided the GGR Contract Counterparty with all of the QCiL Supporting Information, and the Directors' Certificate, in respect of such Developer QCiL Notice.

Agreement between the Parties in respect of a Qualifying Change in Law

39.14 As soon as reasonably practicable, and in any event no later than fifteen (15) Business Days, after either:

(A) the GGR Contract Counterparty receives from the Developer a Developer QCiL Notice and the associated Directors' Certificate (or, if the GGR Contract Counterparty gives the Developer a Developer QCiL Notice Information Request, fifteen (15) Business Days after the GGR Contract Counterparty has received the requested Supporting Information); or

(B) the GGR Contract Counterparty receives from the Developer a Developer QCiL Response Notice and the associated Directors' Certificate (or, if the GGR Contract

Counterparty gives the Developer a Developer QCiL Response Notice Information Request, fifteen (15) Business Days after the GGR Contract Counterparty has received the requested Supporting Information),

the Parties shall meet to discuss and, in good faith, seek to agree:

(i) whether the Notified Change in Law constitutes, or will constitute, a Qualifying Change in Law;

(ii) in respect of a Qualifying Change in Law:

(a) the QCiL Effective Date or the Expected QCiL Effective Date (as appropriate);

(b) whether the Notified Change in Law will, or is reasonably expected to, result in:

(1) QCiL Net Operating Costs or QCiL Net Operating Savings;

(2) QCiL Net Capital Costs or QCiL Net Capital Savings;

(3) an Adjusted Output Period (and, if so, the impact, or the reasonably anticipated impact, of the Notified Change in Law on the Estimated Facility Net Removal);

(4) a QCiL Construction Event and, if so, the Developer's good faith estimate of the QCiL Construction Event Payment; and/or

(5) a QCiL Operations Cessation Event and, if so, the Developer's good faith estimate of the QCiL Operations Cessation Event Payment;

(c) the amounts, forecasts and estimates applicable to that Qualifying Change in Law referred to in Condition 39.2(C) or Condition 39.8(D) (as appropriate);

(d) the steps or additional steps, as the case may be, which the Developer should take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard; and

(e) any other matters necessary to determine the quantum of the QCiL Compensation;

(iii) the QCiL Compensation in respect of such Qualifying Change in Law; and

(iv) the QCiL Compensation Date.

Disputes in respect of a Qualifying Change in Law

39.15 If the Parties are not able to agree any of the matters in Condition 39.14, either Party may refer the Dispute for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree in writing that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure.

39.16 Until the Dispute has been resolved by agreement between the Parties or determination in accordance with the Arbitration Procedure or the Expert Determination Procedure, as the case may be, there shall be no QCiL Compensation payable.

40. QUALIFYING CHANGE IN LAW: COMPENSATION

Categories of Qualifying Change in Law compensation

40.1 Subject to Condition 40.3, compensation in respect of a Qualifying Change in Law shall be calculated:

(A) if there are QCiL Operating Costs or QCiL Operating Savings, in accordance with Conditions 40.4 to 40.8 (inclusive) (a **"QCiL Opex Payment"**);

(B) if there are QCiL Capital Costs or QCiL Capital Savings, in accordance with Conditions 40.9 to 40.15 (inclusive) (a **"QCiL Capex Payment"**);

(C) if there is an Adjusted Output Period, in accordance with Conditions 40.16 to 40.20 (inclusive) (a **"QCiL Adjusted Revenues Payment"**);

(D) if there is a QCiL Construction Event, in accordance with Conditions 40.21 to 40.24 (inclusive) (a **"QCiL Construction Event Payment"**); and/or

(E) if there is a QCiL Operations Cessation Event, in accordance with Conditions 40.25 to 40.28 (inclusive) (a **"QCiL Operations Cessation Event Payment"**).

40.2 Any and all QCiL Compensation to be calculated in accordance with Condition 40.1 shall be payable in accordance with, and subject to, Conditions 41 (*Qualifying Change in Law: Effective date and payment*), 42 (*Qualifying Change in Law: True-up*) and 44 (*Changes in Law: General provisions*).

40.3 If a Qualifying Change in Law occurs which gives rise to or results in: (i) QCiL Operating Costs; (ii) QCiL Capital Costs; (iii) an Adjusted Output Period where generation by the Facility is reduced (a **"Reduced Output Period"**); or (iv) any combination of the foregoing:

(A) before the Start Date, and the amount of the QCiL Compensation that would otherwise be payable in respect of the estimated QCiL Operating Costs, QCiL Capital Costs and/or impact of the Reduced Output Period is greater than the amount of the QCiL Construction Event Payment that would have been payable under Conditions 40.20 to 40.23 if such Qualifying Change in Law were to have constituted a QCiL Construction Event; or

(B) on or after the Start Date, and the amount of the QCiL Compensation that would otherwise be payable in respect of the estimated QCiL Operating Costs, QCiL Capital Costs and/or impact of the Reduced Output Period is greater than the amount of the QCiL Operations Cessation Event Payment that would have been payable under Conditions 40.24 to 40.27 if such Qualifying Change in Law were to have constituted a QCiL Operations Cessation Event,

then the amount of the QCiL Compensation payable by the GGR Contract Counterparty to the Developer in respect of the Qualifying Change in Law shall be limited to:

(i) if Condition 40.3(A) applies, the amount of the QCiL Construction Event Payment that would have been payable under Conditions 40.20 to 40.23; or

(ii) if Condition 40.3(B) applies, the amount of the QCiL Operations Cessation Event Payment that would have been payable under Conditions 40.24 to 40.27.

QCiL Opex Payment

40.4 Any and all QCiL Opex Payments shall be effected, at the election of the GGR Contract Counterparty (after consultation with the Developer), where the relevant Qualifying Change in Law occurs, is implemented or becomes effective:

(A) on or after the Start Date, as an adjustment to the relevant QCiL Strike Price Component, and:

(i) if there are QCiL Net Operating Costs in relation to Fixed QCiL Operating Costs and/or Fixed QCiL Operating Savings or in relation to Variable QCiL Operating Costs and/or Variable QCiL Operating Savings, the relevant QCiL Strike Price Component shall be increased; and

(ii) if there are QCiL Net Operating Savings in relation to Fixed QCiL Operating Costs and/or Fixed QCiL Operating Savings or in relation to Variable QCiL Operating Costs and/or Variable QCiL Operating Savings, the relevant QCiL Strike Price Component shall be reduced; or

(B) before the Start Date, as staged payments, which shall be payable:

(i) by the GGR Contract Counterparty to the Developer if there are QCiL Net Operating Costs; or

(ii) by the Developer to the GGR Contract Counterparty if there are QCiL Net Operating Savings.

40.5 For the purposes of Condition 40.4, each QCiL Opex Payment shall be an amount calculated in accordance with:

(A) Condition 40.6 (*expressed in [£/tCO_2]*) if the QCiL Opex Payment is to be effected as an adjustment to the relevant QCiL Strike Price Component; or

(B) Condition 40.7 (*expressed in pounds (£)*) if the QCiL Opex Payment is to be paid by means of staged payments.

40.6 If Condition 40.5(A) applies, each QCiL Opex Payment as it relates to:

(A) Fixed QCiL Operating Costs and/or Fixed QCiL Operating Savings shall, subject to Condition 40.8, be calculated as follows:[135]

$$QCiL\ Opex\ Payment = \frac{\frac{\sum_{i=1}^{n} FC_I, i - FC_s, i}{(1 + R_s)^{i-1}}}{Effective\ Projected\ Net\ Removal}$$

(B) Variable QCiL Operating Costs and/or Variable QCiL Operating Savings shall, subject to Condition 40.8 be calculated as follows:[136]

$$QCiL\ Opex\ Payment = \frac{\frac{\sum_{i=1}^{n} VC_I, i - VC_s, i}{(1 + R_s)^{i-1}}}{Effective\ Projected\ Net\ Removal}$$

[135] **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

[136] **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

i = a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

- the first (1st) period (i = 1) covers the period from the QCiL Compensation Date to 31 December in the year of the QCiL Compensation Date
- the second (2nd) to the (n-1)th periods ($2 \leq i < n$) are consecutive periods of one (1) calendar year length each
- the nth period (i = n) is the period starting on 01 January in the year in which the last Day of the Term falls and ending on the last Day of the Term

FC_I, j = subject to Condition 40.8(B), the Fixed QCiL Operating Costs in period (i) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date

FC_s, i = subject to Condition 40.8(B), the Fixed QCiL Operating Savings in period (i) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date

VC_I, j = subject to Condition 40.8(B) the Variable QCiL Operating Costs in period (i) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date

VC_s, i = subject to Condition 40.8(B) the Variable QCiL Operating Savings in period (i) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date

R_s = the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

40.7 If Condition 40.5(B) applies:

(A) the QCiL Opex Payment shall be effected on the basis that such QCiL Compensation shall be equivalent to the amount that the Developer would have received had the QCiL Opex Payment been effected as a QCiL Strike Price Adjustment in accordance with Condition 40.6; and

(B) the GGR Contract Counterparty may (after consultation with the Developer) determine the frequency of such payments provided that the final staged payment shall be made by the earlier of: (i) the date that is five (5) years from the QCiL Effective Date; and (ii) the Specified Expiry Date.

40.8 If a Qualifying Change in Law gives rise to or results in both: (i) QCiL Operating Costs or QCiL Operating Savings; and (ii) an Adjusted Output Period, then:

(A) subject to Condition 40.8(B), such QCiL Operating Costs or QCiL Operating Savings shall be used for the purposes of calculating the QCiL Opex Payment in accordance with Conditions 40.4, 40.5, 40.6 and 40.7; and

(B) if and to the extent that any QCiL Operating Costs or QCiL Operating Savings are (or are reasonably likely to be) incurred, made or received solely in connection with, and during, the Adjusted Output Period, such QCiL Operating Costs or QCiL Operating Savings shall be excluded from the calculation of the QCiL Opex Payment in accordance with Conditions 40.4, 40.5, 40.6, 40.7 and 40.8(A) and shall instead be taken into account in the calculation of the QCiL Adjusted Revenues Payment in accordance with Conditions 40.16, 40.17 and Condition 40.18, 40.19 or 40.21 (as applicable).

QCiL Capex Payment

40.9 Any and all QCiL Capex Payments shall be effected, at the election of the GGR Contract Counterparty (after consultation with the Developer), as a lump sum payment or staged payments which shall be payable:

(A) by the GGR Contract Counterparty to the Developer if there are QCiL Net Capital Costs; or

(B) by the Developer to the GGR Contract Counterparty where there are QCiL Net Capital Savings,

irrespective of whether or not the relevant Qualifying Change in Law occurs, is implemented or becomes effective before, on or after the Start Date.

40.10 For the purposes of Condition 40.9, each QCiL Capex Payment shall, subject to Condition 40.15, be an amount (*expressed in pounds (£)*) calculated in accordance with:

(A) Condition 40.11 and 40.12 (as applicable) if the QCiL Capex Payment is to be paid as a lump sum; or

(B) Condition 40.13 if the QCiL Capex Payment is to be paid by means of staged payments.

40.11 If: (i) the QCiL Net Capital Costs or the QCiL Net Capital Savings are first incurred, made or realised (or reasonably expected to be first incurred, made or realised) on or prior to the twelfth (12th) anniversary of the Start Date; and (ii) Condition 40.10(A) applies, the QCiL Capex Payment shall be calculated in accordance with the following formula:[137]

$$QCiL\ Capex\ Payment = \sum_{i=1}^{n} \frac{C_i - S_i}{(1 + R_s)^{i-1}}$$

40.12 If: (i) the QCiL Net Capital Costs or the QCiL Net Capital Savings are first incurred, made or realised (or reasonably expected to be first incurred, made or realised) after the twelfth (12th) anniversary of the Start Date; and (ii) Condition 40.10(A) applies, the QCiL Capex Payment shall be calculated in accordance with the following formula:[138]

$$QCiL\ Capex\ Payment = \frac{(L - X)}{(L - N)} \times \sum_{i=1}^{n} \frac{C_i - S_i}{(1 + R_s)^{i-1}}$$

40.13 If Condition 40.10(B) applies:

(A) the QCiL Capex Payment shall be effected on the basis that such QCiL Compensation shall be equivalent to the amount that the Developer would have received had the QCiL Capex Payment been effected as a lump sum payment in accordance with Condition 40.11 or Condition 40.12 (as applicable); and

(B) the GGR Contract Counterparty may (after consultation with the Developer) determine the frequency of such payments provided that the final staged payment shall be made

---

137 **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

138 **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

by the earlier of: (i) the date that is five (5) years from the QCiL Effective Date; and (ii) the Specified Expiry Date.

40.14 For the purposes of the formulae in Condition 40.11 and Condition 40.12:

i = is a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

- the first (1st) period (i = 1) covers the period from the QCiL Compensation Date to 31 December in the year of the QCiL Compensation Date;
- the second (2nd) to the (n-1)th periods ($2 \leq i < n$) are consecutive periods of one (1) calendar year length each; and
- the nth period (i = n) is the period starting on 01 January in the year in which the [Specified Expiry Date][last Day of the Term] falls and ending on the [Specified Expiry Date]/[last Day of the Term];

C_i = are the QCiL Capital Costs in period (i), expressed in pounds (£) in real terms as at the QCiL Compensation Date

S_i = are the QCiL Capital Savings in period (i), expressed in pounds (£) in real terms as at the QCiL Compensation Date

R_S = is the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

L = is the period between: (a) the Start Date; and (b) the Specified Expiry Date, in years, and expressed as an integer

X = is the number of Days that have passed or will have passed from and including the Start Date to the QCiL Compensation Date divided by three hundred and sixty-five (365) (or, if such number would be a negative number, zero (0))

N = twelve (12)

40.15 If a Qualifying Change in Law gives rise to or results in both: (i) QCiL Capital Costs or QCiL Capital Savings; and (ii) an Adjusted Output Period, then:

(A) subject to Condition 40.15(B), such QCiL Capital Costs or QCiL Capital Savings shall be used for the purposes of calculating the QCiL Capex Payment in accordance with Conditions 40.9, 40.10 and Conditions 40.11, 40.12, 40.13 and/or 40.14 (as applicable); and

(B) if and to the extent that any QCiL Capital Savings are (or are reasonably likely to be) made or received solely in connection with, and during, the Adjusted Output Period, then such QCiL Capital Savings shall be excluded from the calculation of the QCiL Capex Payment in accordance with Conditions 40.9, 40.10, 40.12, 40.13 or 40.14 and/or 40.15(A) (as applicable), and such QCiL Capital Savings shall instead be taken into account in the calculation of the QCiL Adjusted Revenues Payment in accordance with Conditions 40.16, 40.17, 40.18, 40.19 and/or 40.21 (as applicable).

QCiL Adjusted Revenues Payment

40.16 Any and all QCiL Adjusted Revenues Payments shall be effected, at the election of the GGR Contract Counterparty (after consultation with the Developer), as a lump sum payment or staged payments which shall be payable:

(A) by the GGR Contract Counterparty to the Developer if the amount calculated under the relevant formula is positive; or

(B) by the Developer to the GGR Contract Counterparty if the amount calculated under the relevant formula is negative,

irrespective of whether or not the relevant Qualifying Change in Law occurs, is implemented or becomes effective before, on or after the Start Date.

40.17 For the purposes of Condition 40.16, each QCiL Adjusted Revenues Payment shall be an amount (*expressed in pounds (£)*) calculated in accordance with:

(A) Condition 40.18 if the QCiL Adjusted Revenues Payment is to be paid as a lump sum; or

(B) Condition 40.19 if the QCiL Adjusted Revenues Payment is to be paid by means of staged payments.

40.18 If Condition 40.17(A) applies, the QCiL Adjusted Revenues Payment shall be calculated as follows:[139]

$$QCiL\ Adjusted\ Revenues\ Payment = QSPC * \left(\sum_{i=1}^{n} \frac{M_{1,i}}{(1+R_s)^{i-1}} - \sum_{i=1}^{n} \frac{M_{2,i}}{(1+R_s)^{i-1}}\right) + \sum_{i=1}^{n} \frac{C_i - S_i}{(1+R_s)^{i-1}}$$

40.19 If Condition 40.17(B) applies:

(A) the QCiL Adjusted Revenues Payment shall be effected on the basis that such QCiL Compensation shall be equivalent to the amount that the Developer would have received had the QCiL Adjusted Revenues Payment been effected as a lump sum payment in accordance with Condition 40.18; and

(B) the GGR Contract Counterparty may (after consultation with the Developer) determine the frequency of such payments provided that the final staged payment shall be made by the earlier of: (i) the date that is five (5) years from the QCiL Effective Date; and (ii) the Specified Expiry Date.

40.20 For the purposes of the formula in Condition 40.18:

$QSPC$	=	the QCiL Strike Price Component applicable immediately prior to the QCiL Compensation Date (for this purpose, after any QCiL Strike Price Adjustment has been made pursuant to Condition 40.4(A) (if relevant))
i	=	a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

- the first (1st) period (i = 1) covers the period from the QCiL Compensation Date to 31 December in the year of the QCiL Compensation Date

139 **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

- the second (2nd) to the (n-1)th periods ($2 \leq i < n$) are consecutive periods of one (1) calendar year length each
- the n[th] period (i = n) is the period starting on 01 January in the year in which the last Day of the Adjusted Output Period falls and ending on the last Day of the Adjusted Output Period

$M_{1,i}$	=	the Estimated Facility Net Removal in period (*i*) had the Qualifying Change in Law not been implemented, occurred or become effective
$M_{2,i}$	=	the Estimated Facility Net Removal in period (*i*) taking into account the Qualifying Change in Law having been implemented, having occurred or having become effective
C_i	=	all QCiL Operating Costs incurred in period (*i*) (but only those QCiL Operating Costs referred to in Condition 40.8(B), (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date
S_i	=	all QCiL Operating Savings and QCiL Capital Savings made or realised in period (*i*) (but only those QCiL Operating Savings referred to in Condition 40.4(B) and those QCiL Capital Savings referred to in Condition 40.15(B), (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date
R_s	=	the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

QCiL Construction Event Payment

40.21 Any QCiL Construction Event Payment shall be effected, at the election of the GGR Contract Counterparty (after consultation with the Developer), as a lump sum payment or by means of staged payments and shall be payable to the Developer by the GGR Contract Counterparty.

40.22 For the purposes of Condition 40.21, the QCiL Construction Event Payment shall be an amount (*expressed in pounds (£)*) calculated in accordance with:

(A) Condition 40.23 if the QCiL Construction Event Payment is to be paid as a lump sum; or

(B) Condition 40.24 if the QCiL Construction Event Payment is to be paid by means of staged payments.

40.23 If Condition 40.22(A) applies, the QCiL Construction Event Payment shall be calculated in accordance with the following formula:[140]

$$QCiL\ Construction\ Event\ Payment\ (lump\ sum) = \sum_{i=1}^{n} \frac{C_i - S_i}{(1 + R_s)^{i-m}}$$

where:

i	=	a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

[140] **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

- the first (1st) period (i = 1) covers the period from the date the first QCiL Construction Event Cost was incurred to 31 December in that year;
- the second (2nd) to the (n-1)th periods (2 ≤ i< n) are consecutive periods of one (1) calendar year length each; and
- the nth period (i = n) is the period starting on 01 January in the year in which the final QCiL Construction Event Cost was incurred and ending on the last Day of that year;

C_i = all QCiL Construction Event Costs in period (i), expressed in pounds (£) in real terms as at the QCiL Compensation Date

S_i = all QCiL Construction Event Savings in period (i), expressed in pounds (£) in real terms as at the QCiL Compensation Date

R_s = the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

m = a whole number integer that defines the calendar year period within which the QCiL Compensation Date falls, defined as the number of years since the date the first QCiL Construction Event Cost was incurred in relation to the QCiL Construction Event, rounded up to the nearest integer

40.24 If Condition 40.22(B) applies:

(A) the QCiL Construction Event Payment shall be effected on the basis that such QCiL Compensation shall be equivalent to the amount that the Developer would have received had the QCiL Construction Event Payment been effected as a lump sum payment in accordance with Condition 40.23; and

(B) the GGR Contract Counterparty may (after consultation with the Developer) determine the frequency of such payments provided that the final staged payment shall be made by the earlier of: (i) the date that is five (5) years from the QCiL Effective Date; and (ii) the Specified Expiry Date.

QCiL Operations Cessation Event Payment

40.25 Any QCiL Operations Cessation Event Payment shall be effected, at the election of the GGR Contract Counterparty (after consultation with the Developer), as a lump sum payment or by means of staged payments and shall be payable to the Developer by the GGR Contract Counterparty.

40.26 For the purposes of Condition 40.25, the QCiL Operations Cessation Event Payment shall be an amount (*expressed in pounds (£)*) calculated in accordance with:

(A) Condition 40.27 if the QCiL Operations Cessation Event Payment is to be paid as a lump sum; or

(B) Condition 40.28 if the QCiL Operations Cessation Event Payment is to be paid by means of staged payments.

40.27 If Condition 40.26(A) applies, the QCiL Operations Cessation Event Payment shall be calculated in accordance with the following formula[141]:

$$QCiL\ Operations\ Cessation\ Payment = (QSPC * Effective\ Projected\ Net\ Removal) + \sum_{i=1}^{n} \frac{C_i - S_i}{(1 + R_s)^{i-1}}$$

where:

$QSPC$	=	the QCiL Strike Price Component applicable immediately prior to the QCiL Compensation Date
$Effective\ Projected\ \mathrm{Net}\ Removal$	=	the Effective Projected Net Removal
i	=	a whole number integer from one (1) to n; such integers referring to distinct time periods as follows: • the first (1st) period (*i* = 1) covers the period from the QCiL Compensation Date to 31 December in the year of the QCiL Compensation Date • the second (2nd) to the (n-1)th periods (2 ≤ i< n) are consecutive periods of one (1) calendar year length each • the n[th] period (*i* = n) is the period starting on 01 January in the year in which the Specified Expiry Date falls and ending on the Specified Expiry Date
C_i	=	all QCiL Operations Cessation Event Costs (where relevant, assessed by reference to the Effective Projected Net Removal) in period (*i*) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date
S_i	=	all QCiL Operations Cessation Event Savings (where relevant, assessed by reference to the Effective Projected Net Removal) in period (*i*) (*expressed in pounds (£)*) in real terms as at the QCiL Compensation Date
R_s	=	is the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

40.28 If Condition 40.26(B) applies:

(A) the QCiL Operations Cessation Event Payment shall be effected on the basis that such QCiL Compensation shall be equivalent to the amount that the Developer would have

141 **Note to Reader:** This formula is subject to technical review and confirmation by DESNZ.

received had the QCiL Operations Cessation Event Payment been effected as a lump sum payment in accordance with Condition 40.27; and

(B) the GGR Contract Counterparty may (after consultation with the Developer) determine the frequency of such payments provided that the final staged payment shall be made by the earlier of: (i) [the date that is five (5) years from the QCiL Effective Date]; and (ii) the Specified Expiry Date.

Additional calculations: Effective Projected Net Removal and Estimated Facility Net Removal

40.29 If any formula in this Condition 40 (*Qualifying Change in Law: Compensation*) requires the Effective Projected Net Removal to be calculated, the **"Effective Projected Net Removal"** shall be an amount (*expressed in tCO_2*) calculated as follows:[142]

$$Effective\ Projected\ Net\ Removal = \sum_{i=1}^{n} \frac{Removal}{(1+R_s)^{i-1}}$$

where:

i	=	a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

- the first (1st) period (i = 1) covers the period from (if the QCiL Effective Date is on or after the Start Date) the QCiL Effective Date or (if the QCiL Effective Date is before the Start Date) the later of (i) the first (1st) Day of the Target Commissioning Window and (ii) the date on which the Required Net Removal Capacity is expected to be Commissioned, to 31 December in that year
- the second (2nd) to the (n-1)th periods (2 ≤ i< n) are consecutive periods of one (1) calendar year length each
- the nth period (i = n) is the period starting on 01 January in the year in which the Specified Expiry Date falls and ending on the Specified Expiry Date

$Removal$	=	the Estimated Facility Net Removal in period *i*
R_s	=	the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

40.30 The **"Estimated Facility Net Removal"** shall be an amount (*expressed in tCO_2*) which is the product of:

(A) the Estimated Capacity Amount;

(B) the Assumed Load Factor; and

(C) the number of Days in period (*i*) .

40.31 The **"Estimated Capacity Amount"** means:

[142] **Note to Reader:** This formula is subject to further review and development by DESNZ.

(A) for the purposes of either: (i) determining the value of the Estimated Facility Net Removal in the formula in Condition 40.29; or (ii) determining the value of $M_{1,i}$ in the formula in Condition 40.18 or otherwise for determining the Estimated Facility Net Removal on the basis of the relevant Notified Change in Law not having been implemented, having occurred or having become effective, the capacity of the Facility (*expressed in* tCO_2 */Day*) in period (i) on the basis of an assumption that the Notified Change in Law is not implemented, does not occur and does not become effective, such capacity to be no more than:

(i) the Net Removal Capacity Estimate, if the Notified Change in Law is implemented, occurs or becomes effective prior to the Start Date; or

(ii) the Net Removal Capacity as at the Start Date or the Final Net Removal Capacity which is confirmed pursuant to Condition 7 (*Final Net Removal Capacity*) (whichever is the most recently confirmed figure), if the Notified Change in Law is implemented, occurs or becomes effective on or after the Start Date or in the case of a Qualifying Shutdown Event,

in each case adjusted to take account of any prior Qualifying Changes in Law; or

(B) for the purposes of determining the value of $M_{2,i}$ in the formula in Condition 40.18 or otherwise for determining the Estimated Facility Net Removal on the basis of the relevant Notified Change in Law not having been implemented, having occurred or having become effective, the capacity (or reasonably anticipated capacity) of the Facility (*expressed in* tCO_2 */Day*) in period (*i*).

Additional calculations: Daily Discount Rate

40.32 If any formula in this Condition 40 (*Qualifying Change in Law: Compensation*) requires a Daily Discount Rate to be calculated, such rate shall be calculated as follows:[143]

$$Daily\ Discount\ Rate = (1 + R_s)^{\frac{1}{365}} - 1$$

where:

R_s = the Post-Tax Real Discount Rate (*expressed as a percentage (%)*)

41. QUALIFYING CHANGE IN LAW: EFFECTIVE DATE AND PAYMENT

41.1 Any and all QCiL Compensation in respect of a Notified Change in Law (or, in the case of limb (D) below, in respect of a Qualifying Shutdown Event) shall be calculated as at and be effective from:

(A) (if the QCiL Compensation takes the form of a QCiL Opex Payment or a QCiL Capex Payment) the earlier of: (i) the QCiL Effective Date; and (ii) the date on which the Developer (acting in accordance with the Reasonable and Prudent Standard) first incurs QCiL Operating Costs or QCiL Capital Costs, or makes or realises QCiL Operating Savings or QCiL Capital Savings, in anticipation of such Notified Change in Law being implemented, occurring or becoming effective;

(B) (if the QCiL Compensation takes the form of a QCiL Adjusted Revenues Payment) the first (1st) Day of the relevant Adjusted Output Period;

143 **Note to Reader:** This formula is subject to further review and development by DESNZ.

(C) (if the QCiL Compensation takes the form of a QCiL Construction Event Payment) the date of the QCiL Construction Event; or

(D) (if the QCiL Compensation takes the form of a QCiL Operations Cessation Event Payment) the date of the QCiL Operations Cessation Event,

(the **"QCiL Compensation Date"**).

41.2 Subject to Condition 41.3:

(A) any and all QCiL Compensation effected as a lump sum payment shall be paid by the GGR Contract Counterparty or the Developer (as applicable) no later than ten (10) Business Days after the later of:

(i) the QCiL Compensation Date; and

(ii) the date on which the amount of the QCiL Compensation is agreed or determined;

(B) any and all QCiL Opex Payments effected as a QCiL Strike Price Adjustment shall be reflected in the calculation of the Difference Amount in the GGR Billing Statement for each Billing Period on and with effect from the QCiL Compensation Date (or, if necessary, reflected as a GGR Reconciliation Amount in respect of each relevant Billing Period); and

(C) any and all QCiL Compensation effected as staged payments shall commence no later than ten (10) Business Days after the later of:

(i) the QCiL Compensation Date; and

(ii) the date on which the amount of the QCiL Compensation is agreed or determined,

and, in either case, the final payment shall be made by the earlier of: (i) the date that is five (5) years from the QCiL Effective Date; and (ii) the Specified Expiry Date, in accordance with Condition 40.13(B), 40.19(B), 40.24(B) or 40.28(B) (as appropriate),

provided that, in each case, if the amount of any QCiL Compensation is agreed or determined after the QCiL Compensation Date, such QCiL Compensation shall be reflected as a GGR Reconciliation Amount (pursuant to Condition 17.5) in respect of the Billing Statements for each Billing Period on and with effect from the QCiL Compensation Date.

41.3 No QCiL Compensation shall be payable if and for so long as the GGR Contract Counterparty withholds or suspends payment pursuant to Condition 25.2(A) (*Failure to comply with compliance of technology undertaking*), Condition 27.10 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension*), Condition 31.4 (*Suspension of payments (failure to provide KYC Information)*), Condition 31.8 (*Suspension of payments (no cumulation of Subsidy, State aid, Union Funding and/or International Funding*)), Condition 31.11 (*Suspension of payments (failure to provide Information*)), Condition 33.13 (*Failure to provide an Offtake Review Notice: suspension*), Condition 36.7 (*Failure to comply with the GGR Contract Counterparty Audit Right: suspension*), Condition 37.8 (*Failure to comply with Offtake Compliance Audit: suspension*), Condition 38.11 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension*) or Condition 48.16 (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*).

41.4 All QCiL Compensation shall be made by direct bank transfer or equivalent transfer of immediately available funds into the account notified to the Developer pursuant to Condition

22(A) (*Payment accounts*) or the GGR Contract Counterparty pursuant to Condition 22(B) (*Payment accounts*) (as relevant).

42. QUALIFYING CHANGE IN LAW: TRUE-UP

GGR Contract Counterparty QCiL True-Up Notice

42.1 If any QCiL Compensation has been agreed or determined, or paid, commenced or effected, in respect of any Qualifying Change in Law or a Qualifying Shutdown Event, the GGR Contract Counterparty may, subject to Condition 42.2, give the Developer a notice (a **"GGR Contract Counterparty QCiL True-Up Notice"**), requiring the Developer to confirm:

(A) the impact of the relevant Qualifying Change in Law having occurred, having been implemented or having become effective or, as the case may be, the Qualifying Shutdown Event having occurred (including all out-of-pocket costs (including QCiL Tax Liabilities) which have been incurred in respect of the Project by the Developer, all savings (including avoided out-of-pocket costs, reliefs from or reductions in a QCiL Tax Liability, insurance proceeds and other compensation) which have been made or received in respect of the Project by the Developer, all revenue decreases or increases which were incurred, received or made by the Developer, and which arose directly from the relevant Qualifying Change in Law being implemented, occurring or becoming effective or, as the case may be, the Qualifying Shutdown Event having occurred, and/or the duration and impact of any Adjusted Output Period affecting the Facility);

(B) that no amount has been recovered (or is entitled to be recovered) by the Developer pursuant to Conditions 61.5 (*No double recovery*) and 61.6 (*No double recovery*) or, if any amount has been so recovered, confirmation of such amount; and

(C) such other matters which were pertinent to the calculation of the QCiL Compensation (including the steps that the Developer has taken to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard),

(the information referred to or specified in paragraphs (A) to (C) above being **"QCiL True-Up Information"**).

42.2 No GGR Contract Counterparty QCiL True-Up Notice shall be given in respect of a Qualifying Change in Law or a Qualifying Shutdown Event, as the case may be, within one (1) calendar year of the relevant QCiL Compensation Date.

Developer QCiL True-Up Response Notice

42.3 If the GGR Contract Counterparty gives a GGR Contract Counterparty QCiL True-Up Notice to the Developer, the Developer shall, as soon as reasonably practicable and in any event no later than forty (40) Business Days after receipt of such GGR Contract Counterparty QCiL True-Up Notice, give a notice to the GGR Contract Counterparty (a **"Developer QCiL True-Up Response Notice"**). A Developer QCiL True-Up Response Notice shall:

(A) contain the QCiL True-Up Information; and

(B) include such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the QCiL True-Up Information,

(the information referred to or specified in paragraphs (A) and (B) above being the **"QCiL True-Up Response Information"**).

42.4 A Developer QCiL True-Up Response Notice shall be accompanied by a Directors' Certificate in relation to the QCiL True-Up Response Information.

42.5 If the Developer becomes aware before QCiL True-Up Compensation is agreed or determined, or paid, effected or commenced, pursuant to this Condition 42 (*Qualifying Change in Law: True-up*) that the QCiL True-Up Response Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 42.4), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer QCiL True-Up Response Information"**), together with a Directors' Certificate in relation to the Revised Developer QCiL True-Up Response Information.

42.6 The GGR Contract Counterparty may, by notice to the Developer no later than twenty (20) Business Days after receipt of a Developer QCiL True-Up Response Notice or any Revised Developer QCiL True-Up Response Information, require the Developer to provide such Supporting Information in relation to that Developer QCiL True-Up Response Notice or, as the case may be, the Revised Developer QCiL True-Up Response Information (a **"Developer QCiL True-Up Response Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

42.7 If the GGR Contract Counterparty gives a Developer QCiL True-Up Response Notice Information Request to the Developer, the Developer shall, no later than twenty (20) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

Developer QCiL True-Up Notice

42.8 If any QCiL Compensation has been agreed or determined, or paid, commenced or effected, in respect of any Qualifying Change in Law, the Developer may, subject to Condition 42.13, give the GGR Contract Counterparty a notice (a **"Developer QCiL True-Up Notice"**). A Developer QCiL True-Up Notice shall:

(A) contain the QCiL True-Up Information; and

(B) include such Supporting Information, in reasonable detail, as the Developer considers to be relevant to and supportive of the QCiL True-Up Information,

(the information referred to or specified in paragraphs (A) and (B) above being **"QCiL True-Up Supporting Information"**).

42.9 A Developer QCiL True-Up Notice shall be accompanied by a Directors' Certificate in relation to the QCiL True-Up Supporting Information.

42.10 If the Developer becomes aware before QCiL True-Up Compensation is agreed or determined, or paid, effected or commenced, pursuant to this Condition 42 (*Qualifying Change in Law: True-up*), that the QCiL True-Up Supporting Information is no longer true, complete and accurate in all material respects or is misleading (or was not true, complete and accurate in all material respects or was misleading as at the date of the Directors' Certificate referred to in Condition 42.9), the Developer shall as soon as reasonably practicable:

(A) notify the GGR Contract Counterparty that this is the case; and

(B) provide the GGR Contract Counterparty with the updated, corrected information (the **"Revised Developer QCiL True-Up Information"**), together with a Directors' Certificate in relation to the Revised Developer QCiL True-Up Information.

42.11 The GGR Contract Counterparty may, by notice to the Developer no later than twenty (20) Business Days after receipt of a Developer QCiL True-Up Notice or any Revised Developer QCiL True-Up Information, require the Developer to provide such Supporting Information in relation to that Developer QCiL True-Up Notice or, as the case may be, the Revised Developer QCiL True-Up Information (a **"Developer QCiL True-Up Notice Information Request"**) as the GGR Contract Counterparty reasonably requests.

42.12 If the GGR Contract Counterparty gives a Developer QCiL True-Up Notice Information Request to the Developer, the Developer shall, no later than twenty (20) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after receipt of the request, prepare and deliver such further Supporting Information to the GGR Contract Counterparty.

42.13 No Developer QCiL True-Up Notice shall be given in respect of a Qualifying Change in Law or a Qualifying Shutdown Event, as the case may be, within one (1) calendar year of the relevant QCiL Compensation Date.

42.14 The GGR Contract Counterparty shall be under no obligation to consider or take any action in response to a Developer QCiL True-Up Notice unless and until the Developer shall have provided the GGR Contract Counterparty with all the QCiL True-Up Information, and the Directors' Certificate in respect of such Developer QCiL True-Up Notice.

Agreement between the Parties in respect of a true-up

42.15 The Parties shall meet to discuss and, in good faith, seek to agree:

(A) the QCiL True-Up Information;

(B) any such other matters which the Parties consider pertinent to the calculation of the QCiL True-Up Compensation (if any);

(C) the QCiL True-Up Compensation (if any) that shall be payable by the GGR Contract Counterparty or the Developer (as the case may be); and

(D) the manner in which such QCiL True-Up Compensation (if any) shall be paid by the GGR Contract Counterparty or the Developer (as the case may be), provided that:

(i) where the QCiL True-Up Compensation relates to a QCiL Strike Price Adjustment, the QCiL True-Up Compensation shall be effected by way of a QCiL True-Up Strike Price Adjustment; and

(ii) where the QCiL True-Up Compensation does not relate to a QCiL Strike Price Adjustment, the QCiL True-Up Compensation shall be paid in the same manner as the QCiL Compensation agreed in respect of that Qualifying Change in Law, unless the Parties expressly agree otherwise.

Such meeting shall be convened: (i) as soon as reasonably practicable, and in any event no later than twenty (20) Business Days, after the GGR Contract Counterparty receives a Developer QCiL True-Up Response Notice and the associated Directors' Certificate (or, if the GGR Contract Counterparty gives the Developer a Developer QCiL True-Up Response Notice Information Request, no later than twenty (20) Business Days after the GGR Contract Counterparty receives the requested Supporting Information); or (ii) if the Developer gives the

GGR Contract Counterparty a Developer QCiL True-Up Notice and the associated Directors' Certificate, at such date as is determined by the GGR Contract Counterparty in its sole and absolute discretion.

42.16 Any and all QCiL True-Up Compensation is to be calculated and paid in accordance with and subject to Condition 40 (*Qualifying Change in Law: Compensation*), Condition 41 (*Qualifying Change in Law: Effective date and payment*) and Condition 44 (*Changes in Law: General provisions*) (in each case with the necessary modifications).

Disputes in respect of a true-up

42.17 If the Parties are not able to agree any of the matters in Condition 42.15, either Party may refer the Dispute for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree in writing that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure.

42.18 Until the Dispute has been resolved by agreement between the Parties or determination in accordance with the Arbitration Procedure or the Expert Determination Procedure, as the case may be, there shall be no QCiL True-Up Compensation payable.

43. QUALIFYING SHUTDOWN EVENT: PROCEDURE

43.1 If a Qualifying Shutdown Event has occurred, the Developer may give notice to that effect to the GGR Contract Counterparty (a **"QSE Notice"**). A QSE Notice shall:

(A) include reasonable details of the Qualifying Shutdown Event;

(B) specify the date on which the Qualifying Shutdown Event occurred;

(C) specify the Developer's good faith estimate of the QCiL Operations Cessation Event Costs and the QCiL Operations Cessation Event Savings;

(D) include such Supporting Information, in reasonable detail, which the Developer considers to be relevant to and supportive of the foregoing; and

(E) include Supporting Information evidencing, in reasonable detail, the steps that the Developer has taken and/or proposes to take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard.

43.2 Any QSE Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the QSE Notice.

43.3 A QSE Notice shall be deemed to constitute a Developer QCiL Notice and the provisions of Conditions 39 (*Qualifying Change in Law: Procedure*) to 42 (*Qualifying Change in Law: True-up*) (inclusive) shall apply (with the necessary modifications) for the purposes of:

(A) agreeing or determining whether a Qualifying Shutdown Event has occurred;

(B) (if a Qualifying Shutdown Event has occurred) agreeing or determining the amount of QCiL Compensation resulting from the occurrence of such Qualifying Shutdown Event (on the basis that a Qualifying Shutdown Event constitutes a QCiL Operations Cessation Event) and the terms and conditions upon which such QCiL Compensation will be paid or effected; and

(C) agreeing or determining any and all other related matters pertinent to the foregoing.

44. **CHANGES IN LAW: GENERAL PROVISIONS**

Indemnity

44.1 The Developer shall, promptly on demand from time to time, indemnify the GGR Contract Counterparty, and keep the GGR Contract Counterparty fully and effectively indemnified, against any and all out-of-pocket costs properly incurred by the GGR Contract Counterparty and which would not have been incurred but for a Developer QCiL Notice (including any QSE Notice) having been given. This Condition 44.1 shall not apply in respect of any such costs resulting from the GGR Contract Counterparty having disputed that a Qualifying Change in Law or Qualifying Shutdown Event has occurred if a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure.

Excluded Change in Law

44.2 There shall be no amendment to the GGR Contract, adjustment to the Strike Price or other compensation in respect of or on account of any Excluded Change in Law other than pursuant to the Change Control Procedure.

45. **CHANGE IN APPLICABLE LAW: PROCEDURE**

Requirement to undertake a CiAL Review

45.1 The GGR Contract Counterparty shall conduct a CiAL Review if:

(A) it determines that:

(i) any Change in Applicable Law: (i) has been implemented, has occurred or has become effective; or (ii) is expected to be implemented, to occur or to become effective; and

(ii) as a result of such Change in Applicable Law being implemented, occurring or becoming effective one (1) or more of the Required CiAL Amendment Objectives will cease to be met; or

(B) the CiAL Request Criterion is met,

(each, a **"CiAL Review Trigger"**).

45.2 If the Developer considers that:

(A) any Change in Applicable Law: (i) has been implemented, has occurred or has become effective; or (ii) is expected to be implemented, to occur or to become effective; and

(B) as a result of such Change in Applicable Law being implemented, occurring or becoming effective one (1) or more of the Required CiAL Amendment Objectives will cease to be met,

the Developer may give a notice to the GGR Contract Counterparty requesting the GGR Contract Counterparty to undertake a CiAL Review (a **"CiAL Request Notice"**). A CiAL Request Notice:

(i) shall specify why, and the date on which, the Developer considers that a Change in Applicable Law: (a) has been implemented, has occurred or has become effective; or (b) is expected to be implemented, occur or become effective;

(ii) shall specify why the Developer considers that the Change in Applicable Law results or will result in one (1) or more of the Required CiAL Amendment Objectives ceasing to be met; and

(iii) may set out the Developer's opinion of the Required CiAL Amendment(s),

and include such Supporting Information, in reasonable detail, which the Developer considers to be relevant to and supportive of the foregoing.

45.3 For the purposes of Condition 45.1(B), the **"CiAL Request Criterion"** is that thirty per cent. [(30%)] or more of all GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies as at the date of the CiAL Request Notice, by number, have given the GGR Contract Counterparty a CiAL Request Notice in any period of ten (10) consecutive Business Days. For the purposes of determining whether the CiAL Request Criterion is met, the GGR Contract Counterparty shall calculate the number of GGR Developers which have given a CiAL Request Notice as a percentage of the total number of GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies as at the date of the CiAL Request Notice;

Validity of CiAL Request Notices

45.4 The Developer acknowledges and agrees that all CiAL Request Notices shall be invalid and of no effect if the CiAL Request Criterion is not met.

45.5 The GGR Contract Counterparty shall notify the Developer no later than ten (10) Business Days after the CiAL Request Criterion has been met (a **"CiAL Request Validity Notice"**).

Notification of CiAL Review

45.6 If the GGR Contract Counterparty is required or elects to undertake a CiAL Review pursuant to Condition 45.1, the GGR Contract Counterparty shall give a notice to the Developer (a **"CiAL Review Notice"**). A CiAL Review Notice shall specify:

(A) the CiAL Review Trigger which has occurred; and

(B) a deadline by which the Developer must provide a CiAL Review Response Notice, such deadline to be no less than ten (10) Business Days after the date on which the CiAL Review Notice is received by the Developer (the **"CiAL Review Response Deadline"**).

45.7 The Developer shall, as soon as reasonably practicable and no later than the CiAL Review Response Deadline, give a notice to the GGR Contract Counterparty (the **"CiAL Review Response Notice"**). A CiAL Review Response Notice:

(A) shall include all of the Supporting Information which the Developer wishes the GGR Contract Counterparty to take account of in undertaking the CiAL Review; and

(B) may set out the Developer's opinion of the Required CiAL Amendment(s).

45.8 The GGR Contract Counterparty may disregard any CiAL Review Response Notice received after the CiAL Review Response Deadline.

Notification of outcome of CiAL Review

45.9 The GGR Contract Counterparty shall give a notice to the Developer of the outcome of a CiAL Review (a **"CiAL Review Outcome Notice"**) as soon as reasonably practicable following the conclusion of a CiAL Review. A CiAL Review Outcome Notice shall:

(A) set out the outcome of the CiAL Review and, if applicable, the Required CiAL Amendments; and

(B) specify the date from which such Required CiAL Amendments are to take effect.

46. CHANGE IN APPLICABLE LAW: DISPUTE PROCESS

Procedure for raising a Dispute

46.1 The Developer may, no later than twenty (20) Business Days after receipt of a CiAL Review Outcome Notice, give a notice to the GGR Contract Counterparty that it wishes to raise a Dispute in relation to the outcome of such CiAL Review (a **"CiAL Dispute"**, such notice a **"CiAL Dispute Notice"** and any such Developer, a **"CiAL Dispute Developer"**). Each CiAL Dispute Notice shall comply with the requirements of a Dispute Notice as specified in Conditions 54.3 to 54.8 (*Outline of Dispute Resolution Procedure*) (inclusive).

Validity of CiAL Dispute Notices

46.2 The Developer acknowledges and agrees that all CiAL Dispute Notices shall be invalid and of no effect if the CiAL Dispute Threshold Criterion in respect of the relevant CiAL Dispute is not met.

46.3 The GGR Contract Counterparty shall notify the Developer no later than ten (10) Business Days after the CiAL Dispute Threshold Criterion has been met (irrespective of whether or not the Developer is a CiAL Dispute Developer) (a **"CiAL Dispute Validity Notice"**). A CiAL Dispute Validity Notice shall:

(A) include a proposal as to the identity, and terms of reference, of an Expert to determine the CiAL Dispute (the **"Proposed CiAL Expert"**) and details of the relevant expertise that the GGR Contract Counterparty considers qualifies the Proposed CiAL Expert to determine such CiAL Dispute (being a person fulfilling the requirements of Condition 56 (*Expert Determination Procedure*) and having no conflict of interest which prevents the Proposed CiAL Expert from determining the CiAL Dispute);

(B) comply with the requirements of an Expert Determination Notice as specified in Condition 56 (*Expert Determination Procedure*); and

(C) comply with the requirements of a Consolidation Request as specified in Condition 58 (*Consolidation of Connected Disputes*).

Permitted bases of Dispute: CiAL Review

46.4 The Developer acknowledges and agrees that it may only raise a Dispute with respect to the outcome of any CiAL Review if there is a manifest error or fraud in any determination by the GGR Contract Counterparty as to:

(A) the outcome of the CiAL Review; or

(B) the Required CiAL Amendments,

in each case contained within the CiAL Review Outcome Notice, and any CiAL Dispute Notice which is based upon grounds other than those specified in this Condition 46.4 shall be invalid and of no effect.

Resolution of valid CiAL Disputes

46.5 If:

(A) the CiAL Dispute Threshold Criterion is met in respect of the relevant CiAL Dispute; and

(B) the relevant CiAL Dispute complies with Condition 46.4,

then such CiAL Dispute shall be finally resolved in accordance with Condition 46.6.

46.6 If Condition 46.5 applies to any CiAL Dispute:

(A) Condition 48 (*Resolution by Senior Representatives*) shall not apply to such CiAL Dispute;

(B) no agreement between the Developer and the GGR Contract Counterparty to settle the relevant CiAL Dispute shall be valid and binding unless such resolution is agreed with all GGR Developers;

(C) the Arbitration Procedure shall not apply to such CiAL Dispute;

(D) the Developer agrees not to raise any objection to the consolidation of such CiAL Dispute in accordance with Condition 58 (*Consolidation of Connected Disputes*);

(E) the Expert Determination Procedure shall apply to such CiAL Dispute on the basis that:

(i) (if the Expert Appointment Threshold is met) the GGR Contract Counterparty shall be deemed to have satisfied the requirements of, and to have given an Expert Determination Notice pursuant to, Condition 56.1 and the Parties will be deemed to have agreed to both the identity and the terms of reference of the Proposed CiAL Expert;

(ii) (if the Expert Appointment Threshold is not met) the GGR Contract Counterparty may, within ten (10) Business Days, either:

(a) make an alternative proposal as to the identity and the terms of reference of an Expert to determine the CiAL Dispute; or

(b) (1) request the LCIA to nominate an Expert for the purposes of determining the CiAL Dispute in accordance with Condition 56.4; and (2) following such nomination by the LCIA, the GGR Contract Counterparty shall make an alternative proposal as to the terms of reference of such Expert to determine the CiAL Dispute,

in each case, Condition 46.3(A) and Condition 46.6(E)(i), and this Condition 46.6(E)(ii), shall apply to such proposed Expert as if that Expert were a Proposed CiAL Expert. The identity and the terms of reference of the Proposed CiAL Expert shall be determined by the GGR Contract Counterparty in its sole and absolute discretion (after having regard to any submissions presented by any GGR Developer) and any such determination shall be final and binding on the parties, provided that the terms of reference shall be sufficiently broad to enable the Expert to determine the CiAL Dispute;

(iii) if the GGR Contract Counterparty and the GGR Developers fail to agree on the terms of appointment of the Expert within ten (10) Business Days of the parties agreeing the identity and terms of reference of an Expert in accordance with Condition 46.6(E)(i) or Condition 46.6(E)(ii), as applicable, such matter shall be determined by the GGR Contract Counterparty in its sole and absolute discretion (after having regard to any submissions presented by any GGR Developer) and any such determination shall be final and binding on the parties, provided that the terms of appointment shall comply with the requirements of Condition 46.6(E)(iv);

(iv) Condition 56.5 shall be deemed to have been modified such that the Parties shall use reasonable endeavours to procure that the terms of appointment of the Expert prohibit the Expert from disclosing any Supporting Information disclosed or delivered by:

(a) the Developer to the Expert in consequence of, or in respect of, their appointment as the Expert to any other GGR Developer; or

(b) the GGR Contract Counterparty to the Expert in consequence of, or in respect of, their appointment as the Expert to any GGR Developer other than the Developer;

(v) the Expert will be instructed, in establishing or modifying the procedure for the determination of the CiAL Dispute, to afford the Developer an opportunity to make submissions in respect of the CiAL Dispute irrespective of whether or not the Developer is a CiAL Dispute Developer;

(vi) if the circumstances described in Condition 56.8 arise, Condition 46.3(A), Condition 46.6(E)(i) and Condition 46.6(E)(ii) shall apply, with the necessary modifications, to the appointment of a replacement Expert;

(vii) for the purposes of Condition 56.12, the Expert shall be: (a) required to include in their determination provision for the allocation of their fees and the costs and expenses of the GGR Contract Counterparty among each of the CiAL Dispute Developers in such manner as the Expert, in their absolute discretion, determines is fair and equitable if the Expert makes a determination against the CiAL Dispute Developers; and (b) permitted to allocate their fees and the costs and expenses of the GGR Contract Counterparty in such manner as the Expert determines is fair and equitable if the Expert makes a determination in favour of the CiAL Dispute Developers; and

(viii) the Expert shall, notwithstanding any other provision of the Expert Determination Procedure, be instructed to reach a determination which is to be applied to all CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies; and

(F) the Developer acknowledges and agrees that the determination of the Expert in any CiAL Dispute shall be applied to all CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies, irrespective of whether the Developer was a party to the CiAL Dispute giving rise to that determination.

Expert Appointment Threshold

46.7 For the purposes of Condition 46.6(E)(i) and Condition 46.6(E)(ii), the **"Expert Appointment Threshold"** is that thirty per cent. (30%) or more of GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies, by number, have consented, or not objected in writing, to both the identity and the terms of reference of the Proposed CiAL Expert. For the purposes of determining whether the Expert Appointment Threshold is met, the GGR Contract Counterparty shall calculate the number of GGR Developers which have consented or have been deemed to have consented to the Proposed CiAL Expert as a percentage of the total number of GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies;

Provisions applying pending resolution of a CiAL Dispute

46.8 If there is a valid CiAL Dispute requiring resolution in accordance with the provisions of Condition 46.5 and Condition 46.6 then, pending resolution of such CiAL Dispute, there shall be no amendments or supplements to the GGR Contract as a result of the Change in Applicable Law.

CiAL Dispute Threshold Criterion

46.9 For the purposes of this Condition 46 (*Change in Applicable Law: Dispute process*), the **"CiAL Dispute Threshold Criterion"** is that [thirty] per cent. ([30]%) or more of GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies, by number, have given the GGR Contract Counterparty a CiAL Dispute Notice in respect of any given CiAL Dispute prior to the date specified in Condition 46.1. For the purposes of determining whether the CiAL Dispute Threshold Criterion is met, the GGR Contract Counterparty shall calculate the number of GGR Developers which have given a CiAL Dispute Notice as a percentage of the total number of GGR Developers which are party to those CCUS Programme GGR Contracts to which the Change in Applicable Law directly applies;

47. CHANGE IN APPLICABLE LAW: GENERAL PROVISIONS

47.1 The occurrence of a Change in Applicable Law that has the result of one (1) or more of the Required CiAL Amendment Objectives ceasing to be met shall not:

(A) constitute Force Majeure or a Payment Disruption Event for the purposes of the GGR Contract; or

(B) provide either Party the right to suspend or terminate its obligations under the GGR Contract,

provided that paragraph (A) above shall not preclude a Change in Law from constituting Force Majeure.

47.2 Subject to the provisions of Condition 45 (*Change in Applicable Law: Procedure*), Condition 46 (*Change in Applicable Law: Dispute process*) and this Condition 47 (*Change in Applicable Law: General provisions*), the Parties shall be relieved from liability, and deemed not to be in breach of the GGR Contract (or any other GGR Document) for any failure or delay in the performance under the GGR Contract (or any other GGR Document) if and to the extent such failure or delay is directly attributable to the occurrence and continuation of a Change in Applicable Law, provided that nothing in Condition 45 (*Change in Applicable Law: Procedure*), Condition 46 (*Change in Applicable Law: Dispute process*) and this Condition 47 (*Change in Applicable Law: General provisions*) shall relieve either Party from any obligation to pay any sum due and payable to the other Party pursuant to the GGR Contract (or any other GGR Document) (whether pursuant to an obligation to pay, an indemnity, a costs reimbursement provision or otherwise).

47.3 Any costs and expenses, or risks, arising from a Change in Applicable Law which are not of a type provided for in the GGR Contract are not intended by the provisions of Condition 45 (*Change in Applicable Law: Procedure*), Condition 46 (*Change in Applicable Law: Dispute process*) and this Condition 47 (*Change in Applicable Law: General provisions*) to be allocated to one (1) Party; and any such costs and expenses, or risks, shall be borne by the affected Party.

Part 9
Termination

48. TERMINATION

Pre-Start Date termination

48.1 If:

(A) (i) the Developer fails to deliver the Milestone Requirement Notice by the Milestone Delivery Date; or (ii) (subject to Condition 48.3) neither Milestone Requirement has been complied with and fulfilled by the Milestone Delivery Date;

(B) at any time prior to the Start Date, any Directors' Certificate provided pursuant to Condition 4.2 (*Milestone Requirement Notice*) is not true, complete or accurate in any material respect or is misleading as at the date thereof;

(C) at any time prior to the Start Date, a Termination Event occurs and is continuing;

(D) any of the Initial Conditions Precedent are not fulfilled by the Developer or waived by the GGR Contract Counterparty within twenty (20) Business Days of the Agreement Date; or

(E) (subject to Condition 48.4) any of the Operational Conditions Precedent are not fulfilled by the Developer or waived by the GGR Contract Counterparty by the Longstop Date,

then the GGR Contract Counterparty shall have the right, but not the obligation, to give notice to the Developer terminating the GGR Contract (a **"Pre-Start Date Termination Notice"**). A Pre-Start Date Termination Notice shall specify:

(i) the date (on or following the date of the Pre-Start Date Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being the **"Pre-Start Date Termination Date"**); and

(ii) in the case of termination pursuant to Condition 48.1(C), the Termination Event which has occurred.

48.2 If the GGR Contract Counterparty gives a Pre-Start Date Termination Notice, the GGR Contract shall terminate on the Pre-Start Date Termination Date even if (as the context requires):

(A) a Milestone Requirement has been complied with and fulfilled prior to such date;

(B) the Termination Event is no longer continuing as at such date; or

(C) the Conditions Precedent remaining to be fulfilled when the Pre-Start Date Termination Notice was given have been fulfilled.

48.3 The GGR Contract Counterparty shall not exercise its right to terminate the GGR Contract pursuant to Condition 48.1(A) in circumstances in which the Developer has provided a Milestone Requirement Notice no later than the Milestone Delivery Date unless and until:

(A) the GGR Contract Counterparty has given the Developer a Milestone Assessment Response Notice specifying that it requires Requested Milestone Supporting Information to be provided to it by the Developer; and

(B) either:

(i) the Developer fails to provide to the GGR Contract Counterparty the Requested Milestone Supporting Information within the period specified in Condition 4.4(C)(i) (*Milestone Requirement Notice*); or

(ii) (a) the Requested Milestone Supporting Information is provided to the GGR Contract Counterparty within the period specified in Condition 4.4(C)(i) (*Milestone Requirement Notice*); and (b) the GGR Contract Counterparty has given the Developer a Further Milestone Assessment Response Notice specifying that the GGR Contract Counterparty does not consider a Milestone Requirement to have been complied with and fulfilled.

48.4 The GGR Contract Counterparty shall not exercise its right to terminate the GGR Contract pursuant to Condition 48.1(E) in circumstances in which the Developer has provided an OCP Notice no later than the Longstop Date unless and until:

(A) the GGR Contract Counterparty has given the Developer an OCP Response Notice specifying that it requires OCP Supporting Information to be provided to it by the Developer; and

(B) either:

(i) the Developer fails to provide to the GGR Contract Counterparty the OCP Supporting Information within the period specified in Condition 3.10(C)(i) (*Operational Conditions Precedent: General Reporting Obligations*); or

(ii) (a) the requested OCP Supporting Information is provided to the GGR Contract Counterparty within the period specified in Condition 3.10(C)(i) (*Operational Conditions Precedent: General Reporting Obligations*); and (b) the GGR Contract Counterparty has given the Developer a Further OCP Response Notice specifying that the GGR Contract Counterparty does not consider the Operational Condition Precedent to have been fulfilled.

Termination for Prolonged Force Majeure

48.5 If an event or circumstance of Force Majeure (excluding Force Majeure that occurs by reason of a Change in Law) that first occurs between the Agreement Date and the Milestone Satisfaction Date, prevents or delays the development, construction, completion, testing and/or commissioning of the Capture Plant for a continuous period of at least twelve (12) Months as determined by the GGR Contract Counterparty (a **"Prolonged FM Event"**), then the GGR Contract Counterparty shall have the right, but not the obligation, to notify the Developer in writing (a **"Prolonged FM Event Notice"**) that the GGR Contract Counterparty may terminate the GGR Contract following the expiry of a further six (6) Month period from the date of such Prolonged FM Event Notice (a **"Prolonged FM Trigger Date"**) in accordance with Condition 48.6. A Prolonged FM Event Notice shall:

(A) specify the Prolonged FM Trigger Date; and

(B) be accompanied by such Supporting Information as the GGR Contract Counterparty considers necessary to evidence the relevant Prolonged FM Event.

48.6 If a Prolonged FM Event has not been remedied and is continuing at the Prolonged FM Trigger Date, the GGR Contract Counterparty shall have the right, but not the obligation, to give notice to the Developer terminating the GGR Contract (a **"Prolonged FM Termination Notice"**). A Prolonged FM Termination Notice shall specify the date (on or following the date of the

Prolonged FM Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being the **"Prolonged FM Termination Date"**).

48.7 If the GGR Contract Counterparty issues a Prolonged FM Termination Notice in accordance with Condition 48.6, the GGR Contract shall terminate on the Prolonged FM Termination Date even if (as the context requires):

(A) a Milestone Requirement has been complied with and fulfilled (such that the Milestone Satisfaction Date has occurred) prior to such date; or

(B) the Prolonged FM Event is no longer continuing as at such date.

Termination for T&S Prolonged Unavailability Event

48.8 If, at any time after the Agreement Date, the GGR Contract Counterparty determines that a T&S Prolonged Unavailability Event has occurred, the GGR Contract Counterparty:

(A) subject to limb (B), shall have the right, but not the obligation, to; or

(B) if the T&S Prolonged Unavailability Event has been continuing for a continuous period of twelve (12) months, shall on the first (1st) Business Day following the expiry of such twelve (12) month period,

give notice to the Developer of the occurrence of such T&S Prolonged Unavailability Event (a **"T&S Prolonged Unavailability Event Notice"**) and the Developer acknowledges and agrees that it may only refer a determination made by the GGR Contract Counterparty pursuant to this Condition 48.8 to the Dispute Resolution Procedure on the basis of a manifest error or fraud. A T&S Prolonged Unavailability Event Notice shall:

(i) specify the date:

(a) by which the Developer shall give a notice responding to the GGR Contract Counterparty in accordance with Condition 48.9, being the date which falls six (6) months after the date of the T&S Prolonged Unavailability Event Notice (the **"Developer T&S Prolonged Unavailability Response Deadline"**); and

(b) on and from which, without prejudice to the GGR Contract Counterparty's rights under Condition 48.16, the GGR Contract Counterparty may terminate the GGR Contract, being the date which falls thirty (30) months after the date of the T&S Prolonged Unavailability Event Notice (the **"T&S Prolonged Unavailability Remediation Deadline"**); and

(ii) be accompanied by such Supporting Information as the GGR Contract Counterparty considers necessary to evidence the T&S Prolonged Unavailability Event.

48.9 No later than the Developer T&S Prolonged Unavailability Response Deadline, the Developer shall give a notice to the GGR Contract Counterparty (a **"T&S Prolonged Unavailability Response Notice"**). A T&S Prolonged Unavailability Response Notice shall:

(A) specify that:

(i) the T&S Prolonged Unavailability Event is no longer continuing as at the date of such T&S Prolonged Unavailability Response Notice, whereby such notice shall be accompanied by such Supporting Information as the Developer considers necessary to evidence the same;

(ii) the Developer considers that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline, whereby such notice shall be accompanied by such Supporting Information as the Developer considers necessary to evidence the same, which shall include evidence from the T&S Operator that the T&S Prolonged Unavailability Event is no longer continuing;

(iii) the Developer intends to provide the GGR Contract Counterparty with and implement an Alternative T&S Network Solution Plan, following which Condition 48.13 shall apply; or

(iv) the Developer considers that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to one (1) or more of the following reasons (each a **"No Alternative T&S Solution Reason"**):

(a) it is not technically feasible for the Developer, acting in accordance with the Reasonable and Prudent Standard, to connect the Facility to an alternative T&S Network delivery point and/or alternative T&S Network;

(b) the implementation of an Alternative T&S Network Solution Plan would be illegal;

(c) it is not economically feasible for the Developer, acting in accordance with the Reasonable and Prudent Standard, to connect the Facility to an alternative T&S Network delivery point and/or alternative T&S Network;

(d) there is no feasible alternative T&S Network which can permanently store the captured CO_2 from the Facility; and/or

(e) any other reason which will, or is reasonably likely to, justify the decision not to provide an Alternative T&S Network Solution Plan; and

(B) include Supporting Information evidencing, in reasonable detail, the steps that the Developer has taken and/or proposes to take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard.

48.10 Each T&S Prolonged Unavailability Response Notice and (where Condition 48.12(B)(ii) applies) T&S Prolonged Unavailability Further Response Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the T&S Prolonged Unavailability Response Notice or T&S Prolonged Unavailability Further Response Notice (as applicable).

48.11 The GGR Contract Counterparty shall, no later than thirty (30) Business Days after: (i) the date of a T&S Prolonged Unavailability Response Notice issued in accordance with Condition 48.9(A)(i), Condition 48.9(A)(ii) or Condition 48.9(A)(iv); (ii) receipt of Supporting Information provided in accordance with Condition 48.12(A)(iii), Condition 48.12(B)(iii) or Condition 48.12(C)(iii); or (iii) the date of a T&S Prolonged Unavailability Further Response Notice issued in accordance with Condition 48.12(B)(ii), give a notice to the Developer (a **"T&S Prolonged Unavailability Review Notice"**). A T&S Prolonged Unavailability Review Notice shall specify whether the GGR Contract Counterparty considers that:

(A) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(i), the GGR Contract Counterparty has received Supporting Information in accordance with Condition 48.12(A)(iii) or the GGR Contract Counterparty has received a T&S Prolonged Unavailability Further Response Notice in accordance with Condition 48.12(B)(ii)(a)(1):

(i) the Developer has or has not delivered evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the T&S Prolonged Unavailability Event was no longer continuing as at the date of the T&S Prolonged Unavailability Response Notice; or

(ii) it has not been provided with sufficient Supporting Information to determine (acting reasonably) whether the T&S Prolonged Unavailability Event was no longer continuing as at the date of the T&S Prolonged Unavailability Response Notice and, if so, such notice shall contain details of the additional Supporting Information which the GGR Contract Counterparty requires to make such a determination;

(B) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(ii), the GGR Contract Counterparty has received Supporting Information in accordance with Condition 48.12(B)(iii) or the GGR Contract Counterparty has received a T&S Prolonged Unavailability Further Response Notice in accordance with Condition 48.12(B)(ii)(a)(2):

(i) the Developer has or has not delivered evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline; or

(ii) it has not been provided with sufficient Supporting Information to determine (acting reasonably) whether the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline and, if so, such notice shall contain details of the additional Supporting Information which the GGR Contract Counterparty requires to make such a determination;

(C) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(iv), the GGR Contract Counterparty has received Supporting Information in accordance with Condition 48.12(C)(iii) or the GGR Contract Counterparty has received a T&S Prolonged Unavailability Further Response Notice in accordance with Condition 48.12(B)(ii)(a)(4):

(i) the Developer has or has not delivered evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Solution Reason; or

(ii) it has not been provided with sufficient Supporting Information to determine (acting reasonably) whether the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and/or the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Solution Reason and, if so, such notice shall contain details of the additional Supporting Information which the GGR Contract Counterparty requires to make such a determination.

48.12 If the GGR Contract Counterparty states in the T&S Prolonged Unavailability Review Notice that:

(A) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(i):

(i) the Developer has delivered satisfactory evidence that the T&S Prolonged Unavailability Event was no longer continuing as at the date of the T&S Prolonged Unavailability Response Notice, then the T&S Prolonged Unavailability Event will be deemed to have been remedied for the purposes of the GGR Contract;

(ii) the Developer has not delivered satisfactory evidence that the T&S Prolonged Unavailability Event was no longer continuing as at the date of the T&S Prolonged Unavailability Response Notice, then the T&S Prolonged Unavailability Event will be deemed to have not been remedied for the purposes of the GGR Contract; or

(iii) the Developer has not provided sufficient Supporting Information to enable the GGR Contract Counterparty to determine (acting reasonably) whether the T&S Prolonged Unavailability Event is no longer continuing as at the date of such notice, then the Developer shall provide such Supporting Information to the GGR Contract Counterparty within twenty (20) Business Days of the date of the T&S Prolonged Unavailability Review Notice and Condition 48.11 shall reapply;

(B) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(ii):

(i) the Developer has delivered satisfactory evidence that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline, then the Developer shall notify the GGR Contract Counterparty in writing no later than five (5) Business Days following the date on which the T&S Prolonged Unavailability Event has been remedied together with such Supporting Information, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), to evidence that the T&S Prolonged Unavailability Event is no longer continuing;

(ii) the Developer has not delivered satisfactory evidence that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline then, as soon as reasonably practicable but no later than the Alternative T&S Network Solution Plan Deadline, the Developer shall give a further notice to the GGR Contract Counterparty (a **"T&S Prolonged Unavailability Further Response Notice"**). A T&S Prolonged Unavailability Further Response Notice shall:

(a) specify that:

(1) the T&S Prolonged Unavailability Event is no longer continuing as at the date of such notice, whereby such notice shall be accompanied by such Supporting Information as the Developer considers necessary to evidence the same, following which Condition 48.11 shall reapply;

(2) the Developer considers that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline, whereby such notice shall be accompanied by such Supporting Information as the Developer

considers necessary to evidence the same, following which Condition 48.11 shall reapply;

(3) the Developer intends to implement an Alternative T&S Network Solution Plan, whereby such notice shall be accompanied by a draft Alternative T&S Network Solution Plan (with Supporting Information), following which Condition 48.13 shall apply; or

(4) the Developer considers that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to one (1) or more of the No Alternative T&S Solution Reasons, whereby such notice shall be accompanied by such Supporting Information as the Developer considers necessary to evidence the same, following which Condition 48.11 shall reapply; and

(b) include Supporting Information evidencing, in reasonable detail, the steps that the Developer has taken and/or proposes to take to comply with Condition 61.3 (*Mitigation*) and the Reasonable and Prudent Standard; or

(iii) if the Developer has not provided sufficient Supporting Information to enable the GGR Contract Counterparty to determine (acting reasonably) whether the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline, then the Developer shall provide such Supporting Information to the GGR Contract Counterparty within twenty (20) Business Days of the date of the T&S Prolonged Unavailability Review Notice and Condition 48.11 shall reapply;

(C) if the T&S Prolonged Unavailability Response Notice relates to Condition 48.9(A)(iv):

(i) the Developer has delivered satisfactory evidence that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Solution Reason, then the GGR Contract Counterparty shall have the right, but not the obligation, to terminate the GGR Contract pursuant to limb (B) of the definition of T&S Prolonged Unavailability Termination Event;

(ii) the Developer has not delivered satisfactory evidence that the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Solution Reason, then the T&S Prolonged Unavailability Event will be deemed to have not been remedied for the purposes of the GGR Contract; or

(iii) the Developer has not provided sufficient Supporting Information to enable the GGR Contract Counterparty to determine (acting reasonably) whether the T&S Prolonged Unavailability Event will not be remedied by the T&S Prolonged Unavailability Remediation Deadline and/or the Developer cannot provide a feasible Alternative T&S Network Solution Plan due to a No Alternative T&S Solution Reason, then the Developer shall provide such Supporting Information to the GGR Contract Counterparty within twenty (20) Business Days of the date of the T&S Prolonged Unavailability Review Notice and Condition 48.11 shall reapply.

48.13 If this Condition 48.13 applies:

(A) the Developer shall prepare and submit to the GGR Contract Counterparty for the GGR Contract Counterparty's approval a draft Alternative T&S Network Solution Plan (with Supporting Information) no later than the Alternative T&S Network Solution Plan Deadline;

(B) without prejudice to Condition 48.13(C), as soon as reasonably practicable after receipt of the draft Alternative T&S Network Solution Plan (and Supporting Information) in accordance with Condition 48.13(A) or the relevant additional Supporting Information in accordance with 48.14(A)(i) or an amended draft Alternative T&S Network Solution Plan in accordance with Conditions 48.14(A)(ii) or 48.13(C), the Parties shall consult with each other in good faith to attempt to agree the relevant draft Alternative T&S Network Solution Plan and any consequential amendments that would be required to this GGR Contract in order to (i) implement such draft Alternative T&S Network Solution Plan and (ii) achieve (in so far as possible) the same overall balance of benefits, liabilities, risks and rewards between the Parties that existed at the Agreement Date; and

(C) the GGR Contract Counterparty shall, no later than six (6) months after receipt of the draft Alternative T&S Network Solution Plan (and Supporting Information) in accordance with Condition 48.13(A) or the relevant additional Supporting Information in accordance with Condition 48.14(A)(i) or an amended draft Alternative T&S Network Solution Plan in accordance with Conditions 48.14(A)(ii) or 48.14(B), give a notice to the Developer (an **"Alternative T&S Network Review Notice"**) which shall specify whether the GGR Contract Counterparty (in its sole and absolute discretion):

(i) approves the draft Alternative T&S Network Solution Plan without amendment, following which the draft Alternative T&S Network Solution Plan shall become the **"Approved Alternative T&S Network Solution Plan"**;

(ii) requires the Developer to provide additional Supporting Information in relation to the draft Alternative T&S Network Solution Plan, in order for the GGR Contract Counterparty to assess whether or not to approve such draft Alternative T&S Network Solution Plan;

(iii) requires amendments to the draft Alternative T&S Network Solution Plan, in which case the Alternative T&S Network Review Notice shall provide the Developer with sufficient detail in relation to such required amendments; or

(iv) rejects the draft Alternative T&S Network Solution Plan, in which case the Alternative T&S Network Review Notice shall provide the Developer with such Supporting Information as the GGR Contract Counterparty considers necessary to evidence the reasons for such rejection and the Developer acknowledges and agrees that it shall not be entitled to refer any decision made by the GGR Contract Counterparty pursuant to this Condition 48.13(C)(iv) to the Dispute Resolution Procedure.

48.14 The Developer:

(A) shall no later than twenty (20) Business Days after the date of an Alternative T&S Network Review Notice, submit to the GGR Contract Counterparty:

(i) if Condition 48.13(C)(ii) applies, the relevant additional Supporting Information specified in the Alternative T&S Network Review Notice; or

(ii) if Condition 48.13(C)(iii) applies, an amended draft Alternative T&S Network Solution Plan which includes the amendments specified in the Alternative T&S Network Review Notice; or

(B) may, if Condition 48.13(C)(iv) applies, submit an amended draft Alternative T&S Network Solution Plan to the GGR Contract Counterparty no later than twenty (20) Business Days after the date of an Alternative T&S Network Review Notice,

and Condition 48.13(C) shall then reapply.

48.15 Nothing in Conditions 48.8 to 48.14 (*Termination for T&S Prolonged Unavailability Event*) shall require the GGR Contract Counterparty to specify in:

(A) any T&S Prolonged Unavailability Review Notice or any T&S Prolonged Unavailability Further Response Notice that a T&S Prolonged Unavailability Event is no longer continuing; and

(B) any Alternative T&S Network Review Notice that a draft Alternative T&S Network Solution Plan is approved,

unless and until the GGR Contract Counterparty is satisfied of the same.

Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension

48.16 If the Developer fails to give:

(A) a T&S Prolonged Unavailability Response Notice to the GGR Contract Counterparty by the Developer T&S Prolonged Unavailability Response Deadline pursuant to Condition 48.9;

(B) if applicable, a T&S Prolonged Unavailability Further Response Notice to the GGR Contract Counterparty by the Alternative T&S Network Solution Plan Deadline pursuant to Condition 48.12(B)(ii);

(C) if applicable, the relevant Supporting Information in accordance with Condition 48.12(A)(iii), Condition 48.12(B)(iii) or Condition 48.12(C)(iii) (as applicable) to enable the GGR Contract Counterparty to assess the T&S Prolonged Unavailability Response Notice;

(D) if applicable, a draft Alternative T&S Network Solution Plan to the GGR Contract Counterparty by the Alternative T&S Network Solution Plan Deadline pursuant to Condition 48.13(A);

(E) if applicable, the relevant additional Supporting Information specified in the Alternative T&S Network Review Notice pursuant to Condition 48.14(A)(i);

(F) if applicable, an amended draft Alternative T&S Network Solution Plan which includes the amendments specified in the Alternative T&S Network Review Notice pursuant to Condition 48.14; and/or

(G) if applicable, where the Developer elects to, an amended draft Alternative T&S Network Solution Plan pursuant to Condition 48.14(B),

(each a **"T&S Prolonged Unavailability Procedure Obligation"**),

the GGR Contract Counterparty may elect to suspend payment of any amounts (including any T&S Connection Delay Compensation and TCDE Relief Amount) which would otherwise be payable by the GGR Contract Counterparty to the Developer in any period during which the Developer is in breach of a T&S Prolonged Unavailability Procedure Obligation, provided that, prior to effecting any such suspension, the GGR Contract Counterparty shall notify the Developer of: (i) its intention to suspend payment of any such amounts; and (ii) the date from which it proposes to effect such suspension.

48.17 If the Developer subsequently complies with the relevant T&S Prolonged Unavailability Procedure Obligation(s), then the GGR Contract Counterparty shall pay any amounts to the Developer which would have been payable but for the operation of Condition 48.16. The GGR Contract Counterparty may elect to make such payment on a lump sum or staged basis. No Compensatory Interest or Default Interest shall be payable in respect of any amount payable pursuant to this Condition 48.17.

48.18 If Condition 48.13(C)(i) applies:

(A) as soon as reasonably practicable and in any event, no later than sixty (60) Business Days after the date of the Alternative T&S Network Review Notice, the Developer shall commence the implementation of the Approved Alternative T&S Network Solution Plan, and the Developer shall continue to implement the Approved Alternative T&S Network Solution Plan in accordance with its terms in order to remedy the T&S Prolonged Unavailability Event; and

(B) the Developer shall notify the GGR Contract Counterparty in writing no later than five (5) Business Days following the date on which the Developer fully implements the Approved Alternative T&S Network Solution Plan such that the T&S Prolonged Unavailability Event has been remedied (a **"Developer T&S Prolonged Unavailability Remediation Notice"**) together with such Supporting Information, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), to evidence that the T&S Prolonged Unavailability Event has been remedied.

48.19 The Developer shall keep the GGR Contract Counterparty reasonably informed as to the progress towards remediation of the T&S Prolonged Unavailability Event and, in particular, shall provide the GGR Contract Counterparty with reports (in a form, content and frequency satisfactory to the GGR Contract Counterparty) of the progress made in or towards the remediation of the T&S Prolonged Unavailability Event.

48.20 The Developer shall give the GGR Contract Counterparty a notice promptly upon the Developer becoming aware of any fact, matter or circumstance which will or is reasonably likely to:

(A) significantly affect the accuracy of any T&S Prolonged Unavailability Response Notice or T&S Prolonged Unavailability Further Response Notice, including any accompanying Supporting Information;

(B) where the Developer has notified the GGR Contract Counterparty that the T&S Prolonged Unavailability Event will be remedied by the T&S Prolonged Unavailability Remediation Deadline, prevent (or delay) the remediation of the T&S Prolonged Unavailability Event by the T&S Prolonged Unavailability Remediation Deadline; or

(C) where Condition 48.13(C)(i) applies, prevent (or delay) the implementation of an Approved Alternative T&S Network Solution Plan in accordance with its terms in order to remedy the T&S Prolonged Unavailability Event.

48.21 The Developer shall ensure that:

(A) all forecasts, forward-looking statements and data provided by or on behalf of the Developer pursuant to Conditions 48.9 to 48.20 are prepared in good faith, on a reasonable basis and with due care and attention; and

(B) all other Information provided by or on behalf of the Developer pursuant to Conditions 48.9 to 48.20 is true, complete and accurate in all material respects and is not misleading.

Termination for failing to remedy a T&S Prolonged Unavailability Event

48.22 If, at any time after the Agreement Date, the GGR Contract Counterparty determines that a T&S Prolonged Unavailability Termination Event has occurred, the GGR Contract Counterparty shall have the right, but not the obligation, to give a notice to the Developer terminating the GGR Contract (a **"T&S Prolonged Unavailability Termination Notice"**). A T&S Prolonged Unavailability Termination Notice shall specify the date (on or following the date of the T&S Prolonged Unavailability Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being the **"T&S Prolonged Unavailability Termination Date"**).

48.23 No later than ten (10) Business Days after receipt of a T&S Prolonged Unavailability Termination Notice, the Developer shall give notice to the GGR Contract Counterparty (an **"T&S Termination Response Notice"**). A T&S Termination Response Notice shall:

(A) specify the Developer's good faith estimate of the T&S Termination Payment; and

(B) include such Supporting Information as the Developer considers necessary to enable the GGR Contract Counterparty to calculate the T&S Termination Payment, in particular the details required to apply the formula set out in Condition 49.4 (*Consequences of T&S Prolonged Unavailability Event termination*) in order to carry out such calculation.

48.24 A T&S Termination Response Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the T&S Termination Response Notice.

48.25 Following the delivery of a T&S Prolonged Unavailability Termination Notice, the GGR Contract shall terminate on the T&S Prolonged Unavailability Termination Date even if the T&S Prolonged Unavailability Event is no longer continuing on the T&S Prolonged Unavailability Termination Date.

48.26 To the extent that the Developer is prevented from or delayed in implementing an Approved Alternative T&S Network Solution Plan in accordance with limb (D) of the definition of T&S Prolonged Unavailability Termination Event as a direct result of the occurrence and continuance of Force Majeure in respect of which the Developer is the FM Affected Party, then:

(A) the Developer shall be relieved from liability and deemed not to be in breach of limb (D) of the definition of T&S Prolonged Unavailability Termination Event; and

(B) any agreed milestones set out in the Approved Alternative T&S Network Solution Plan shall be extended Day for Day for each Day of delay to the implementation of the Approved Alternative T&S Network Solution Plan,

but only to the extent that the Developer has satisfied the requirements and conditions of Condition 5966 (*Force Majeure*).

Default termination

48.27 If, at any time on or after the Start Date, a Termination Event has occurred and is continuing, the GGR Contract Counterparty shall have the right, but not the obligation, to give notice to the Developer terminating the GGR Contract (a **"Default Termination Notice"**). A Default Termination Notice shall specify:

(A) the date (on or following the date of the Default Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being the **"Default Termination Date"**); and

(B) the Termination Event which has occurred.

48.28 If the GGR Contract Counterparty gives a Default Termination Notice to the Developer, the GGR Contract shall terminate on the Default Termination Date even if the Termination Event is no longer continuing on the Default Termination Date.

Qualifying Change in Law termination

48.29 Subject to Condition 48.30, if a Qualifying Change in Law is implemented, occurs or becomes effective and gives rise to or results in a QCiL Construction Event or a QCiL Operations Cessation Event (including a Qualifying Shutdown Event), the GGR Contract Counterparty shall give notice to the Developer terminating the GGR Contract (a **"QCiL Termination Notice"**). A QCiL Termination Notice shall specify the date (on or following the date of the QCiL Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being the **"QCiL Termination Date"**).

48.30 The GGR Contract Counterparty shall not exercise its right to terminate the GGR Contract pursuant to Condition 48.29 in circumstances in which the Developer has provided a Developer QCiL Notice or a Developer QCiL Response Notice unless and until the Parties have agreed that a QCiL Construction Event or QCiL Operations Cessation Event has occurred or a determination to that effect has been made pursuant to the Dispute Resolution Procedure.

QCiL Compensation termination

48.31 The GGR Contract Counterparty shall have the right, but not the obligation, to give notice to the Developer terminating the GGR Contract if:

(A) a Qualifying Change in Law occurs, is implemented or becomes effective; and

(B) either:

(i) (a) such Qualifying Change in Law occurs, is implemented or becomes effective before the Start Date and does not constitute a QCiL Construction Event; and (b) Condition 31.3(A) applies; or

(ii) (a) such Qualifying Change in Law occurs, is implemented or becomes effective on or after the Start Date and does not constitute a QCiL Operations Cessation Event; and (b) Condition 31.3(B) applies,

(a **"QCiL Compensation Termination Notice"**). A QCiL Compensation Termination Notice shall specify the date (on or following the date of the QCiL Compensation Termination Notice) on which termination of the GGR Contract is designated by the GGR Contract Counterparty to take effect (the date so designated being a **"QCiL Compensation Termination Date"**).

[***Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements***

48.32 If:

(A) the Developer fails to satisfy the Minimum Longstop Date Commissioning Requirements during the Longstop Date Performance Tests; or

(B) the Developer does not give a Longstop Date Performance Test Notice on or prior to the date which is ten (10) Business Days after the later of:

(i) the Longstop Date; and

(ii) the date which is ten (10) Business Days after the GGR Contract Counterparty has given notice to the Developer reminding the Developer of the requirement to give a Longstop Date Performance Test Notice,

the GGR Contract Counterparty shall have the right, but not the obligation, to terminate the GGR Contract with immediate effect upon giving the Developer notice (a **"Minimum Longstop Date Termination Notice"**).][144]

No other termination rights

48.33 The termination rights in this Condition 48 (*Termination*) are the only rights that either Party has to terminate the GGR Contract.

Notice provisions

48.34 Any Pre-Start Date Termination Notice, Prolonged FM Termination Notice Default Termination Notice, T&S Prolonged Unavailability Termination Notice or QCiL Compensation Termination Notice issued by the GGR Contract Counterparty pursuant to this Condition 48 (*Termination*) may be revoked by the GGR Contract Counterparty giving written notice of the same to the Developer at any time prior to the Pre-Start Date Termination Date, Prolonged FM Termination Date, T&S Prolonged Unavailability Termination Date, Default Termination Date or QCiL Compensation Termination Date (as applicable) and, upon such revocation, the Pre-Start Date Termination Notice, Prolonged FM Termination Notice, Default Termination Notice, T&S Prolonged Unavailability Termination Notice or QCiL Compensation Termination Notice (as applicable) shall cease to have any effect.

49. **CONSEQUENCES OF TERMINATION**

Consequences of termination: General

49.1 Termination of the GGR Contract pursuant to Condition 48.1 (*Pre-Start Date termination*), Condition 48.5 (*Termination for Prolonged Force Majeure*), Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*), Condition 48.27 (*Default termination*), Condition 48.29 (*Qualifying Change in Law termination*), Condition 48.31 (*QCiL Compensation termination*)[or Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*)]:

(A) shall not affect, and shall be without prejudice to, the accrued rights and liabilities of each Party and the rights and liabilities of each Party arising as a result of:

---

144 **Note to Reader:** Minimum Longstop Date Commissioning Requirements is a concept which will be included in the Testing Requirements (Annex 2) and remains subject to further consideration and development by DESNZ. This test is to demonstrate that a minimum percentage of the Net Removal Capacity Estimate has been commissioned.

(i) any antecedent breach of any provision of the GGR Contract; and

(ii) any breach of any provisions of the GGR Contract which are expressed to survive expiry pursuant to Condition 51 (*Survival*); and

(B) shall be subject to Condition 51 (*Survival*).

Consequences of Pre-Start Date termination, termination for Prolonged Force Majeure [and termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements][145]

49.2 Subject to Condition 49.1, if the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.1 (*Pre-Start Date termination*) or Condition 48.5 (*Termination for Prolonged Force Majeure*) [or Condition 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*)]:

(A) no payment shall be payable by either Party to the other Party as a consequence of such termination;

(B) all rights and obligations of the Parties under the GGR Contract shall end; and

(C) neither Party shall be entitled to make any claim against the other Party under or in respect of the GGR Contract.

Consequences of T&S Prolonged Unavailability Event termination

49.3 If the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*), as soon as reasonably practicable after receipt of the T&S Termination Response Notice pursuant to Condition 48.23 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*), the GGR Contract Counterparty shall:

(A) calculate the T&S Termination Payment; and

(B) give a notice to the Developer (a **"T&S Termination Payment Notice"**). A T&S Termination Payment Notice shall specify:

(i) the amount of the T&S Termination Payment;

(ii) the principal inputs used by the GGR Contract Counterparty to calculate the T&S Termination Payment; and

(iii) whether the T&S Termination Payment shall be effected (after consultation with the Developer) as a lump sum payment or by means of staged payments.

49.4 If the T&S Termination Payment is to be paid as a lump sum, the T&S Termination Payment shall be calculated in accordance with the following formula:[146]

$$T\&S\ Termination\ Payment\ (lump\ sum) = \sum_{j=1}^{n} \left(\frac{C_j - S_j}{(1 + R_s)^{j-1}} \right) - NRV$$

[145] **Note to Reader:** Minimum Longstop Date Commissioning Requirements is a concept which will be included in the Testing Requirements (Annex 2) and remains subject to further consideration and development by DESNZ. This test is to demonstrate that a minimum percentage of the Net Removal Capacity Estimate has been commissioned.

[146] **Note to Reader:** This formula is based upon the Waste ICC Contract approach and is subject to further review and consideration in the context of the GGR Contract by DESNZ.

where:

j	=	is a whole number integer from one (1) to n; such integers referring to distinct time periods as follows:

- the first (1st) period (j = 1) covers the period from the T&S Prolonged Unavailability Termination Date to 31 December in the year of the T&S Prolonged Unavailability Termination Date;
- the second (2nd) to the (n-1)th periods ($2 \leq j < n$) are consecutive periods of one (1) calendar year length each; and
- the nth period (j = n) is the period starting on 01 January in the year in which the Specified Expiry Date falls and ending on the Specified Expiry Date;

NRV	=	is the Net Recoverable Value of the Capture Plant (*£*) expressed in real terms as at the T&S Prolonged Unavailability Termination Date;
C_j	=	are all T&S Termination Costs in period (j) (*£*) expressed in real terms as at the T&S Prolonged Unavailability Termination Date;
S_j	=	are all T&S Termination Savings in period (j) (*£*) expressed in real terms as at the T&S Prolonged Unavailability Termination Date; and
R_s	=	is the Post-Tax Real Discount Rate (*expressed as a percentage (%)*).

49.5 Subject to Condition 49.7, if the T&S Termination Payment is to be effected as a lump sum payment, the GGR Contract Counterparty shall no later than thirty (30) Business Days after the date of the T&S Termination Payment Notice, pay to the Developer (or such person as the Developer may direct) the T&S Termination Payment.

49.6 Subject to Condition 49.7, if the T&S Termination Payment is to be paid by means of staged payments:

(A) the GGR Contract Counterparty shall (after consultation with the Developer) determine the frequency of such payments (each such payment a **"T&S Termination Staged Payment"**) provided that the GGR Contract Counterparty shall make the first T&S Termination Staged Payment no later than ten (10) Business Days after the date of the T&S Termination Payment Notice and the final T&S Termination Staged Payment shall be made by the earlier of: (i) the date that is five (5) years from the date of the T&S Termination Payment Notice; and (ii) the Specified Expiry Date.

(B) the T&S Termination Staged Payments shall be effected on the basis that such amounts shall be equivalent to the amount that the Developer would have received had the T&S Termination Payment been effected as a lump sum payment in accordance with Condition 49.4, calculated as follows:[147]

---

147 **Note to Reader:** This formula is based upon the Waste ICC Contract approach and is subject to further review and consideration in the context of the GGR Contract by DESNZ.

$$T\&S\ Termination\ Payment = \sum_{k=1}^{m} \frac{T\&S\ Termination\ Staged\ Payments_k}{(1+R)^{k-1}}$$

where:

$T\&S\ Termination\ Payment$	=	is the T&S Termination Payment calculated as a lump sum payment in accordance with Condition 49.4;
k	=	is a whole number integer from one (1) to m; such integers referring to distinct time periods as follows: • the first (1st) period (*k* = 1) covers the period from the T&S Prolonged Unavailability Termination Date to 31 December in the year of the T&S Prolonged Unavailability Termination Date; • the second (2nd) to the (m-1)th periods (2 ≤ k< m) are consecutive periods of one (1) calendar year length each; and • the mth period (*k* = m) is the period starting on 01 January in the year in which the earlier of the following occurs: (i) the date that is five (5) years from the date of the T&S Termination Payment Notice; and (ii) the Expiry Date;
$T\&S\ Termination\ Staged\ Payments_k$	=	are all T&S Termination Staged Payments which are scheduled to be made in period (k) (£) expressed in real terms as at the T&S Prolonged Unavailability Termination Date; and
R_s	=	is the Post-Tax Real Discount Rate (*expressed as a percentage (%)*); and

(C) on each staged payment date (t), the GGR Contract Counterparty shall pay the Developer the T&S Termination Staged Payment which is scheduled to be paid on such date (the **"Scheduled T&S Termination Staged Payment"**) calculated as follows:[148]

[148] **Note to Reader:** This formula is based upon the Waste ICC Contract approach and is subject to further review and consideration in the context of the GGR Contract by DESNZ.

$$Scheduled\ T\&S\ Termination\ Staged\ Payment = T\&S\ Termination\ Staged\ Payment_t \times \frac{CPI_t}{CPI_q}$$

where:

$T\&S\ Termination\ Staged\ Payment_t$	=	is the T&S Termination Staged Payment which is scheduled to be paid on staged payment date (t) (£) expressed in real terms as at the T&S Prolonged Unavailability Termination Date;
CPI_t	=	is the CPI applicable at staged payment date (t); and
CPI_q	=	is the CPI applicable at the T&S Prolonged Unavailability Termination Date.

49.7 The GGR Contract Counterparty may set off against the T&S Termination Payment any or all other amounts owing (whether or not matured, contingent or invoiced) by the Developer to the GGR Contract Counterparty as at the T&S Prolonged Unavailability Termination Date. The right of set-off shall be without prejudice and in addition to any other right to which the GGR Contract Counterparty is otherwise entitled. If an amount is unascertained, the GGR Contract Counterparty may reasonably estimate the amount to be set off, subject to subsequent adjustment within twenty-eight (28) Days of the amount becoming ascertained.

49.8 Subject to Condition 49.1, Condition 49.3, Condition 49.4, Condition 49.5, Condition 49.6 and Condition 49.7, if the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*):

(A) no payment shall be payable by either Party to the other Party as a consequence of such termination;

(B) all rights and obligations of the Parties under the GGR Contract shall end; and

(C) neither Party shall be entitled to make any claim against the other Party under or in respect of the GGR Contract.

Consequences of default termination

49.9 If the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.27 (*Default termination*), on or as soon as reasonably practicable after the Default Termination Date, the GGR Contract Counterparty shall:

(A) calculate the Default Termination Payment; and

(B) give a notice to the Developer (a **"Default Termination Payment Notice"**). A Default Termination Payment Notice shall specify the amount of the Default Termination Payment along with the principal inputs used by the GGR Contract Counterparty to calculate such Default Termination Payment.

49.10 The Developer shall no later than thirty (30) Business Days after notification of the amount of the Default Termination Payment, pay to the GGR Contract Counterparty (or such person as the GGR Contract Counterparty may direct) the Default Termination Payment, which amount shall bear interest in accordance with Condition 19 (*Default Interest*), and no dispute by the

Developer as to the amount of the Default Termination Payment shall relieve it of its obligation pursuant to this Condition 49.10.

49.11 If the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 27.9 (*Failure to remedy Minimum CO_2 Storage Rate Obligation breach*), the Default Termination Payment shall be reduced by any amount which the GGR Contract Counterparty has suspended in accordance with Conditions 27.10 to 27.12 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension*) and not subsequently paid to the Developer in accordance with Condition 27.10 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: suspension*).

49.12 Subject to Conditions 49.1, 49.9 and 49.10 if the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.27 (*Default termination*):

(A) no payment shall be payable by either Party to the other Party as a consequence of such termination;

(B) all rights and obligations of the Parties under the GGR Contract shall end; and

(C) neither Party shall be entitled to make any claim against the other Party under or in respect of the GGR Contract.

Consequences of Qualifying Change in Law termination and QCiL Compensation termination

49.13 Subject to Condition 49.1, if the GGR Contract Counterparty terminates the GGR Contract pursuant to Condition 48.29 (*Qualifying Change in Law termination*) or 48.31 (*QCiL Compensation termination*):

(A) no payment shall be payable by either Party to the other Party as a consequence of such termination, except that such termination shall be without prejudice to each Party's obligation to pay any QCiL Compensation and QCiL True-Up Compensation;

(B) all rights and obligations of the Parties under the GGR Contract shall end; and

(C) (subject to paragraph (A) above) neither Party shall be entitled to make any claim against the other Party pursuant to the GGR Contract.

50. TERMINATION EVENTS

Termination Events

50.1 A **"Termination Event"** means the occurrence at any time with respect to the Developer of any of the following events.[149]

(A) *Insolvency*: the Developer:

(i) is dissolved (other than pursuant to a solvent consolidation, amalgamation or merger) or becomes insolvent or unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

(ii) has an order made or resolution passed for its winding-up or liquidation (other than pursuant to a solvent consolidation, amalgamation or merger); or

---

[149] **Note to Reader:** This Condition is subject to further review and development by DESNZ.

(iii) is subject to any event with respect to it which, pursuant to the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in Conditions 50.1(A)(i) or 50.1(A)(ii),

except where any of the events set out in this Condition 50.1(A) is attributable to the GGR Contract Counterparty not paying when due any amount which, but for the operation of Condition 61 (*Limited recourse arrangements, undertakings and acknowledgements*), would have been due pursuant to the GGR Contract.

(B) *Non-payment*: the Developer fails to pay any Developer Net Payable Amount on the due date pursuant to the GGR Contract at the place at and in the currency in which it is expressed to be payable and that failure is not remedied on or before the twentieth (20th) Business Day after the GGR Contract Counterparty gives the Developer notice of that failure (the **"NPA Payment Cure Period"**) unless the failure is caused by a Payment Disruption Event in which case the NPA Payment Cure Period shall be extended Day for Day for each Day on which the Payment Disruption Event continues.

(C) *Credit Support Default*:

(i) the Developer fails to transfer, deliver, extend, renew or replace (or procure the transfer, delivery, extension, renewal or replacement of) Acceptable Collateral in accordance with Part 10 (*Credit Support*);

(ii) any Letter of Credit provided pursuant to Part 10 (*Credit Support*) expires or terminates or fails or ceases to be in full force and effect in breach of, and is not extended, renewed or replaced in accordance with Part 10 (*Credit Support*); or

(iii) the Developer, or the issuer of any Letter of Credit, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of a Letter of Credit provided to the GGR Contract Counterparty pursuant to Part 10 (*Credit Support*), unless such disclaimer, repudiation, rejection or challenge is withdrawn or a substitute Letter of Credit is provided to the GGR Contract Counterparty no later than five (5) Business Days after such disclaimer, repudiation, rejection or challenge.

(D) *Breach of key obligations*:

(i) the Developer is in breach of any of Conditions 25.1(E) (*Ownership*) or 78.1 to 78.11 (*Transfers*); or

(ii) any director, officer or other senior manager of the Developer commits or procures fraud, or aids, abets or counsels fraud (and fraud is in fact committed) in relation to the GGR Contract, any other GGR Document or the Grant Funding Agreement.

(E) [*Measurement Equipment*: a [Technical Compliance Termination Event] or a [Measurement Equipment Access Termination Event.][150]

(F) *Minimum CO_2 Storage Rate*: for BECCS Facilities only, a Storage Rate Termination Event.

(G) [●]: for DACCS Facilities only, a [●].[151]

[150] **Note to Reader:** Subject to the continued development of the measurement and metering provisions in the GGR Contract.

[151] **Note to Reader:** This Termination Event is intended to be the DACCS-equivalent of a Storage Rate Termination Event for BECCS.

(H) *CO_2 Utilisation:* a CO_2 Utilisation Termination Event.

(I) *Offtake Review Process:* an Offtake Confirmation Process Termination Event or a Offtake Compliance Audit Termination Event.

(J) *Annual Compliance Report:* an Annual Compliance Report Termination Event.

(K) *GGR Contract Audit:* a GGR Contract Audit Termination Event.

(L) [*CO_2 Measurement Data*: a Misleading CO_2 Measurement Data Termination Event.][152]

(M) *Cross-default*: the Grant Funding Agreement and/or the T&S Connection Agreement[153] is terminated due to the Developer's breach or default of such agreement.

(N) *CCS Network Code cross-default*: the Developer ceases to be a User (as defined in the CCS Network Code) of or in relation to the relevant T&S Network pursuant to the terms of the CCS Network Code due to User Default (as defined in the CCS Network Code).

(O) *Payment Information Notice*: a Payment Information Notice Termination Event.

(P) *Misleading Offtaker Confirmation, Report or Payment Information Notice:* A Misleading Declaration Termination Event.

51. SURVIVAL[154]

51.1 Upon termination or expiry of the GGR Contract, the Parties shall have no further obligations under the GGR Contract but termination or expiry shall not affect:

(A) (save to the extent taken into account in the calculation of the Default Termination Payment or the T&S Termination Payment (if any)), the provisions of the GGR Contract as they relate to the payment of any sum due by one Party to the other pursuant to the GGR Contract; and

(B) the continued existence and validity of, and the rights and obligations of the Parties pursuant to Part 1 (*Introduction*), Conditions 3.75 and 3.76 (*Set-off of Previous Subsidy*), Part 6 (*Billing and payment*), this Part 9(*Termination*), Conditions 53.14 and 53.15 (*Termination*), Part 11 (*Dispute Resolution*) to Part 13 (*Miscellaneous*) (inclusive).

---

152 **Note to Reader:** Subject to the continued development of the standards and methodology provisions in the GGR Contract.

153 **Note to Reader:** Subject to the development of the T&S Business Model, including details on the remediation process in respect of such a default under the T&S Connection Agreement.

154 **Note to Reader:** DESNZ is considering how GGR Credits generated during the operational period of the GGR Contract but unsold at the end of such period are to be treated.

Part 10
Credit Support

52. COLLATERAL REQUIREMENT[155]

Notification of collateral requirement

52.1 If there is a Payment Failure on more than one (1) occasion within any twelve (12) Month period, the GGR Contract Counterparty may (irrespective of whether or not the Developer has paid any of the Developer Net Payable Amounts owing within the applicable NPA Payment Cure Period) give the Developer a notice on the second (2nd) of those occurrences (a **"Second Payment Failure Notice"**). A Second Payment Failure Notice shall identify the Billing Periods to which such Payment Failures relate.

52.2 If there have been Payment Failures on three (3) or more occasions in any twelve (12) Month period, the GGR Contract Counterparty may (irrespective of whether or not the Developer has paid any of the Developer Net Payable Amounts owing within the applicable NPA Payment Cure Period) give a notice to the Developer (a **"Collateral Posting Notice"**). A Collateral Posting Notice shall:

(A) identify the Billing Periods to which such Payment Failures relate;

(B) specify:

(i) the requirement for the Developer to transfer or deliver, or procure the transfer or delivery of, Acceptable Collateral to the GGR Contract Counterparty;

(ii) the Collateral Amount;

(iii) the Collateral Posting Date; and

(iv) the Initial Collateral Repayment Date; and

(C) provide details of the Reserve Account.

52.3 If any Payment Failure occurs after the date of a Collateral Posting Notice and before the applicable Collateral Repayment Date, the GGR Contract Counterparty may give the Developer a notice (a **"Replacement Collateral Notice"**). A Replacement Collateral Notice shall:

(A) identify the Billing Period to which any such Payment Failure relates; and

(B) specify the Replacement Collateral Repayment Date.

Collateral Amount

52.4 [The Collateral Amount shall be calculated by the GGR Contract Counterparty in accordance with the following formula: [●][156]]

---

155 **Note to Reader:** All provisions relating to collateral requirements in this GGR Contract remain subject to further development and consideration by DESNZ.

156 **Note to Reader:** The Collateral Amount formula remains under further development and consideration by DESNZ.

53. ACCEPTABLE COLLATERAL

Provision of collateral

53.1 If a Collateral Posting Notice is given to the Developer, the Developer shall, no later than the Collateral Posting Date, transfer or deliver, or procure the transfer or delivery of, Acceptable Collateral to the GGR Contract Counterparty in an aggregate amount equal to the Collateral Amount.

Transfers and custody of collateral

53.2 All transfers or deliveries pursuant to the GGR Contract of any Acceptable Collateral shall be made by or on behalf of the Developer and shall be given:

(A) in the case of cash, by transfer in accordance with the instructions made by or on behalf of the GGR Contract Counterparty, to the credit of the Reserve Account; and

(B) in the case of a Letter of Credit, by a Qualifying Issuer issuing a Letter of Credit to the GGR Contract Counterparty or its designee. Such transfer shall be deemed effective upon receipt by the GGR Contract Counterparty or its designee from the Qualifying Issuer of the duly executed and issued Letter of Credit.

Letters of Credit

53.3 The Developer shall:

(A) procure that:

(i) any Letter of Credit provided pursuant to a Collateral Posting Notice shall be valid at least until the Initial Collateral Repayment Date as set out in that notice; and

(ii) (if a Replacement Collateral Notice is given) any Letter of Credit provided pursuant to a Replacement Collateral Notice shall be valid at least until the Replacement Collateral Repayment Date as set out in that notice; and

(B) ensure that any Letter of Credit provided by the Developer as Acceptable Collateral, including any renewal or replacement of a Letter of Credit, shall be accompanied by a notice from the Developer (a **"Letter of Credit Details Notice"**). A Letter of Credit Details Notice shall specify:

(i) the identity and credit rating of the Qualifying Issuer issuing the Letter of Credit;

(ii) the contact details for the Qualifying Issuer (or its representative or relationship manager); and

(iii) the period of time during which the Letter of Credit will remain in effect and the amount of credit to be provided.

53.4 At least ten (10) Business Days prior to the date of expiry or cancellation of a Letter of Credit, the Developer shall renew or procure the renewal of such Letter of Credit by transferring or delivering, or by procuring the transfer or delivery of, Acceptable Collateral in the amount of and in substitution and to be effective no later than the date of expiry or cancellation of the current Letter of Credit, provided that Acceptable Collateral is still required, pursuant to the provisions of this Part 10 (*Credit Support*), after the date of expiry or cancellation of the current Letter of Credit.

Altering collateral

53.5 If, at any time, the Posted Collateral is not or ceases to be Acceptable Collateral and/or the Posted Collateral is less than the Collateral Amount, the GGR Contract Counterparty may give a notice to the Developer (a **"Collateral Correction Notice"**). A Collateral Correction Notice shall specify:

(A) the Posted Collateral which is not or has ceased to be Acceptable Collateral and the reason that prevents such collateral from constituting Acceptable Collateral; and/or

(B) the amount by which the Posted Collateral is less than the Collateral Amount (a **"Deficient Collateral Amount"**).

53.6 No later than five (5) Business Days after receipt of a Collateral Correction Notice, the Developer shall transfer or deliver, or procure the transfer or delivery of, Acceptable Collateral in an amount more than or equal to the Deficient Collateral Amount.

53.7 The Developer may, from time to time, and on giving the GGR Contract Counterparty not less than ten (10) Business Days' notice, substitute some or all of the Posted Collateral with other Acceptable Collateral which shall not in any event be less than the Collateral Amount in aggregate.

Credit event by a Qualifying Issuer

53.8 If, at any time, the Qualifying Issuer of a Letter of Credit ceases to be a Qualifying Issuer, the Developer shall give notice to the GGR Contract Counterparty and the Developer shall procure the replacement of such Letter of Credit with Acceptable Collateral no later than ten (10) Business Days after the date on which the Qualifying Issuer ceases to be a Qualifying Issuer.

53.9 If the Developer fails to procure replacement Acceptable Collateral within ten (10) Business Days in accordance with Condition 53.8, the GGR Contract Counterparty may demand payment pursuant to the Letter of Credit and shall hold any cash paid pursuant to the Letter of Credit in a Reserve Account until such time as the Posted Collateral is substituted in accordance with Condition 53.7.

Making a Posted Collateral Demand

53.10 The GGR Contract Counterparty may make a demand under a Letter of Credit procured by the Developer or draw down on any cash amount in a Reserve Account (a **"Posted Collateral Demand"**) in the following circumstances:

(A) the Developer fails to pay any amount when due pursuant to the GGR Contract and that failure is not remedied by the last Day of the NPA Payment Cure Period; or

(B) the Developer fails to renew or extend, or procure the renewal or extension of, a Letter of Credit in accordance with Condition 53.4 by the transfer or delivery of substitute Acceptable Collateral.

53.11 If a Posted Collateral Demand has been made, the Developer shall transfer or deliver, or procure the transfer or delivery of, further Acceptable Collateral in an amount no less than the Collateral Amount no later than two (2) Business Days after such demand.

Return of collateral

53.12 If the Developer has transferred or delivered, or procured the transfer or delivery of, Acceptable Collateral to the GGR Contract Counterparty pursuant to the foregoing provisions in this Part 10 (*Credit Support*) and:

(A) the Collateral Repayment Date has passed; or

(B) the Collateral Amount has been replaced or substituted with other Acceptable Collateral in accordance with this Part 10 (*Credit Support*),

then, subject to Condition 53.14, the GGR Contract Counterparty shall transfer the Posted Collateral back to the Developer no later than five (5) Business Days after:

(i) in the case of Condition 53.12(A), the Collateral Repayment Date; and

(ii) in the case of Condition 53.12(B), the date on which the Developer replaces Acceptable Collateral in accordance with this Part 10 (*Credit Support*).

53.13 The GGR Contract Counterparty shall transfer back the Posted Collateral:

(A) in the case of cash, by transfer in accordance with the instructions made by or on behalf of the Developer, to the credit of one (1) or more bank accounts in the United Kingdom specified by the Developer; and

(B) in the case of a Letter of Credit, by surrendering, or procuring the surrender of, the relevant Letter of Credit.

Termination

53.14 If the GGR Contract expires in circumstances in which no Default Termination Payment, QCiL Compensation or QCiL True-Up Compensation is due to the GGR Contract Counterparty, the GGR Contract Counterparty shall return any Posted Collateral transferred or delivered by or on behalf of the Developer no later than five (5) Business Days after the expiry, provided that the GGR Contract Counterparty shall be entitled to set off against the cash collateral in accordance with Condition 20 (*Set-off*).

53.15 If the GGR Contract is terminated in circumstances in which any Default Termination Payment, QCiL Compensation or QCiL True-Up Compensation is due to the GGR Contract Counterparty, the GGR Contract Counterparty shall return any Posted Collateral transferred or delivered by or on behalf of the Developer after all Developer payment obligations pursuant to the GGR Contract have been fulfilled, provided that the GGR Contract Counterparty shall be entitled to set off against the cash collateral in accordance with Condition 20 (*Set-off*).

Part 11
Dispute Resolution

54. DISPUTE RESOLUTION PROCEDURE: GENERAL PROVISIONS

Objective for resolution of Disputes

54.1 If a Dispute arises, the objective of the Parties shall be to seek to ensure that the Dispute is resolved as quickly, efficiently and cost-effectively as possible. Each Party shall, at each stage of the Dispute Resolution Procedure, endeavour in good faith to resolve all Disputes through negotiation.

Compliance with obligations during a Dispute

54.2 The Developer and the GGR Contract Counterparty shall continue to comply with all of their respective obligations under the GGR Contract notwithstanding any Dispute which falls to be resolved in accordance with this Condition 54 (*Dispute Resolution Procedure: General provisions*).

Outline of Dispute Resolution Procedure

54.3 Except as otherwise expressly provided in these Conditions, if a Dispute arises either Party may give a notice to the other Party to initiate the Dispute Resolution Procedure (a **"Dispute Notice"**). A Dispute Notice:

(A) shall include a description of the subject matter of the Dispute and the issues to be resolved;

(B) shall include a statement identifying the Condition to which the Dispute relates or pursuant to which the Dispute arises;

(C) shall include a description of the position the referring Party considers is correct and the referring Party's reasons for that position;

(D) (except for a GGR Technical Dispute) shall include details of any other dispute or claim relating to or arising out of another CCUS Programme GGR Contract which the referring Party considers should be consolidated with or joined to the Dispute;

(E) may, where the referring Party considers it appropriate, include copies of any Supporting Information on which the referring Party intends to rely;

(F) shall include a statement outlining the relief, determination, remedy or recourse which the referring Party seeks in relation to the Dispute;

(G) (except where the GGR Contract expressly provides for the Dispute, including any GGR Technical Dispute, to be subject to determination in accordance with the Expert Determination Procedure) shall include a statement as to whether the referring Party considers that the Dispute should (without a Senior Representatives Settlement being reached) be referred for determination in accordance with the Expert Determination Procedure or resolution in accordance with the Arbitration Procedure; and

(H) shall include the identity of the referring Party's Senior Representative.

54.4 Following the service by either Party of a Dispute Notice:

(A) (subject to Condition 54.5) the Parties shall seek to resolve the Dispute by convening a meeting of the Senior Representatives of the Parties in accordance with Condition 55

(*Resolution by Senior Representatives*) but, if and to the extent that the Senior Representatives are unable to agree, settle, compromise or resolve the Dispute in accordance with Condition 55 (*Resolution by Senior Representatives*), Condition 54.4(B) shall apply;

(B) (subject to Condition 54.6) either Party may refer the Dispute (except for a GGR Technical Dispute) for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree in writing within the Resolution Period (or such longer period as they may agree in writing) that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure; and

(C) (subject to Condition 54.6) either Party may refer a GGR Technical Dispute for determination by an Expert in accordance with the Expert Determination Procedure.

54.5 Condition 54.4(A) shall not apply where the GGR Contract expressly provides that Condition 55 (*Resolution by Senior Representatives*) shall not apply to the relevant Dispute.

54.6 If the GGR Contract expressly provides for the relevant Dispute to be subject to determination in accordance with the Expert Determination Procedure:

(A) Condition 54.4 shall not apply to such Dispute; and

(B) following service of a Dispute Notice, such Dispute shall be referred by the referring Party to an Expert for determination in accordance with the Expert Determination Procedure (but subject to such amendments to the Expert Determination Procedure as are expressly provided for in the relevant provisions of the GGR Contract).

54.7 Subject to Condition 54.8, all communications between the Parties with respect to a Dispute (including any statement, concession, waiver or agreement made by a Party during discussions and meetings pursuant to Condition 55 (*Resolution by Senior Representatives*)) (and any minutes or statements relating to such discussions or meetings) shall be "without prejudice" to the Dispute (or "without prejudice save as to costs" if expressly communicated or stated to be as such) (together, **"Dispute Information"**). Dispute Information shall be inadmissible in any Proceedings that may follow whether related to the Dispute or otherwise (including pursuant to the Expert Determination Procedure or the Arbitration Procedure), except that those expressly stated to be "without prejudice save as to costs" shall be admissible for the purposes of Conditions 56.12 and Condition 57.2.

54.8 Condition 54.7 shall not apply to:

(A) any Dispute Notice;

(B) any Senior Representatives Settlement;

(C) any communications between the Parties once an Expert Determination Procedure or an Arbitration Procedure has commenced, save for such communications expressly communicated or stated to be "without prejudice" or "without prejudice save as to costs"; or

(D) any communications between the Parties where the Parties agree in writing that Condition 54.7 shall not apply.

55. RESOLUTION BY SENIOR REPRESENTATIVES

55.1 The Parties shall procure that their respective Senior Representatives shall meet no later than ten (10) Business Days after the date of service of a Dispute Notice. If the Senior Representatives of the Parties:

(A) are able to resolve the Dispute within thirty (30) Business Days of the date of service of the Dispute Notice (or within such longer period as the Senior Representatives of the Parties may agree in writing) (the **"Resolution Period"**), the terms of the agreement, settlement, compromise or resolution reached between the Senior Representatives in respect of the Dispute (a **"Senior Representatives Settlement"**) shall be documented in writing and shall be signed by the Senior Representative of each Party;

(B) are unable to resolve the Dispute (except for a GGR Technical Dispute or within the Resolution Period, either Party may refer the Dispute for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree in writing within the Resolution Period (or such longer period as they may agree in writing) that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure; or

(C) are unable to resolve a GGR Technical Dispute within the Resolution Period, either Party may refer such GGR Technical Dispute for determination by an Expert in accordance with the Expert Determination Procedure.

55.2 If, at any time during the Resolution Period, both Parties agree that the Senior Representatives of the Parties will not be able to agree, settle, compromise or resolve the Dispute, then:

(A) either Party may refer the Dispute (except for a GGR Technical Dispute) for resolution by an Arbitral Tribunal in accordance with the Arbitration Procedure or, if the Parties agree that such Dispute is amenable to determination by an Expert, refer the Dispute to an Expert for determination in accordance with the Expert Determination Procedure;

(B) either Party may refer a GGR Technical Dispute for determination by an Expert in accordance with the Expert Determination Procedure; and

(C) there shall be no requirement for the Parties to wait until the expiry of the Resolution Period before making any such reference.

55.3 Neither Party may commence the Expert Determination Procedure nor the Arbitration Procedure prior to the expiry of the Resolution Period except in the circumstances specified in Condition 55.2.

55.4 The rules, obligations and procedures set out in this Condition 55 (*Resolution by Senior Representatives*) shall apply to all Disputes unless expressly stated to the contrary in the GGR Contract.

56. EXPERT DETERMINATION PROCEDURE

56.1 Either Party may, subject to Condition 55 (*Resolution by Senior Representatives*), refer a Dispute to be determined by an Expert if either: (i) the Parties have agreed in writing that a Dispute is amenable to determination by an Expert pursuant to Condition 55.1(B) or Condition 55.2(A); or (ii) the GGR Contract expressly provides for the relevant Dispute to be determined by an Expert. Such referral shall be effected by either Party giving a notice (an **"Expert Determination Notice"**) to the other Party. An Expert Determination Notice shall:

(A) include the information required to be included in a Dispute Notice pursuant to Conditions 54.3(A) to 54.3(F); and

(B) include a proposal as to the identity and terms of reference of the Expert and the relevant expertise that the referring Party considers qualifies the proposed Expert to determine the relevant Expert Dispute.

56.2 Any Expert appointed to determine any Expert Dispute shall be required to have an appropriate level of experience in relation to matters of the same general description as the matter in Dispute.

56.3 The Party receiving the Expert Determination Notice (the **"Respondent"**) shall, no later than ten (10) Business Days after receipt of the Expert Determination Notice, give a notice (an **"Expert Determination Response Notice"**) to the other Party (the **"Claimant"**). An Expert Determination Response Notice shall specify whether or not the Respondent accepts:

(A) the Expert proposed by the Claimant (and, if the Respondent does not accept the Expert proposed by the Claimant, it shall specify an alternative Expert for consideration by the Claimant); and

(B) the terms of reference for the Expert proposed by the Claimant (and, if the Respondent does not accept the terms of reference for the Expert proposed by the Claimant, it shall propose alternative terms of reference for the Expert for consideration by the Claimant).

56.4 If the Parties fail to agree on the identity of the Expert within twenty (20) Business Days of the date of service of the Expert Determination Notice (or such other period as the Parties may agree in writing), either Party may request that the Expert be nominated by the LCIA, which shall be requested to choose a suitably qualified and experienced Expert for the Expert Dispute in question. The LCIA's nomination shall, subject to Condition 56.5(A)(i), be binding on the Parties.

56.5 The Parties shall:

(A) use reasonable endeavours to procure that no later than ten (10) Business Days after the Parties have agreed the identity of the Expert to be appointed (or the LCIA having nominated an Expert in accordance with Condition 56.4):

(i) the Expert confirms in writing to the Parties that:

(a) the Expert is willing and available to act in relation to the Expert Dispute; and

(b) the Expert has no conflict of interest which prevents the Expert from determining the Expert Dispute; and

(ii) (subject to the confirmation referred to in Condition 56.5(A)(i) having been given) the terms of appointment and the terms of reference of the Expert are agreed between the Parties and the Expert (and an appointment letter entered into among them), such terms:

(a) to include an undertaking that the Expert shall not disclose to any person any Supporting Information disclosed or delivered by a Party to the Expert in consequence of, or in respect of, their appointment as the Expert; and

(b) to exempt the Expert (and any employee, agent or adviser of or to the Expert) from liability for anything done or omitted in the discharge or purported discharge of the Expert's functions, unless such act or omission is fraudulent or in bad faith;

(B) instruct the Expert:

(i) to act fairly and impartially;

(ii) to reach their decision in accordance with the applicable Laws in relation to the Dispute referred to the Expert;

(iii) to take the initiative in ascertaining the facts and the law, including by:

(a) considering any Supporting Information submitted to the Expert by the Parties;

(b) instructing an expert and/or taking counsel's opinion as to any matter raised in connection with the Dispute, provided that the Expert shall not be entitled to delegate any decision to such expert or counsel;

(c) requiring the Parties to produce any Supporting Information (excluding any of the foregoing which would be privileged from production in court proceedings); and

(d) opening up, reviewing and revising any opinion, assessment, certificate, instruction, determination or decision of whatsoever nature given or made pursuant to the GGR Contract, provided that the Expert may not in so doing purport: (i) to open up, review or revise any matter determined pursuant to an earlier dispute under the Dispute Resolution Procedure or included with a negotiated settlement; or (ii) to decide any matter which falls outside the Expert's terms of reference in relation to the relevant Expert Dispute or is otherwise excluded from the Expert Determination Procedure; and

(iv) if requested by either Party in writing, to provide reasons for their decision, which shall be communicated to the Parties;

(C) afford the Expert the discretion to establish the procedure (including the timetable) for the determination of the Expert Dispute, it being agreed by the Parties that:

(i) the Expert shall be requested to confirm to the Parties the proposed procedure for the relevant Expert Dispute as soon as reasonably practicable after the Expert Appointment Date and, in any event, no later than ten (10) Business Days after such date and the Parties agree that:

(a) the Expert shall be requested to afford (and shall so afford) the Parties the opportunity to address the Expert in a meeting at which both Parties shall have the right to be present, where either Party requests such a meeting in writing or the Expert otherwise considers it to be necessary or desirable to reach a determination in respect of the relevant Expert Dispute, with the format and procedure applicable to any such meeting being a matter for the Expert to decide in their sole and absolute discretion;

(b) subject to (c) below, the Expert may modify the time periods provided for in Condition 56.6 and otherwise modify the procedure contemplated by such Condition; and

(c) any modification(s) to the time periods and/or procedure for the determination of an Expert Dispute shall not extend the overall timetable of the Expert Determination Procedure by more than sixty (60) Days without the agreement of both Parties;

(ii) all submissions made by a Party to the Expert (including all Supporting Information provided to the Expert) shall be provided to the other Party contemporaneously with such submissions being made to the Expert; and

(iii) the Parties shall (without prejudice to Condition 56.5(C)(i)) request the Expert to determine the Expert Dispute within the earlier of:

(a) thirty (30) Business Days following the date on which a Response Submission has been provided by the Respondent; and

(b) sixty (60) Business Days after the First Submission Deadline; and

(D) afford the Expert all Supporting Information and assistance which the Expert requires to determine the Expert Dispute (and, if a Party fails to produce any such Supporting Information or assistance, the Expert may continue the determination process without that Supporting Information or assistance).

56.6 Subject to Condition 56.5(C):

(A) the Claimant shall provide the Expert with a copy of the Expert Determination Notice no later than ten (10) Business Days after the Expert Appointment Date (the date on which the Expert receives the copy of the Expert Determination Notice being the **"Expert Referral Date"**);

(B) the Claimant shall provide a written statement of its case, together with any Supporting Information, to the Expert (the **"First Submission"**) no later than twenty (20) Business Days after the Expert Referral Date (the **"First Submission Deadline"**) and, without limitation, the First Submission may cover any of the matters required to be contained in the relevant Dispute Notice pursuant to Conditions 54.3(A) to 54.3(F) (inclusive) and shall include copies of any Supporting Information which the Claimant considers to be important and relevant and a copy of such First Submission shall be provided to the Respondent at the same time as it is provided to the Expert; and

(C) the Respondent may, but is not obliged to, submit a response to the Claimant's First Submission, together with any Supporting Information on which the Respondent intends to rely (a **"Response Submission"**) no later than thirty (30) Business Days after receipt of the First Submission.

56.7 The Arbitration Act 1996 and the law relating to arbitrators and arbitrations shall not apply to the Expert or their determination or the procedure by which the Expert reaches their determination.

56.8 If the Expert is at any time unable or unwilling to act or fails to come to a decision within the specified time allowed, either Party may proceed to seek the appointment of a replacement Expert as if the Expert Determination Notice had just been served. The provisions of the Expert Determination Procedure shall apply to any replacement Expert and the replacement Expert shall be authorised to determine any Expert Dispute which was submitted to their predecessor but which their predecessor had not determined at the time when their predecessor became unable or unwilling to act.

56.9 The Expert's determination shall be final and binding upon the Parties, except in the event of fraud or manifest error.

56.10 No Expert determination shall have the effect of amending the GGR Contract unless expressly permitted pursuant to the GGR Contract.

56.11 If either Party does not comply with the decision of the Expert, the other Party may commence proceedings in the English Courts to secure enforcement of that decision.

56.12 The Expert may, in their determination, provide that one or other or both of the Parties pay the Expert's fees and expenses and each other's costs (including the fees and expenses of external advisers and consultants) in such proportions as the Expert may specify on the general principle that the allocation of costs should reflect the Parties' relative success and failure in the Expert Determination Procedure. In the absence of such a direction, each Party shall bear its own costs and the fees and expenses of the Expert shall be paid in equal shares by the Parties.

57. ARBITRATION PROCEDURE

57.1 Either Party may, subject to Condition 55 (*Resolution by Senior Representatives*), refer an Arbitration Dispute to arbitration. Any Arbitration Dispute so 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 Condition 57.

57.2 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.

57.3 No Arbitral Award shall have the effect of amending the GGR Contract unless expressly permitted pursuant to the GGR Contract.

57.4 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"**).

57.5 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 chair; or

(B) one (1) Arbitrator, the Parties shall use reasonable endeavours to agree on the identity of the Arbitrator no later than ten (10) Business Days after the Mutual Appointment Decision, failing which the Arbitrator shall be appointed by the LCIA as contemplated by the LCIA Arbitration Rules.

57.6 The seat, or legal place, of any arbitration shall be London.

57.7 The language to be used in any arbitral proceedings shall be English.

57.8 This Condition 57 shall not apply to any GGR Technical Dispute.

58. CONSOLIDATION OF CONNECTED DISPUTES

58.1 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 any other CCUS Programme GGR Contract (each, a **"Connected Dispute"**);

(B) the Dispute Resolution Procedure has been commenced in relation to the Dispute; and

(C) a dispute resolution procedure under the other CCUS Programme GGR Contract 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 other CCUS Programme GGR Contract(s).

58.2 Where a Party wishes to consolidate Connected Disputes pursuant to Condition 58.1, 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 Expert or Arbitrator(s) (as relevant) 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 Expert or Arbitrator(s) have not been appointed at that date, forthwith upon appointment of the Expert or Arbitrator(s).

58.3 Following delivery of a Consolidation Request to every party who is to receive it under Condition 58.2, the Parties shall use reasonable endeavours (including cooperating with the parties to the other CCUS Programme GGR Contract(s)) to procure that the Expert or Arbitrator(s) (as relevant) of each Connected Dispute shall, within five (5) Business Days after the delivery of the Consolidation Request, determine between them whether:

(A) they are satisfied that the issues of both fact and/or law raised in each of the Connected Disputes are substantially the same as, or substantially connected or related to, each other; and

(B) consolidation of the Connected Disputes will not materially affect the timetable for resolution of any Connected Disputes.

58.4 If:

(A) the Expert(s) or Arbitrator(s) are so satisfied by majority and provide notice of that fact to the parties to all of the Connected Disputes; and

(B) the parties to the other CCUS Programme GGR Contract(s) consent to consolidation,

the Dispute may be consolidated with any relevant Connected Disputes (including, in the case of two (2) or more arbitrations, pursuant to the relevant provisions of the LCIA Arbitration Rules).

58.5 If the Expert(s) or Arbitrator(s) are not so satisfied by majority or one (1) or more parties to another CCUS Programme GGR Contract does not consent to the consolidation, the Dispute shall not be consolidated with the Connected Dispute under that contract.

58.6 If one or both of the Parties receive(s) one (1) or more notice(s) from a party or parties to one (1) or more other CCUS Programme GGR Contract(s) seeking to consolidate a dispute under the other CCUS Programme GGR Contract(s) with a Dispute under the GGR Contract for reasons similar to those set out in Condition 58.3 above, neither Party shall unreasonably withhold its consent to consolidation of the Dispute with the relevant dispute(s) under the other

CCUS Programme GGR Contract(s) and shall use reasonable endeavours to facilitate the consolidation of the disputes.

58.7 If there has been a request for consolidation, whether by way of Consolidation Request under the GGR Contract or an equivalent notice under one (1) or more other CCUS Programme GGR Contract(s) and it is determined that two (2) or more disputes shall be consolidated,

(A) the Parties shall use reasonable endeavours to procure that the outcome described in Condition 58.8 below is achieved; and

(B) neither Party shall unreasonably withhold consent to any reasonable proposal by a party to another CCUS Programme GGR Contract which has as its objective the procuring of an outcome equivalent to that described in Condition 58.8 below.

58.8 If different Experts or Arbitrators have been appointed in respect of Connected Disputes prior to their being consolidated in accordance with the Dispute Resolution Procedure and those Experts or Arbitrator(s) give a notice, in accordance with Condition 58.4, that the Connected Disputes shall be consolidated, the Parties shall use reasonable endeavours to agree in writing with each other and the parties to any relevant Connected Dispute, no later than five (5) Business Days after the giving of that notice, which of the Experts or Arbitrators shall be the Experts or Arbitrator(s) for the consolidated Connected Disputes. If no such agreement can be reached, the parties to the Dispute shall request that the president or vice-president of the LCIA court select, no later than five (5) Business Days after such request, which of those Experts or Arbitrator(s) shall be the Experts or Arbitrator(s) for the consolidated Connected Disputes, provided the parties to any relevant Connected Dispute(s) consent to this step.

58.9 If the Expert(s) or Arbitrator(s) of consolidated Connected Disputes is or are unable to give their award in respect of the consolidated Connected Disputes at the same time then the award in respect of the Dispute may be given in such order as the Expert(s) or Arbitrator(s) may determine.

58.10 This Condition 58 shall not apply to any GGR Technical Dispute .

59. NO OTHER PROCEEDINGS

59.1 Subject to Condition 59.2 and Condition 60.1, any and all Disputes are to be finally resolved in accordance with the Dispute Resolution Procedure, and neither Party shall commence any Proceedings in respect of a Dispute other than in accordance with the Dispute Resolution Procedure. If either Party commences any Proceedings in breach of the Dispute Resolution Procedure, it shall not oppose an application for strike-out, termination, discontinuance or stay of such Proceedings.

59.2 Notwithstanding any other provision of the Dispute Resolution Procedure, either Party may at any time:

(A) commence, prosecute and/or defend Proceedings against the other Party in the courts of England and Wales for:

(i) an order to obtain urgent injunctive or other equitable relief, including specific performance; and/or

(ii) a judgment to enforce a Senior Representatives Settlement, the determination of an Expert or an Arbitral Award; and/or

(B) give a notice of arbitration to the other Party so as to prevent the expiry of any applicable period of limitation or prescription, or the application of the equitable doctrine of laches.

60. GGR TECHNICAL DISPUTES[157]

60.1 GGR Technical Disputes shall be resolved in accordance with the Dispute Resolution Procedure (except for those provisions of the Dispute Resolution Procedure which are expressly stated not to apply to GGR Technical Disputes).

[157] **Note to Reader:** Measurement and metering disputes will likely be classified as GGR Technical Disputes – measurement and metering provisions in this version of the GGR Contract are pending development subject to further consideration by DESNZ.

Part 12
General provisions regarding liabilities, remedies and waivers

61. EXCLUDED LOSSES AND LIABILITIES

Interpretation

61.1 Any and all compensation in respect of any event to be calculated, agreed or determined, and paid, commenced or effected, pursuant to the GGR Contract shall be calculated on the basis that the Developer has complied, and will comply, with:

(A) the general mitigation obligation set out in Condition 61.3, irrespective of whether the Developer has in fact complied, or will comply, with such obligation; and

(B) the Reasonable and Prudent Standard, including with respect to the incurrence of costs in relation to the Project, irrespective of whether the Developer has in fact complied, or will comply, with such standard.

61.2 Any notification by the Developer to the GGR Contract Counterparty of the mitigating steps that the Developer has taken or proposes to take, in order to comply with the general mitigation obligation set out in Condition 61.3, or the Reasonable and Prudent Standard shall be of indicative value only and, as such, shall not be determinative of whether it has complied, or will comply, with such general mitigation obligation or Reasonable and Prudent Standard.

Mitigation

61.3 The Developer shall promptly take all reasonable steps to mitigate any loss or, as the case may be, maximise any benefit, in respect of which a claim could be brought under the GGR Contract or any other GGR Document (including by recommencing GGR Credit production as soon as reasonably practicable), provided that this obligation to mitigate shall not be construed as relieving the Developer from complying in full with its obligations under the GGR Contract or any other GGR Document.

61.4 The Developer shall give notice as soon as reasonably practicable to the GGR Contract Counterparty of the mitigating steps that it has taken or procured, is taking or procuring or proposes to take or procure and shall as soon as reasonably practicable provide such Supporting Information regarding such mitigation as the GGR Contract Counterparty may reasonably request.

No double recovery

61.5 The Developer may recover only once in respect of the same loss. The GGR Contract Counterparty shall not be liable to pay any compensation under any term of the GGR Contract to the extent that the subject of the claim has been compensated for, or the same loss has been recovered by the Developer under the GGR Contract, any other GGR Document and/or the Grant Funding Agreement.

61.6 If the Developer is at any time entitled to recover from a third party any sum (whether under a feedstock supply agreement, solvent and/or sorbent supply agreement, a power purchase agreement, a gas purchase agreement, a credit offtake agreement, an insurance policy or otherwise) in respect of any matter or circumstance giving rise to a claim under the GGR Contract, any other GGR Document and/or the Grant Funding Agreement, the Developer shall take all necessary steps to enforce such recovery.

61.7 If the Developer (or its nominee) recovers any amount from: (i) the GGR Contract Counterparty as a consequence of any claim under the GGR Contract or any other CCUS Programme GGR Contract to which it is a party; or (ii) such other person as is referred to in Condition 61.6:

(A) such amount shall be taken into account in the calculation of any compensation payable pursuant to the GGR Contract or any other GGR Document;

(B) no claim shall be made by the Developer pursuant to the GGR Contract or any other GGR Document in respect of the amounts so recovered; and

(C) if the Developer has previously received compensation in relation to the same claim, they or it shall pay promptly to the GGR Contract Counterparty an amount equal to the lesser of: (i) the amount so recovered; and (ii) the amount so previously received.

General limitation on liability

61.8 Subject to Condition 61.10, neither Party shall be liable to the other Party under or pursuant to the GGR Contract or any other GGR Document, in tort (including negligence and/or breach of statutory duty) or otherwise at law for:

(A) any loss, damage, cost or other expense to the extent that the same does not arise naturally from the breach and cannot reasonably be supposed to have been in the contemplation of the Parties at the Agreement Date as the probable result of such breach; 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,

61.9 in each case incurred by the other Party in respect of any breach of the terms of the GGR Contract or any other GGR Document.

61.10 Condition 61.8 shall not operate so as to prejudice or override:

(A) the express terms of any obligation to pay, indemnity or costs reimbursement provision contained within the GGR Contract or any other GGR Document;

(B) the express terms relating to the calculation of any QCiL Compensation or QCiL True-Up Compensation, or the obligation of either Party to pay any QCiL Compensation or QCiL True-Up Compensation to the other Party (or to commence or effect such compensation), in each case in accordance with Part 8 (*Changes in Law*);

(C) the express terms relating to the calculation of the Default Termination Payment or the obligation of the Developer to pay the Default Termination Payment to the GGR Contract Counterparty, in accordance with Condition 49.10, it being agreed that the GGR Contract Counterparty has a legitimate interest to which the Default Termination Payment is proportionate in light of factors including but not limited to the anticipated harm that the GGR Contract Counterparty would suffer and the difficulty of estimation or calculation of actual damages upon early termination of the GGR Contract;

(D) the express terms relating to the calculation of the T&S Termination Payment or the obligation of the GGR Contract Counterparty to pay the T&S Termination Payment to the Developer, in each case in accordance with Conditions 49.4 to 49.7 or

(E) the express terms relating to the calculation of T&S Connection Delay Compensation or T&S Connection Delay True-Up Compensation, or the obligation of the GGR Contract Counterparty to pay any T&S Connection Delay Compensation or T&S

Connection Delay True-Up Compensation, in each case in accordance with Condition 3.45 to 3.61.

T&S Operator actions

61.11 Except where expressly stated to the contrary, any payments to the Developer in respect of or pursuant to instructions issued by any T&S Operator shall not be calculated or made pursuant to the terms of the GGR Contract and the GGR Contract Counterparty shall have no liability pursuant to the GGR Contract to pay or compensate the Developer in respect of any resulting losses.

Electricity Transmission System Operator, Electricity Transmission Licensee or Electricity Licensed Distributor actions

61.12 Any payments to the Developer in respect of or pursuant to instructions issued by any Electricity Transmission System Operator, Electricity Transmission Licensee or Electricity Licensed Distributor shall not be calculated or made pursuant to the terms of the GGR Contract, and the GGR Contract Counterparty shall have no liability pursuant to the GGR Contract to pay or compensate the Developer in respect of any resulting lost supply.

Gas Licensed Transporter actions

61.13 Any payments to the Developer in respect of or pursuant to instructions issued by any Gas Licensed Transporter shall not be calculated or made pursuant to the terms of the GGR Contract, and the GGR Contract Counterparty shall have no liability pursuant to the GGR Contract to pay or compensate the Developer in respect of any resulting lost supply.

Water Licensed Operator actions

61.14 Any payments to the Developer in respect of or pursuant to instructions issued by any Water Licensed Operator shall not be calculated or made pursuant to the terms of the GGR Contract, and the GGR Contract Counterparty shall have no liability pursuant to the GGR Contract to pay or compensate the Developer in respect of any resulting lost supply.

62. NO WAIVER

62.1 No waiver by either Party of any breach by the other Party of the GGR Contract or any other GGR Document shall operate unless expressly made in writing, and no such waiver shall be construed as a waiver of any other breach.

62.2 No delay or omission by either Party in exercising any right, power or remedy provided by law or pursuant to the GGR Contract or any other GGR Document shall:

(A) affect that right, power or remedy; or

(B) operate as a waiver of it.

62.3 The single or partial exercise by either Party of any right, power or remedy provided by law or pursuant to the GGR Contract or any other GGR Document shall not, unless otherwise expressly stated, preclude any other or further exercise of it or the exercise of any other right, power or remedy.

62.4 Any legal privilege attaching to information or documents that are:

(A) made available by the Developer or its Representatives to the GGR Contract Counterparty or its Representatives remains for the benefit of the Developer; or

(B) made available by the GGR Contract Counterparty or its Representatives to the Developer or its Representatives remains for the benefit of the GGR Contract Counterparty,

and, in each case, disclosure is not intended to amount to a waiver of legal privilege.

63. CONSENTS

63.1 Any consents, confirmations, approvals, waivers or agreements to be given by the GGR Contract Counterparty pursuant to the GGR Contract or any other GGR Document:

(A) shall be effective only if given in writing; and

(B) except as otherwise expressly provided in the GGR Contract, may be given or withheld by the GGR Contract Counterparty in its sole and absolute discretion and, if given, may be given on and subject to such terms and/or conditions as the GGR Contract Counterparty may in its sole and absolute discretion determine.

63.2 The exercise of discretion by the GGR Contract Counterparty (including in respect of the grant or withholding of any consent, confirmation, approval, waiver or agreement) shall in no way limit the manner in or extent to which that discretion may be exercised in future or give rise to any amendment or modification to the GGR Contract or any other GGR Document.

64. ENTIRE AGREEMENT

64.1 The GGR Contract, together with the other GGR Documents, constitutes the entire agreement, understanding and representations of the Parties in respect of its subject matter and supersedes and extinguishes any agreements, understandings and/or representations previously given or made in respect thereof other than those included in the GGR Contract or the other GGR Documents.

64.2 Each Party acknowledges that in entering into the GGR Contract it has not relied on, and shall have no right or remedy in respect of, any draft, agreement, undertaking, representation, warranty, promise, assurance, arrangement or public statement of any nature whatsoever, whether or not in writing, relating to the subject matter of the GGR Contract or any other GGR Document made or given by or on behalf of either Party or the Secretary of State at any time prior to the Agreement Date (whether made negligently or innocently) other than as expressly set out in the GGR Contract or any other GGR Document.

64.3 Nothing in this Condition 64 (*Entire agreement*) shall limit or exclude liability for fraud.

65. PAYMENT DISRUPTION EVENT

Relief due to Payment Disruption Event

65.1 Subject to Condition 65.2, a Party affected by a Payment Disruption Event (a **"PDE Affected Party"**) shall be relieved from liability, and deemed not to be in breach of the GGR Contract (or any other GGR Document), for:

(A) any failure to pay (or delay in paying) to the other Party any sum due and payable pursuant to the GGR Contract (or any other GGR Document) (whether pursuant to an obligation to pay, an indemnity, a costs reimbursement provision or otherwise); and

(B) (in the case of the Developer) any failure to transfer, deliver, extend, renew or replace (or procure the transfer, delivery, extension, renewal or replacement of) Acceptable Collateral in accordance with Part 10 (*Credit Support*), or any delay in doing so, (such obligations **"PDE Obligations"**) in each case if and to the extent that such failure or delay is directly attributable to the occurrence and continuance of such Payment Disruption Event.

Conditions to Payment Disruption Event relief

65.2 The PDE Affected Party's relief from liability pursuant to Condition 65.1 is subject to and conditional upon:

(A) the PDE Affected Party giving notice as soon as reasonably practicable to the other Party of the nature and extent of the Payment Disruption Event causing its failure or delay in performance; and

(B) the PDE Affected Party using reasonable endeavours:

(i) to mitigate the effects of the Payment Disruption Event;

(ii) to carry out and perform its obligations under the GGR Contract (and each other GGR Document) in any way that is reasonably practicable; and

(iii) to pay the sum due and payable or transfer, deliver, extend, renew or replace Acceptable Collateral in accordance with Part 10 (*Credit Support*) (as relevant) immediately upon cessation of the Payment Disruption Event.

66. **FORCE MAJEURE**

Relief due to Force Majeure

66.1 Subject to the provisions of this Condition 66 (*Force Majeure*), a Party affected by Force Majeure (an **"FM Affected Party"**) shall:

(A) be relieved from liability, and deemed not to be in breach of the GGR Contract (or any other GGR Document), for any failure or delay in the performance of any of its obligations under the GGR Contract (or any other GGR Document) if and to the extent such failure or delay is directly attributable to the occurrence and continuance of such Force Majeure; and

(B) be entitled to an extension of one (1) or more of the Longstop Date, the Milestone Delivery Date and/or the Target Commissioning Window, for any delay to the Project if and to the extent such delay is directly attributable to the occurrence and continuance of such Force Majeure, subject to the requirements of the definition of that term.

66.2 Nothing in this Condition 66 (*Force Majeure*) shall relieve either Party from its obligations to perform or comply with any PDE Obligations.

66.3 Nothing in this Condition 66 (*Force Majeure*) shall affect the GGR Contract Counterparty's right to terminate the GGR Contract pursuant to Conditions 48.5 to 48.7 (*Termination for Prolonged Force Majeure*) and, subject to Condition 48.26, Conditions 48.22 to 48.26 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*).

Conditions to Force Majeure relief

66.4 The FM Affected Party's relief from liability and/or entitlement to an extension of any of the Longstop Date, the Milestone Delivery Date and/or the Target Commissioning Window pursuant to Condition 66.1 is subject to and conditional upon (and in the case of 66.1(B) shall only be available to the extent that the failure or delay in performance and/or delay to the Project could not have been avoided by):

(A) the FM Affected Party giving notice as soon as reasonably practicable to the other Party (the **"Non-affected Party"**) in writing of the nature and extent of: (i) any Force Majeure of which it is aware which it considers will or is likely to cause its failure or delay in performance and/or delay to the Project; and (ii) any Force Majeure that has caused or is causing failure or delay in performance and/or delay to the Project; and

(B) the FM Affected Party using reasonable endeavours:

(i) to mitigate the effects of the Force Majeure (including delay to the Project);

(ii) to carry out its obligations under the GGR Contract and each other GGR Document (as applicable) in any way that is reasonably practicable; and

(iii) to resume the performance of its obligations under the GGR Contract and each other GGR Document (as applicable) as soon as reasonably practicable.

Provision of Force Majeure information

66.5 In addition to its notification obligation pursuant to Condition 66.4, the FM Affected Party shall give notice as soon as reasonably practicable to the Non-affected Party in writing (to the extent that such Information is available to the FM Affected Party) of:

(A) the steps being taken by the FM Affected Party to remove or mitigate the effect of the Force Majeure (including delay to the Project) and to carry out its obligations under the GGR Contract (or the relevant GGR Document);

(B) the anticipated date of resumption of performance of its obligations under the GGR Contract (or the relevant GGR Document); and

(C) such other details relating to the Force Majeure and its effects (including delay to the Project) as may be reasonably requested by the Non-affected Party,

and, to the extent that such Information is not available at the time a notice is given, the FM Affected Party shall provide such Information to the Non-affected Party as soon as it becomes available to it.

66.6 The FM Affected Party shall give notice to the Non-affected Party every twenty (20) Business Days:

(A) of any update to the Information provided pursuant to Condition 66.5 and shall give notice as soon as reasonably practicable to the Non-affected Party upon it becoming aware of any material developments or additional material Information relating to the Force Majeure and its effects; and

(B) where the Force Majeure is a continuing one, that it is continuing, accompanied by an explanation and Information to show that the events or circumstances concerned continue to meet all of the requirements of the definition of Force Majeure.

67. SEVERABILITY

If any provision or part of a provision of the GGR Contract or any other GGR Document is or becomes illegal, invalid or unenforceable in any respect in any jurisdiction, that shall not affect or impair:

(A) the legality, validity or enforceability in that jurisdiction of any other provision of the GGR Contract or of any other GGR Document; or

(B) the legality, validity or enforceability in other jurisdictions of that or any other provision of the GGR Contract or of any other GGR Document.

68. LIMITED RECOURSE ARRANGEMENTS, UNDERTAKINGS AND ACKNOWLEDGEMENTS

GGR Contract Counterparty payment undertakings

68.1 For the purpose of Conditions 68.2 to 68.8, references in Conditions 68.2 to 68.5 to "liabilities" shall be construed as if the limited recourse provisions set out in Condition 68.7 do not apply.

68.2 The GGR Contract Counterparty shall make appropriate requests to HMG on the basis provided for by any Funding Mechanism for the purpose of ensuring that it is in sufficient funds to meet its liabilities in full pursuant to the GGR Contract.

68.3 The GGR Contract Counterparty shall, to the extent consistent with the GGR Contract Counterparty's proper exercise of its functions and duties pursuant to the EA 2023 or any other statutory function or duty, as soon as reasonably practicable:

(A) notify HMG of any sum which HMG is required to pay to the GGR Contract Counterparty and which has not been paid by the date on which it is required to be paid, in each case including (where relevant) by virtue of the Funding Mechanism, and which is necessary to ensure that the GGR Contract Counterparty can meet its liabilities in full pursuant to the GGR Contract; and

(B) notify the Secretary of State if the GGR Contract Counterparty has reason to believe that it will have insufficient funds available to make when due the totality of the payments to developers that are required pursuant to CCUS Programme GGR Contracts.

68.4 The GGR Contract Counterparty shall notify the Developer if it is of the opinion that it will have insufficient funds to meet its liabilities in full pursuant to the GGR Contract.

68.5 The GGR Contract Counterparty agrees that in circumstances where the GGR Contract Counterparty has failed to pay an amount on the due date thereof pursuant to the GGR Contract:

(A) damages alone would not be an adequate remedy for any breach by it of its obligations set out in Condition 68.3(A);

(B) accordingly, the Developer will be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach by the GGR Contract Counterparty of its obligations set out in Condition 68.3; and

(C) it will not raise any objection to an application by the Developer for any such remedies.

68.6 Without prejudice to Condition 68.7, the maximum liability of the GGR Contract Counterparty in respect of breach by it of Condition 68.2, Condition 68.3 or Condition 68.4 shall be limited to an amount equivalent to the Default Interest on the amount which has not been paid by the GGR Contract Counterparty to the Developer pursuant to the GGR Contract by reason of the relevant breach for the period from what would have been the date of payment but for such breach to the date of actual payment, provided that the limit of liability in this Condition 68.6 shall not apply where the breach is caused by the gross negligence or wilful misconduct of the GGR Contract Counterparty.

Limited recourse

68.7 Notwithstanding any other provision of the GGR Contract:

(A) the liability of the GGR Contract Counterparty pursuant to the GGR Contract shall not exceed the aggregate of the amounts from time to time received and held by the GGR Contract Counterparty, and allocated to the GGR Contract, including (where relevant) in accordance with the Funding Mechanism; and

(B) the GGR Contract Counterparty shall not be in default pursuant to the GGR Contract in not making any payment that is due and owing if and to the extent that it shall not have received the amounts and other funds referred to in Condition 68.7(A) which are necessary to make such payment, but if and to the extent that such payment is not made, the GGR Contract Counterparty shall continue to owe an amount equal to the amount of the payment due and owing but not paid and shall make such payment promptly and in any event within two (2) Business Days after and to the extent of its receipt of such corresponding and allocated amounts and other funds.

Damages for breach

68.8 The Parties acknowledge and agree that:

(A) the GGR Contract Counterparty shall have full right and liberty to recover from the Developer any loss, damage, cost or expense suffered or incurred by the GGR Contract Counterparty as a result of a breach by the Developer of the GGR Contract or any other GGR Document and for this purpose no regard shall be had to the right or ability (if any) of the GGR Contract Counterparty to recover such loss, damage, cost or expense from HMG or any other person including (where relevant) in accordance with the Funding Mechanism; and

(B) to the extent that any such loss, damage, cost or expense is recovered by the GGR Contract Counterparty from the Developer, it is the intent that the GGR Contract Counterparty will not keep those amounts but will:

(i) use such amounts to make good any loss, damage, cost or expense suffered or incurred by the GGR Contract Counterparty;

(ii) pass or return those amounts to HMG or other person(s) as directed by HMG; and/or

(iii) use such amounts for the benefit of HMG or other person(s).

Part 13
Confidentiality, announcements and freedom of information

69. CONFIDENTIALITY

Confidentiality restrictions: application to the terms of the GGR Contract

69.1 Subject to Condition 70 (*Announcements*), the Parties agree that the provisions of the GGR Contract shall not be treated as Confidential Information and may be disclosed without restriction.

Developer Confidential Information

69.2 The GGR Contract Counterparty shall keep all Developer Confidential Information confidential and shall not disclose Developer Confidential Information without the prior written consent of the Developer, other than as permitted by Condition 69.3 or to fulfil the GGR Contract Counterparty Permitted Purposes.

69.3 Condition 69.2 shall not prevent the disclosure of Developer Confidential Information by the GGR Contract Counterparty:

(A) on a confidential basis:

(i) to its Representatives to enable or assist the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes;

(ii) to any Transferee to fulfil the GGR Contract Counterparty Permitted Purposes;

(iii) to any person engaged in providing services to the GGR Contract Counterparty to enable or assist the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes;

(iv) to any Government Entity (or to its Representatives or to any person engaged in providing services to such Government Entity) where the GGR Contract Counterparty considers such disclosure is required to enable or assist:

(a) the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes; or

(b) such person to: (i) fulfil any of its functions arising out of or in connection with the GGR Contract or for the purposes of any other CCUS Programme GGR Contract or any other GGR Document; (ii) perform any function ancillary or related to its functions arising out of or for the purposes of the GGR Contract or any other CCUS Programme GGR Contract or any other GGR Document or the CCUS Programme; or (iii) fulfil any functions, duties or obligations arising by virtue of or pursuant to the EA 2023;

to a GGR Credit Issuing Body, T&S Operator, the Economic Regulator, the GGR Contract Settlement Services Provider or the Secretary of State (or to their respective Representatives) to the extent that the GGR Contract Counterparty considers such disclosure is necessary to enable or assist: (a) the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes; or (b) such person to fulfil or perform any of its functions, duties or obligations arising out of or in connection with the GGR Contract or for the purposes of any other CCUS Programme GGR Contract or GGR Document or to fulfil or perform any ancillary or related function, duty or obligation (including any such functions, duties or obligations arising by virtue of or pursuant to the EA 2023),provided that: (i) the GGR Contract Counterparty shall use reasonable endeavours to inform the recipient of the Developer Confidential Information of the GGR Contract Counterparty's obligations pursuant to Condition 69.2; and (ii) in the case of disclosure of Developer Confidential Information pursuant to Condition 69.3(A)(i), Condition 69.3(A)(ii) or Condition 69.3(A)(iii), the GGR Contract Counterparty shall ensure that the recipient of the Developer Confidential Information shall be subject to substantially the same obligation of confidentiality as contained in Condition 69.2;

(B) to enable a Dispute to be instigated, progressed, consolidated with other disputes, settled or determined pursuant to and in accordance with the Dispute Resolution Procedure (except where the relevant Developer Confidential Information has been provided on a "without prejudice" or "without prejudice save as to costs" basis);

(C) (subject to Condition 69.4) to Parliament or to any Parliamentary committee, but only if and to the extent that the GGR Contract Counterparty considers such disclosure is required to enable or assist it to fulfil any GGR Contract Counterparty Permitted Purpose;

(D) (subject to Condition 69.4) to any Secretary of State to enable or assist the Secretary of State to make a disclosure to Parliament or to any Parliamentary committee, but only if and to the extent that the Secretary of State has notified the GGR Contract Counterparty that such disclosure is required to enable or assist the Secretary of State to fulfil its functions;

(E) (subject to Condition 69.4) to any Secretary of State to enable or assist the Secretary of State to make a disclosure to a Subsidy Control Competent Authority or other Competent Authority or otherwise to comply with the Subsidy Control Rules, but only if and to the extent that the GGR Contract Counterparty considers (or the Secretary of State has notified the GGR Contract Counterparty that) such disclosure is required in connection with the application of the Subsidy Control Rules or in connection with any decision by a Subsidy Control Competent Authority relating to those rules;

(F) (subject to Condition 69.4) to a Subsidy Control Competent Authority or other Competent Authority or an interested party under the Subsidy Control Rules, but only if and to the extent that the GGR Contract Counterparty considers such disclosure is necessary in connection with the application of the Subsidy Control Rules or in connection with any decision by a Subsidy Control Competent Authority relating to those rules;

(G) (subject to Condition 69.4) which is required to comply with any Law or Directive having the force of law or, if not having the force of law, compliance with which is in accordance with accepted general practice;

(H) (subject to Condition 71 (*Freedom of information*)) which is required:

(i) by the FoIA; or

(ii) by the EIR;

(I) to the National Audit Office for the purpose of any examination pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the GGR Contract Counterparty has used its resources;

(J) that is otherwise expressly permitted pursuant to the terms, or required for the operation or fulfilment, of the GGR Contract or any other GGR Document; or

(K) to any Secretary of State or Government Entity to enable or assist the Secretary of State or Government Entity to: (i) make a disclosure to the European Commission or other Competent Authority in order to fulfil a legal obligation and/or (ii) facilitate transparent public reporting by the Secretary of State or Government Entity; and the Developer acknowledges and agrees that such Information may be published by the Secretary of State, Government Entity, European Commission and/or any other Competent Authority.

69.4 Prior to any disclosure of Developer Confidential Information by the GGR Contract Counterparty pursuant to any of Condition 69.3(C), Condition 69.3(D), Condition 69.3(E), Condition 69.3(F) and Condition 69.3(G), the GGR Contract Counterparty shall use reasonable endeavours to give notice to the Developer of the Developer Confidential Information to be disclosed, provided that:

(A) it is lawful and reasonably practicable in the circumstances to do so; and

(B) in the case of any disclosure pursuant to Condition 69.3(C) or Condition 69.3(D), it is not inconsistent with Parliamentary convention.

Developer acknowledgements and undertakings: request for Information

69.5 Subject to Condition 69 (*Confidentiality*), the Developer acknowledges and agrees that the GGR Contract Counterparty shall be permitted to request Information relating to the Developer and/or the Project from any Government Entity and/or Competent Authority to enable or assist the GGR Contract Counterparty to fulfil the GGR Contract Counterparty Permitted Purposes.

GGR Contract Counterparty: insider dealing and market abuse

69.6 The Developer shall consult with the GGR Contract Counterparty in good faith, from time to time upon request by the GGR Contract Counterparty, in relation to whether Developer Confidential Information held by the GGR Contract Counterparty (or its Representatives) constitutes at that time Inside Information. Nothing in this Condition 69.6 is intended to or shall result in the Developer or any of its Representatives: (i) incurring any liability whatsoever under or in respect of the GGR Contract Counterparty's (or any of its Representatives') obligations and responsibilities pursuant to the FSMA or the CJA, or (ii) being obliged to consult with the GGR Contract Counterparty on Developer Confidential Information to be provided to the GGR Contract Counterparty which constitutes (or may constitute) "inside information" (within the meaning of section 118C of the FSMA or section 56 of the CJA) in respect of any person other than the Developer or any members of its Group.

GGR Contract Counterparty: liability for Representatives and service providers

69.7 The GGR Contract Counterparty shall be responsible for:

(A) any failure by its current or former Representatives or any person to whom Developer Confidential Information is disclosed pursuant to Condition 69.3(A)(ii) or Condition 69.3(A)(iii) to comply with Condition 69.2 as if they were subject to it; and

(B) any use by its current or former Representatives or any person to whom Developer Confidential Information is disclosed pursuant to Condition 69.3(A)(ii) or Condition 69.3(A)(iii), of any Developer Confidential Information in breach of Condition 69.2 as if they were subject to it.

GGR Contract Counterparty Confidential Information

69.8 The Developer shall keep all GGR Contract Counterparty Confidential Information confidential and shall not disclose GGR Contract Counterparty Confidential Information without the prior written consent of the GGR Contract Counterparty other than as permitted by Condition 69.9 or to fulfil the Developer Permitted Purposes.

69.9 Condition 69.8 shall not prevent the disclosure of GGR Contract Counterparty Confidential Information by the Developer:

(A) on a confidential basis:

(i) to its Representatives to enable or assist the Developer to fulfil the Developer Permitted Purposes;

(ii) to members of its Group (and their respective Representatives) to enable or assist the Developer to fulfil the Developer Permitted Purposes;

(iii) to any Transferee to fulfil the Developer Permitted Purposes;

(iv) to providers or prospective providers to the Developer of debt financing, refinancing or credit support and their professional advisers, provided that such disclosure is restricted to Information necessary for the purposes of assessing the provision or potential provision of such financing, refinancing or credit support;

(v) to *bona fide* prospective purchasers of the Facility, provided that such disclosure is restricted to Information necessary for the purpose of assessing such potential purchase;

(vi) to any GGR Credit Issuing Body, T&S Operator, the Economic Regulator or the GGR Contract Settlement Services Provider (or to their respective Representatives) to the extent that the Developer considers such disclosure is required to enable or assist: (a) the Developer to fulfil the Developer Permitted Purposes; or (b) such person to fulfil or perform any of its functions, duties or obligations arising out of or in connection with the GGR Contract or any other CCUS Programme GGR Contract or to fulfil or perform any ancillary or related function, duty or obligation (including any such functions, duties or obligations arising by virtue of or pursuant to the EA 2023);

(vii) for the purposes of:

(a) the examination and certification by its auditors of the Developer's accounts; or

(b) complying with a proper request from the Developer's insurance adviser or insurer on placing or renewing any insurance policies,

provided that: (i) the Developer shall use reasonable endeavours to inform the recipient of the GGR Contract Counterparty Confidential Information of the Developer's obligations pursuant to Condition 69.8; and (ii) in the case of disclosure of GGR Contract Counterparty Confidential Information pursuant to Condition 69.9(A)(i), Condition 69.9(A)(ii), Condition 69.9(A)(iii), Condition 69.9(A)(iv) or Condition 69.9(A)(v), the Developer shall ensure that the recipient of the GGR Contract Counterparty Confidential Information shall be subject to substantially the same obligation of confidentiality as contained in Condition 69.8;

(B) to enable a Dispute to be instigated, progressed, consolidated with other disputes, settled or determined pursuant to and in accordance with the Dispute Resolution Procedure (except where the relevant GGR Contract Counterparty Confidential Information has been provided on a "without prejudice" or "without prejudice save as to costs" basis);

(C) (subject to Condition 69.10) which is required to comply with any Law or Directive (including the rules of any securities exchange, clearing system or regulatory body) having the force of law or, if not having the force of law, compliance with which is in accordance with the general practice of the Developer; or

(D) that is otherwise expressly permitted pursuant to the terms, or required for the operation or fulfilment, of the GGR Contract or any other GGR Document.

69.10 Prior to any disclosure of GGR Contract Counterparty Confidential Information by the Developer pursuant to Condition 69.9(C), the Developer shall use reasonable endeavours to give notice to the GGR Contract Counterparty of the GGR Contract Counterparty Confidential Information to be disclosed, provided that it is lawful and reasonably practicable in the circumstances to do so.

Developer: liability for Representatives and service providers

69.11 The Developer shall be responsible for:

(A) any failure by its current or former Representatives or any person to whom GGR Contract Counterparty Confidential Information is disclosed pursuant to Condition 69.9(A)(ii), Condition 69.9(A)(iii), Condition 69.9(A)(iv) or Condition 69.9(A)(v) to comply with Condition 69.9 as if they were subject to it;

(B) any use by its current or former Representatives or any person to whom GGR Contract Counterparty Confidential Information is disclosed pursuant to Condition 69.9(A)(ii) or Condition 69.9(A)(iii), of any GGR Contract Counterparty Confidential Information in breach of Condition 69.8 as if they were subject to it; and

(C) any failure by any person to whom GGR Contract Counterparty Confidential Information is disclosed pursuant to Condition 69.9(A)(iv) or Condition 69.9(A)(v) to comply with the restrictions on usage of GGR Contract Counterparty Confidential Information provided for in such Conditions.

No licence

69.12 No right or licence is granted to any person in relation to any Confidential Information save as explicitly set out in this Condition 69 (*Confidentiality*).

70. ANNOUNCEMENTS

No announcements

70.1 The Developer:

(A) shall not, and shall ensure that its directors, officers and employees do not; and

(B) shall use reasonable endeavours to ensure that each of its other current or former Representatives and each member of its Group (and their respective Representatives) do not, make, publish, issue or release any announcement or public statement in relation to, or which refers to, the GGR Contract or any other GGR Document or any related or ancillary matter, without the express prior consent of the GGR Contract Counterparty (such consent not to be unreasonably withheld or delayed).

Developer permitted announcements

70.2 Notwithstanding Condition 70.1 (*No announcements*):

(A) the Developer (and its directors, officers and employees) may make, publish, issue or release any announcement or public statement in relation to, or which refers to, the GGR Contract or any other GGR Document or any related or ancillary matter if and to the extent required by any Law or Directive (including the rules of any securities exchange, clearing system or regulatory body) having the force of law or, if not having the force of law, compliance with which is in accordance with the general practice of the Developer, provided that:

(i) the Developer shall use (and shall procure that its directors, officers and employees shall use) reasonable endeavours to agree the contents of such announcement or public statement with the GGR Contract Counterparty before it is made, published, issued or released (such consent not to be unreasonably withheld or delayed); or

(ii) if the contents of such announcement or public statement are not able to be agreed before the making, publishing, issuing or releasing of such announcement or public statement, notify the GGR Contract Counterparty of such announcement or public statement immediately following its being made, published, issued or released; and

(B) neither the Developer (nor any of its directors, officers or employees) shall be precluded from making, publishing, issuing or releasing any announcement or publication in relation to, or which refers to, the GGR Contract or any other GGR Document or any related or ancillary matter if such announcement or publication:

(i) does not contain any GGR Contract Counterparty Confidential Information;

(ii) will not hinder, preclude, prejudice or otherwise adversely affect or impact upon the GGR Contract Counterparty Permitted Purposes or the GGR Contract Counterparty's ability to fulfil the GGR Contract Counterparty Permitted Purposes (whether in relation to the GGR Contract or any other CCUS Programme GGR Contract);

(iii) does not relate or refer to any fact, matter or circumstance in respect of a Dispute or which will, or is reasonably likely to, give rise to a Dispute (whether in relation to the GGR Contract or any other CCUS Programme GGR Contract); and

(iv) will not hinder, preclude, prejudice or otherwise adversely affect or impact upon:

(a) the allocation by the Secretary of State or the GGR Contract Counterparty of CCUS Programme GGR Contracts or Other CCUS Programme Contracts, including any competitive allocation process in relation thereto;

(b) any application by any person for a CCUS Programme GGR Contract or Other CCUS Programme Contract, provided that the Developer shall notify the GGR Contract Counterparty of such announcement or public statement immediately following its being made, published, issued or released.

70.3 Condition 70.2 shall apply (with the necessary modifications) to any announcement or public statement made, published, issued or released (or proposed to be so made, published, issued or released) by any of the persons referenced in Condition 70.1(B).

GGR Contract Counterparty permitted announcements

70.4 The GGR Contract Counterparty may make, publish, issue or release any announcement or public statement in relation to, or which refers to, the GGR Contract or any other GGR Document or any related or ancillary matter that it considers to be necessary, desirable or appropriate (acting reasonably), provided that, if and to the extent that such announcement or statement contains any Developer Confidential Information, the making, publication, issue or release of such announcement or public statement does not breach Condition 69 (*Confidentiality*).

Publication of GGR Register Information

70.5 Nothing in Condition 69 (*Confidentiality*) shall restrict or prevent the publication by the GGR Contract Counterparty of any GGR Register Information or any other information which in its opinion would facilitate the administration of the GGR Contract.

70.6 The Developer may make representations in respect of any information that the Developer considers (acting reasonably) should be excluded from publication on the basis that such information is commercially sensitive, and the GGR Contract Counterparty may (but shall not be obliged to) take into consideration any such representations prior to publishing the relevant information.

71. **FREEDOM OF INFORMATION**

Developer acknowledgements and undertakings

71.1 The Developer acknowledges and agrees that the GGR Contract Counterparty:

(A) is subject to the requirements of the FoIA and the EIR;

(B) may be obliged under the FoIA or the EIR to disclose Developer Confidential Information:

(i) in certain circumstances without consulting or obtaining consent from the Developer; or

(ii) following consultation with the Developer and having taken their views into account,

provided always that where (i) above applies the GGR Contract Counterparty shall draw this to the attention of the Developer prior to any disclosure; and

(C) shall be responsible for determining in its absolute discretion (subject to any decision of the Information Commissioner following an application under section 50 of the FoIA and the outcome of any subsequent appeal to the Tribunal if applicable), whether the FoIA Information it holds (or that is held on its behalf) that is the subject of a Request for Information:

(i) is exempt or excepted from disclosure pursuant to the FoIA or the EIR, as appropriate; or

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

and, for the purposes of this Condition 71.1(C), any notification to the GGR Contract Counterparty which identifies FoIA Information as being Developer Confidential Information is of indicative value only and the GGR Contract Counterparty may nevertheless be obliged to disclose such FoIA Information in accordance with the requirements of the FoIA and the EIR.

71.2 The Developer:

(A) shall not, and shall ensure that its directors, officers and employees do not; and

(B) shall use reasonable endeavours to ensure that each of its other current or former Representatives and each member of its Group (and their respective Representatives) do not,

respond directly to a Request for Information unless expressly authorised to do so in writing by the GGR Contract Counterparty.

71.3 The Developer undertakes to assist and co-operate with the GGR Contract Counterparty, at the Developer's cost, to enable the GGR Contract Counterparty to comply with its obligations pursuant to the FoIA and the EIR.

Requests for Information: procedure

71.4 If the GGR Contract Counterparty receives a Request for Information in relation to FoIA Information that the Developer is holding on behalf of the GGR Contract Counterparty and which the GGR Contract Counterparty does not hold itself, the GGR Contract Counterparty shall notify the Developer as to the FoIA Information to which the Request for Information relates and the Developer shall:

(A) as soon as reasonably practicable (and in any event within five (5) Business Days, or such longer period as is specified by the GGR Contract Counterparty, after the GGR Contract Counterparty's request) provide the GGR Contract Counterparty with a copy of all such FoIA Information in the form that the GGR Contract Counterparty requests; and

(B) provide all assistance reasonably requested by the GGR Contract Counterparty in respect of any such FoIA Information to enable the GGR Contract Counterparty to respond to a Request for Information within the time for compliance set out in section 10 of the FoIA or regulation 5 of the EIR.

71.5 Following notification under Condition 71.4 and until the Developer has provided the GGR Contract Counterparty with all the FoIA Information specified in Condition 71.4(A), the Developer may make representations to the GGR Contract Counterparty whether or on what basis the FoIA Information requested should be disclosed, and whether further Information should reasonably be provided to identify and locate the FoIA Information requested.

71.6 The Developer shall ensure that all FoIA Information held on behalf of the GGR Contract Counterparty is retained for disclosure and shall permit the GGR Contract Counterparty to inspect such FoIA Information as requested from time to time.

71.7 If the Developer receives a Request for Information in relation to the GGR Contract Counterparty or in connection with the GGR Contract, the Developer shall as soon as reasonably practicable and in any event within two (2) Business Days after receipt forward such Request for Information to the GGR Contract Counterparty, and this Condition 71 (*Freedom of information*) shall apply as if the Request for Information had been received by the GGR Contract Counterparty.

Publication schemes

71.8 Nothing in this Condition 71 (*Freedom of information*) shall restrict or prevent the publication by the GGR Contract Counterparty of any FoIA Information in accordance with:

(A) any publication scheme (as defined in the FoIA) adopted and maintained by the GGR Contract Counterparty in accordance with the FoIA;

(B) any model publication scheme applicable to the GGR Contract Counterparty as may be approved by the Information Commissioner; or

(C) the obligation to proactively release information under Regulation 4(1)(a) of the EIR,

provided that, in deciding whether to publish Developer Confidential Information in accordance with any such publication scheme or model publication scheme, the GGR Contract Counterparty shall take account of whether such Developer Confidential Information would be exempt from disclosure pursuant to the FoIA or the EIR.

Part 14
Miscellaneous

72. INTELLECTUAL PROPERTY RIGHTS

Retention of Intellectual Property Rights

72.1 Nothing in the GGR Contract shall transfer any ownership of any Intellectual Property Rights acquired or developed by or on behalf of any Party, whether pursuant to or independently from (and whether before or during the term of) the GGR Contract, any other GGR Document or (in the case of the GGR Contract Counterparty) any other CCUS Programme GGR Contract.

Licence of Intellectual Property Rights

72.2 Each Party hereby grants to the other Party with effect from the Agreement Date and subject to Condition 72.3(B) for the duration of the Term, a licence of any Intellectual Property Rights that are created by it, or on its behalf, pursuant to the terms of the GGR Contract, any other GGR Document or (in the case of the GGR Contract Counterparty) any other CCUS Programme GGR Contract that:

(A) it owns; or

(B) is licensed to it (but only to the extent that it has the right to sub-license such Intellectual Property Rights),

on a non-exclusive, royalty-free, non-transferable basis and (subject to Condition 72.3) solely for the GGR Contract Counterparty Restricted Purposes (in the case of the GGR Contract Counterparty as licensee) or the Developer Permitted Purpose (in the case of the Developer as licensee).

72.3 The licence granted pursuant to Condition 72.2 shall:

(A) permit each Party to sub-license to the extent required for the GGR Contract Counterparty Restricted Purposes (in the case of the GGR Contract Counterparty as licensee) or the Developer Permitted Purpose (in the case of the Developer as licensee); and

(B) permit each Party to use and sub-license the Intellectual Property Rights after expiry or termination of the GGR Contract, but only for the GGR Contract Counterparty Restricted Purposes (in the case of the GGR Contract Counterparty) or the Developer Permitted Purpose (in the case of the Developer).

Indemnity for infringement of Intellectual Property Rights

72.4 The Developer shall promptly on demand from time to time indemnify the GGR Contract Counterparty, and keep the GGR Contract Counterparty fully and effectively indemnified, against all liabilities, costs, expenses, damages and losses (including legal costs) incurred in respect of any actual infringement of third party Intellectual Property Rights arising from the use by the GGR Contract Counterparty (or any entity that is sub-licensed in accordance with Condition 72.3) of Intellectual Property Rights licensed to the GGR Contract Counterparty by the Developer pursuant to Condition 72.2, provided that such infringement has arisen from the use of such Intellectual Property Rights in accordance with the GGR Contract Counterparty Restricted Purposes.

72.5 The GGR Contract Counterparty shall promptly on demand from time to time indemnify the Developer, and keep the Developer fully and effectively indemnified, against all liabilities, costs, expenses, damages and losses (including legal costs) incurred in respect of any actual infringement of third party Intellectual Property Rights arising from the use by the Developer (or any entity that is sub-licensed in accordance with Condition 72.3(A)) of Intellectual Property Rights licensed to the Developer by the GGR Contract Counterparty pursuant to Condition 72.2, provided that such infringement has arisen from the use of such Intellectual Property Rights in accordance with the Developer Permitted Purpose.

73. MAINTENANCE AND RETENTION OF RECORDS

73.1 The Developer shall maintain or procure that detailed records relating to the Project are maintained in accordance with the Reasonable and Prudent Standard and any applicable Law.

73.2 The records referred to in this Condition 73 (*Maintenance and retention of records*) shall be retained by the Developer for the Term of the GGR Contract and for at least ten (10) years following the expiry or termination of the GGR Contract.

74. CYBER SECURITY

74.1 The Developer shall, at all times during the Term:

(A) comply with the Information Security Laws;

(B) implement and maintain appropriate and industry standard physical and data security measures to manage the risks posed to the security of networks and data including the Information Systems, the Automated Data System and GGR Contract Counterparty Data (the **"Security Measures"**);

(C) limit access to the Information Systems and the Automated Data System to such of its authorised personnel that requires access to such systems;

(D) provide access to the Information Systems and the Automated Data System for such personnel of the GGR Contract Counterparty that require access to such systems in order to exercise the rights of the GGR Contract Counterparty pursuant to and as contemplated by the terms of the GGR Contract;

(E) ensure that all Representatives of the Developer or other personnel authorised by the Developer with access to GGR Contract Counterparty Data, the Information Systems and the Automated Data System are subject to a contractual duty of confidence and are aware of, understand and comply with the Developer's obligations pursuant to this Condition 74 (*Cyber security*);

(F) comply with the Cyber Security Standards (or an equivalent standard or accreditation agreed by the Parties, acting reasonably) and provide the GGR Contract Counterparty with a copy of any certificate of compliance with such standards, as required by the GGR Contract Counterparty from time to time; and

(G) ensure that it is, and remains during the Term, compliant with ISO 27035.

74.2 The Developer shall test the Security Measures regularly to assess the effectiveness of the requirements in ensuring the security, confidentiality, integrity, availability and resilience of the Information Systems, the Automated Data System and the GGR Contract Counterparty Data.

74.3 The Developer shall maintain written records of all security testing carried out in accordance with Condition 74.2 above and shall make such records available to the GGR Contract Counterparty on request.

74.4 Notwithstanding any other provisions of this GGR Contract, each Party shall use all reasonable endeavours to ensure that no Virus is introduced into any of the other Party's Information Systems, or into any systems used and/or owned by the other Party, as a result of:

(A) the Automated Data System; and/or

(B) any acts or omissions of that Party (and/or any of its Representatives).

74.5 If a Virus is found to have been coded or otherwise introduced because of the action or inaction of a Party (and/or any of its respective Representatives), that Party shall immediately and at its own cost:

(A) take all necessary remedial action to (i) identify, contain the spread of and minimise the impact of the Virus, and (ii) where possible, eliminate the Virus; and

(B) if the Virus causes a loss of operational efficiency and/or any loss of GGR Contract Counterparty Data or Developer Data (as applicable), take all steps necessary and provide all assistance required by the other Party to mitigate the loss of or damage to such GGR Contract Counterparty Data or Developer Data and to restore the efficacy of such GGR Contract Counterparty Data or Developer Data.

75. DEVELOPER CO-OPERATION: SUBSIDY CONTROL RULES

75.1 If the GGR Contract Counterparty is notified or becomes aware that a Subsidy Control Competent Authority or other Competent Authority has decided that the GGR Contract Counterparty or other public body must recover any subsidy granted or paid in relation to the GGR Contract and that decision has not been annulled, the GGR Contract Counterparty shall, if it is the party to which such order is addressed or if otherwise required by the Secretary of State, give notice as soon as reasonably practicable to the Developer of the sums to be repaid and any other actions necessary to ensure compliance with a Subsidy Control Competent Authority or other Competent Authority's decision and the Developer shall repay or procure the repayment of the relevant sums so notified to the GGR Contract Counterparty or as the GGR Contract Counterparty directs and take any other necessary actions so notified without delay.

75.2 The Developer shall, on reasonable notice and at its own cost:

(A) do or procure the doing of all acts and execute or procure the execution of all documents; and

(B) provide the GGR Contract Counterparty with the Information and assurances,

reasonably necessary for the GGR Contract Counterparty or other public body to comply with the terms of any decision of a Subsidy Control Competent Authority or other Competent Authority pursuant to the Subsidy Control Rules in relation to the GGR Contract and any other CCUS Programme GGR Contract(s).

76. DEVELOPER ACKNOWLEDGEMENTS: GENERAL

Developer responsibility for advice and appraisal

76.1 The Developer acknowledges and agrees that none of the GGR Contract Counterparty, the GGR Contract Settlement Services Provider or the Secretary of State (nor any of their respective Representatives):

(A) is:

(i) acting as a fiduciary of the Developer; or

(ii) advising the Developer (including as to any financial, legal, tax, investment, accounting or regulatory matters in any jurisdiction); or

(B) shall have any liability, duty, responsibility or obligation to the Developer with respect thereto.

GGR Contract Counterparty contracting as principal

76.2 The Developer acknowledges and irrevocably and unconditionally agrees that:

(A) the GGR Contract Counterparty is contracting as principal and not on behalf of or as an agent for the Secretary of State;

(B) it shall not have or bring any claim or action against the Secretary of State (or their respective Representatives), or the Representatives of the GGR Contract Counterparty, in respect of the GGR Contract or any other GGR Document;

(C) nothing in the GGR Contract or any other GGR Document shall impute or impose any liability, duty, responsibility or obligation upon the GGR Contract Counterparty (other than pursuant to and in accordance with the express terms of the GGR Contract or any other GGR Document); and

(D) it shall not hold itself out as having any authority to act for or represent the GGR Contract Counterparty in any way, nor act in any way which confers on the Developer any express, implied or apparent authority to incur any obligation or liability on behalf of the GGR Contract Counterparty.

Developer's relationship with the GGR Contract Settlement Services Provider

76.3 The Developer acknowledges and agrees that it shall not have or bring any claim or action against the GGR Contract Settlement Services Provider in respect of any breach of the GGR Contract (or any other GGR Document) or any loss, damage, cost or expense suffered or incurred thereunder and that its sole recourse for any breach of the GGR Contract (or any other GGR Document) or any loss, damage, cost or expense suffered or incurred thereunder shall be against the GGR Contract Counterparty.

77. NO PARTNERSHIP

Nothing in the GGR Contract or any other GGR Document and no action taken by the Parties pursuant to the GGR Contract or any other GGR Document shall constitute a partnership, joint venture or agency relationship between the Parties.

78. TRANSFERS

Restriction on Transfers

78.1 Save as expressly permitted by this Condition 78 (*Transfers*), neither Party may:

(A) assign to any person all or any of its rights or benefits under the GGR Contract or any other GGR Document;

(B) make a declaration of trust in respect of or enter into any arrangement whereby it agrees to hold in trust for any person all or any of its rights or benefits under the GGR Contract or any other GGR Document; or

(C) transfer (whether by way of novation, sub-contract, delegation or otherwise) to any person, or enter into an arrangement whereby any person is to perform, any or all of its obligations under the GGR Contract or any other GGR Document,

(each a **"Transfer"** and **"Transferee"**), without the prior written consent of the other Party.

Permitted Transfers by the GGR Contract Counterparty

78.2 Notwithstanding Condition 78.1 (*Restriction on Transfers*), a Transfer of the GGR Contract Counterparty's rights or obligations may be effected (whether by virtue of any Law or any scheme pursuant to any Law or otherwise), without the consent of the Developer, to any:

(A) company formed and registered under the Companies Act 2006;

(B) entity directly wholly-owned or controlled by a Minister of the Crown; or

(C) public authority, including any person any of whose functions are of a public nature,

in each case where such company, entity or public authority:

(i) acquires the whole of the GGR Contract;

(ii) has the legal capacity, power and authority to become a party to, and to perform the obligations and exercise the discretions of the GGR Contract Counterparty under, the GGR Contract;

(iii) has sufficient financial standing or access to sufficient financial resources to perform the payment obligations of the GGR Contract Counterparty under the GGR Contract; and

(iv) has or has access to sufficient non-financial resources and expertise to perform the obligations and exercise the discretions of the GGR Contract Counterparty under the GGR Contract.

Other permitted assignments by the GGR Contract Counterparty

78.3 Notwithstanding Condition 78.1 (*Restriction on Transfers*), the GGR Contract Counterparty shall be entitled, without the consent of the Developer, to assign to any person all or any of its rights or benefits under the GGR Contract and any other GGR Document on such terms as the GGR Contract Counterparty considers appropriate.

Permitted delegation by the GGR Contract Counterparty

78.4 Notwithstanding Condition 78.1 (*Restriction on Transfers*), the GGR Contract Counterparty shall be entitled, without the consent of the Developer, to sub-contract or delegate to any person, or enter into an arrangement whereby any person is to perform, any or all of its obligations under the GGR Contract and any other GGR Document on such terms as the GGR Contract Counterparty considers appropriate, provided that the GGR Contract Counterparty shall not be relieved of any of its obligations under the GGR Contract and any other GGR Document and shall be liable for the acts and omissions of any person to whom it sub contracts or delegates or with whom it enters into an arrangement to perform any or all of its obligations under the GGR Contract and any other GGR Document.

General provisions relating to permitted transfers

78.5 (A) If the GGR Contract Counterparty effects or proposes to effect a Transfer referred to in Condition 78.2, Condition 78.3 or Condition 78.4, the Developer shall enter into such further agreements and do all such other things as are necessary to substitute the relevant Transferee for the GGR Contract Counterparty in respect of the rights, benefits, obligations or liabilities that are, or are to be, the subject of the Transfer (the **"Transferring Rights and Obligations"**) and to give effect to any consequential amendments to the GGR Contract (or other relevant GGR Document) that are necessary to give effect to such transfer.

(B) To the extent practicable, the GGR Contract Counterparty shall give the Developer not less than ten (10) Business Days' prior written notice specifying the identity of the Transferee and the Transferring Rights and Obligations, provided that no such prior written notice shall be required in respect of any Transfer pursuant to Condition 78.4 (*Permitted delegation by the GGR Contract Counterparty*).

Permitted assignment by the Developer

78.6 Notwithstanding Condition 78.1 (*Restriction on Transfers*), the Developer shall be entitled, without the consent of the GGR Contract Counterparty, to assign all (but not part only) of its rights and benefits under the GGR Contract and any other GGR Document by way of security to or in favour of:

(A) a Lender;

(B) any Affected Person;

(C) any parent undertaking of the Developer which provides funding in relation to the Facility; or

(D) any agent or security trustee on behalf of any Lender or Affected Person or any parent undertaking of the Developer referred to in (C) above.

The Developer shall give the GGR Contract Counterparty not less than ten (10) Business Days' written notice prior to effecting an assignment pursuant to this Condition 78.6 and shall specify in such notice the identity of the assignee and provide such details in relation to such assignee as the GGR Contract Counterparty may reasonably request having received such notification.

Direct Agreement

78.7 The GGR Contract Counterparty 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)

(i) who is a Lender with the benefit of first ranking security over all or substantially all of the assets of the Developer (including its rights in respect of the Facility and under the GGR Contract); or

(ii) who 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 Developer (including its rights in respect of the Facility and under the GGR Contract); and

(B) in whose favour the Developer assigns its rights under the GGR Contract and any other GGR Document in accordance with Condition 78.5.

Other Transfers by the Developer; stapling obligation

78.8 If the consent of the GGR Contract Counterparty to the transfer by the Developer of all or substantially all of the Developer's rights, benefits and obligations under the GGR Contract and any other GGR Document to a Transferee is required and is given, the Developer shall transfer ownership of the Facility to the same Transferee contemporaneously with the Transfer. Any Transfer effected, or purported to be effected, in breach of this Condition 78.8 shall be ineffective and void.

Costs

78.9 The GGR Contract Counterparty shall, promptly on demand from time to time, indemnify the Developer, and keep the Developer fully and effectively indemnified, against any and all out-of-pocket costs properly incurred by the Developer and which would not have been incurred but for a Transfer of the rights and obligations of the GGR Contract Counterparty pursuant to Condition 78.2 (*Permitted Transfers by the GGR Contract Counterparty*).

Restricted Share Transfers

78.10 Restricted Share Transfer may occur without the prior written approval of the GGR Contract Counterparty***.***

KYC Notification

78.11 The Developer shall notify the GGR Contract Counterparty as soon as reasonably practicable of any proposed or actual:

(A) change of the Developer's legal name;

(B) Change of Ownership;

(C) change of Ultimate Investor;

(D) appointment of a director of the Developer; and/or

(E) change of the Developer's legal jurisdiction,

each a (**"KYC Notice"**).

78.12 A KYC Notice shall include, where relevant:

(A) details of the Developer's new legal name;

(B) details of the new ownership structure (legal and beneficial) that would apply following such Change of Ownership;

(C) details of any incoming or outgoing Ultimate Investor;

(D) details of any incoming director of the Developer; and/or

(E) details of the Developer's new legal jurisdiction.

78.13 Each KYC Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the KYC Notice.

79. NOTICES

Form of notices

79.1 Any notice to be given pursuant to or in connection with the GGR Contract, or any other GGR Document, shall be effective only if it is in writing and is in English. Faxes are not permitted and, unless otherwise expressly stated, website publication is not permitted, but email and submission to the GGR Contract Counterparty's electronic portal are permitted.

Pro forma notices

79.2 Where these Conditions permit, or require, either Party to give a notice to the other Party such notice shall be in substantially the form set out in Annex 12 (*Pro forma notices*) (each such notice, a **"Pro Forma"**). The foregoing: (i) shall be without prejudice to the requirement for the relevant notice to include such content as may be prescribed by the relevant Condition; and (ii) shall apply only if a Pro Forma in respect of the relevant Condition is contained in Annex 12 (*Pro forma notices*).

Notice details

79.3 The notice details of the Parties as at the Agreement Date are set out in the GGR Agreement.

Changes to notice details

79.4 A Party may change its notice details on giving notice to the other Party in accordance with this Condition 79 (*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.

Deemed delivery

79.5 Any notice given pursuant to or in connection with the GGR Contract or any other GGR Document 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;

(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; or

(E) if submitted to the GGR Contract Counterparty's electronic portal, when submitted except that an electronic portal submission shall be deemed not to have been submitted if the Party submitting the electronic portal submission receives an upload 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.

Notice requirements

79.6 Except where expressly stated to the contrary, each notice given by the GGR Contract Counterparty to the Developer, or by the Developer to the GGR Contract Counterparty, pursuant to the GGR Contract or any other GGR Document must be duly signed (including, in the case of notice by way of email, by Electronic Signature (and **"Electronic Signature"** shall have the meaning given to that term in the Electronic Communications Act 2000)):

(A) in the manner, and by the person, specified in the relevant provision of the GGR Contract or GGR Document; or

(B) (where no such requirement is specified) by an authorised signatory of the relevant Party.

Disapplication of notice provisions

79.7 This Condition 79 (*Notices*) shall not apply in relation to any document relating to service of process (including in respect of the service of Service Documents).

80. COSTS

80.1 Subject to Condition 80.2, each Party shall bear all costs and expenses incurred by it in connection with the entry into the GGR Contract and each other GGR Document, including all costs and expenses incurred in connection with the negotiation, preparation, execution, performance and carrying into effect of, and compliance with, the GGR Contract and each other GGR Document.

80.2 Condition 80.1 is subject to any provision of the GGR Contract or any other GGR Document which expressly provides for the Developer to bear the costs and expenses of the GGR Contract Counterparty (or to pay or reimburse or indemnify the GGR Contract Counterparty in respect of such costs and expenses) in respect of which such costs and expenses shall comprise all out-of-pocket costs and expenses (including all legal and other advisory and consultants' fees) properly incurred by the GGR Contract Counterparty in relation to the relevant matter. Where such costs and expenses are required to be apportioned between the Developer and one (1) or more other GGR Developers, the GGR Contract Counterparty shall apportion such costs between the Developer and such other GGR Developers (for this purpose ignoring the proviso in the definition of GGR Developers in Condition 1.1) in such proportion as the GGR Contract Counterparty (acting reasonably) deems fair and equitable.

81. FURTHER ASSURANCE

Each Party shall at its own cost do or procure the doing of all things and execute or procure the execution of all further documents necessary to give full force and effect to and securing to the other Party the full benefit of the rights, powers and benefits conferred upon it under or pursuant to the GGR Contract and all other GGR Documents save that the GGR Contract Counterparty shall not be required pursuant to this Condition 81 (*Further assurance*) to exercise or perform any statutory power or duty.

82. THIRD PARTY RIGHTS

82.1 Conditions 76.1, 76.2 and 76.3 confer benefits on the GGR Contract Settlement Services Provider, the Secretary of State, and their respective Representatives (each, a **"Third Party"**) (such Conditions being **"Third Party Provisions"**).

82.2 Subject to the remaining provisions of this Condition 82 (*Third party rights*), the Third Party Provisions are intended to be enforceable by the Third Parties by virtue of the C(RTP) Act.

82.3 The Parties do not intend that any term of the GGR Contract, other than the Third Party Provisions, should be enforceable, by virtue of the C(RTP) Act, by any person who is not a Party.

82.4 Notwithstanding this Condition 82 (*Third party rights*), the GGR Contract may be varied in any way and at any time by the Parties without the consent of any Third Party.

83. NO VARIATION

83.1 Subject to Condition 83.2, no variation to the provisions of the GGR Contract shall be valid unless it is in writing and signed by each Party.

83.2 Condition 83.1 is subject to the operation of:[158]

(A) Condition 45 (*Change in Applicable Law: Procedure*);

(B) Annex 4 (*Change Control Procedure*); and

(C) Annex 6 (*Compliance Scheme Alignment Review*).

84. COUNTERPARTS

The GGR Contract may be executed in any number of counterparts and by the Parties to it on separate counterparts, but shall not be effective until each Party has executed at least one (1) counterpart. Each counterpart shall constitute an original but all of the counterparts together shall constitute one and the same instrument.

85. GOVERNING LAW AND JURISDICTION

85.1 The GGR Contract, the other GGR Documents and any matter, claim or dispute arising out of or in connection with any of them (including any Dispute) shall be governed by and construed in accordance with English law.

85.2 Any Dispute shall be finally determined or resolved in accordance with the Dispute Resolution Procedure.

86. AGENT FOR SERVICE OF PROCESS

Application

86.1 This Condition 86 (*Agent for service of process*) shall apply to the GGR Contract only if it is expressed to apply to the GGR Contract in the GGR Agreement.

---

158 **Note to Reader:** This condition is subject to further consideration as the annexes to the GGR Contract are developed.

Service Agent

86.2 The Developer irrevocably appoints the Service Agent to be its agent for the receipt of Service Documents and claim forms, application notices, orders, judgments and any other documents relating to any Dispute. It agrees that any Service Document and any claim form, application notice, order, judgment or other document relating to any Dispute may be effectively served on it in England and Wales by service on its Service Agent effected in any manner permitted by the Civil Procedure Rules.

Replacement

86.3 If the Service Agent at any time ceases for any reason to act as such, the Developer shall appoint a replacement agent for the receipt of Service Documents and claim forms, application notices, orders, judgments and any other documents relating to any Dispute having an address for service in England or Wales and shall notify the GGR Contract Counterparty of the name and address of the replacement agent. Failing such appointment and notification, the GGR Contract Counterparty shall be entitled by notice to the Developer to appoint a replacement agent to act on behalf of the Developer for the receipt of Service Documents and claim forms, application notices, orders, judgments and any other documents relating to any Dispute. The provisions of this Condition 86 (*Agent for service of process*) applying to service on a Service Agent apply equally to service on a replacement agent.

Service of process

86.4 A copy of any Service Document or any claim form, application notice, order, judgment or other document relating to any Dispute served on an agent shall be sent by post to the Developer. Failure or delay in so doing shall not prejudice the effectiveness of service of the relevant document.

87. LANGUAGE

English language

87.1 All Information provided by the Developer to the GGR Contract Counterparty pursuant to or in connection with the GGR Contract or any other GGR Document shall be in English unless otherwise agreed in writing by the GGR Contract Counterparty.

Translations

87.2 In the case of any Information which is translated into English, prior to its being delivered to the GGR Contract Counterparty pursuant to the GGR Contract or any other GGR Document, the Developer shall ensure that any such translation is carried out (at the Developer's cost) by a recognised and appropriately qualified and skilled translation agent.

87.3 The GGR Contract Counterparty shall be entitled to assume the accuracy of and rely upon the English translation of any Information provided pursuant to Condition 87.2 and the English translation shall prevail.

Annex 1
Conditions Precedent

Part A
Initial Conditions Precedent

1. **LEGAL OPINION**

Delivery to the GGR Contract Counterparty of a legal opinion addressed to the GGR Contract Counterparty, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), from the legal advisers to the Developer confirming that the Developer:

(A) is duly formed and validly existing under the laws of the jurisdiction of 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 GGR Contract, the other GGR Documents and the Grant Funding Agreement (if appliable).

2. **KYC DOCUMENTATION**

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of compliance by the Developer with "know your customer" or similar identification procedures or checks under all applicable laws and regulations pursuant to the transactions contemplated by the GGR Contract, the other GGR Documents and the Grant Funding Agreement (if applicable).

3. **INSTALLATION AND CAPTURE PLANT**

Delivery to the GGR Contract Counterparty of the following:

(A) for BECCS Facilities only, a description of the Installation, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), including:

(i) details of the assets comprising the Installation;

(ii) an aerial view of the unique geographical location of the Installation, whether an extract from the Ordnance Survey map or equivalent, showing the existing or proposed location(s) of: (a) the Installation; (b) [the Inlet CO_2 Measurement Equipment]; and (c) [the Inlet CO_2 Measurement Point(s)];[159] and

(iii) a process flow diagram of the Installation; and/or

(B) a description of the Capture Plant, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), including:

(i) details of the assets comprising the Capture Plant;

(ii) an aerial view of the unique geographical location of the Capture Plant whether an extract from the Ordnance Survey map or equivalent, showing the proposed locations of: (a) the Capture Plant; (b) [the CO_2 Metering Equipment]; (c) the [T&S Network Metering Point(s)]; (d) the [T&S Network Analysis Point(s)]; and (e) the [T&S Network Delivery Point(s)];[160] and

---

159 **Note to Reader:** Definitions in this ICP are subject to further consideration as the metering and measurement provisions are developed.

160 **Note to Reader:** Definitions in this ICP are subject to further consideration as the metering and measurement provisions are developed.

(iii) a process flow diagram of the Capture Plant, demonstrating that the Capture Plant will comply with the [CO_2 Metering Specification][161].

4. KEY PROJECT DOCUMENTS[162]

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the following documents have been entered into or obtained by the Developer:

(A) a copy of the Final Confirmation Notice (as defined in the CCS Network Code) issued by the Secretary of State to the Developer in accordance with the CCS Network Code;

(B) a T&S Connection Agreement signed by the Developer and the relevant T&S Operator;

(C) a T&S Construction Agreement signed by the Developer and the relevant T&S Operator;

(D) a Code Agreement or a Code Accession Agreement (as applicable) signed by the Developer and the relevant T&S Operator

(E) the Applicable Connection Documents;

(F) if applicable, the Grant Funding Agreement signed by the Secretary of State and the Developer;

(G) Applicable Planning Consents for the Capture Plant and associated infrastructure, with the challenge period having expired with no challenge being brought (or any challenge having been unsuccessful with no further rights of appeal);

(H) for BECCS Facilities only, an executed copy of a Feedstock Supply Agreement(s); and[163]

(I) for DACCS Facilities only:

(i) an executed copy of a Sorbent Supply Agreement(s) and/or Solvent Supply Agreement(s);[164] and

(ii) an executed copy of a Low Carbon PPA(s).

5. [MINIMUM QUALITY THRESHOLDS COMPLIANCE

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the Facility will comply with the Minimum Quality Thresholds.][165]

6. OFFTAKE AGREEMENTS

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that:

---

161 **Note to Reader:** Definition subject to further consideration as the metering and measurement provisions are developed.

162 **Note to Reader:** This paragraph is subject to further consideration and development by DESNZ.

163 **Note to Reader:** This ICP is subject to further consideration and development by DESNZ.

164 **Note to Reader:** This ICP is subject to further consideration and development by DESNZ.

165 **Note to Reader:** This ICP is subject to further development by DESNZ and LCCC.

(A) any Offtake Agreements that have been entered into prior to the Agreement Date include the Offtake Compliance Provisions; and

(B) the Developer has complied with the Fair Market Value Principles in relation to any such Offtake Agreements,

and that in respect of any Offtake Agreement that has been entered into prior to the Agreement Date with an Affiliate Offtaker, that such Offtake Agreements is designated a Confirmed Offtake Agreement by the GGR Contract Counterparty.

7. **OTHER**

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of the following:

(A) the Developer's:

(i) certificate of incorporation (if applicable);

(ii) most recent annual return (where available); and

(iii) VAT certificate of registration;

(B) a copy of the resolution of the Developer's board of directors approving the terms of and the transactions contemplated by the GGR Contract and resolving that it executes, delivers and performs the GGR Contract and, if applicable, the Grant Funding Agreement; and

(C) a declaration by the authorised person(s) of the Developer that it is:

(i) not in receipt of any other scheme of funding by a Government Entity and/or public authority of a country or territory outside the United Kingdom; or

(ii) in receipt of another scheme of funding by a Government Entity and/or public authority of a country or territory outside the United Kingdom and/or any other Approved Scheme of Funding, together with Supporting Information in relation to such scheme of funding.

Part B
Operational Conditions Precedent[166]

1. **GGR CONTRACT SETTLEMENT SERVICES PROVIDER**

Delivery to the GGR Contract Counterparty of written confirmation from the GGR Contract Settlement Services Provider that:

(A) it has received the GGR Contract Settlement Required Information which is required from the Developer prior to the Start Date; and

(B) the Developer has in place the systems and processes which are necessary for the continued provision of the GGR Contract Settlement Required Information.

2. **KYC DOCUMENTATION**

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of compliance by the Developer with "know your customer" or similar identification procedures or checks under all applicable laws and regulations pursuant to the transactions contemplated by the GGR Contract and the other GGR Documents.

3. **FACILITY COMMISSIONING**

Delivery to the GGR Contract Counterparty of the following:

(A) evidence, in form and content satisfactory to the GGR Contract Counterparty, acting reasonably, that a Net Removal Capacity of not less than [●] per cent. ([●]%)[167] of the Net Removal Capacity Estimate has been Commissioned;

(B) evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably):

(i) for BECCS Facilities only, of the OCP Achieved CO_2 Storage Rate from the flue gas stream and sent to the compression plant to demonstrate that the OCP Required CO_2 Storage Rate in each case has been Commissioned; and

(ii) for DACCS Facilities only, of the [●][168] to demonstrate that the [●] has been Commissioned;

(C) evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), of the T&S Flow Rate to demonstrate that the OCP Required T&S Flow Rate has been Commissioned;

(D) evidence, in form and content satisfactory to the GGR Contract Counterparty, that the Facility has connected to the relevant T&S Network in accordance with the relevant T&S Operator's Entry Provisions as set out in the T&S Connection Agreement (**"T&S Connection Confirmation CP"**); and

166 **Note to Reader:** The scope of the Operational Conditions Precedent are subject to further consideration and development by DESNZ.

167 **Note to Reader:** Net Removal Capacity requirements at OCP stage are subject to further consideration and development by DESNZ.

168 **Note to Reader:** Storage rate concepts are only relevant for BECCS Facilities, DESNZ is considering the appropriate efficiency measures and threshold for DACCS Facilities as part of OCPs.

(E) evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the Facility can produce GGR Credits in compliance with the GGR Standard.

4. **METERING OBLIGATIONS**[169]

Delivery to the GGR Contract Counterparty of evidence, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that the Developer is complying in full with the [Metering Obligations and Measurement Data Obligations].

5. **METERING SCHEMATICS**[170]

Delivery to the GGR Contract Counterparty of a date and time stamped copy of the schematic diagram, certified as being correct and up to date by a director or company secretary of the Developer and showing the locations of the relevant [Meter Measurement Systems (including the relevant Measurement Points) associated with all assets comprised within the Facility (including details of the type of metering and relevant Meter Measurement System installed in compliance with the Metering Obligations)].

6. **SUBSIDY CONTROL DECLARATION OPERATIONAL CP**

Delivery to the GGR Contract Counterparty of a written confirmation from the Developer, in form and content satisfactory to the GGR Contract Counterparty (acting reasonably), that either:

(A) no Subsidy, State aid, Union Funding and/or International Funding has been received by the Developer or by any other person in relation to the costs of the Project (excluding the subsidy arising under the GGR Contract, the Grant Funding Agreement and/or any other Approved Scheme of Funding); or

(B) Subsidy, State aid, Union Funding and/or International Funding has been received by the Developer or by any other person in relation to the costs of the Project (excluding the subsidy arising under the GGR Contract, the Grant Funding Agreement and/or any other Approved Scheme of Funding), and that such Subsidy, State aid, Union Funding and/or International Funding (as applicable) (adjusted for interest in accordance with Condition 31.13 (*Subsidy Interest*)) has been repaid to the granter of the subsidy, aid or funding in full.

7. **INTERIM OPERATIONAL NOTIFICATION**

For BECCS Facilities only, delivery to the GGR Contract Counterparty of either:

(A) if the Facility is connected directly to the Electricity Transmission System, a certified copy of the Interim Operational Notification issued by the Electricity Transmission System Operator under the Grid Code; or

(B) if the Facility is not connected directly to the Electricity Transmission System:

(i) written confirmation from the relevant Electricity Licensed Distributor or, if no such confirmation is applicable, evidence (in form and content reasonably satisfactory to the GGR Contract Counterparty) that the Electricity Distribution

---

[169] **Note to Reader:** This OCP remains subject to the development and scope of the metering provisions.

[170] **Note to Reader:** This OCP remains subject to the development and scope of the metering provisions.

Code compliance process for connection to and export to the Electricity Distribution System has been satisfied; and

(ii) if applicable, the Interim Operational Notification issued by the Electricity Transmission System Operator under the Grid Code.

Annex 2
Testing Requirements[171]

[●]

[171] **Note to Reader:** Testing Requirements are subject to further consideration and development by DESNZ.

Annex 3
Calculation of Default Termination Payment

1. DEFAULT TERMINATION PAYMENT

1.1 In the event that the GGR Contract Counterparty exercises its right to terminate the GGR Contract under Condition 48.27 (*Default termination*), the **"Default Termination Payment"** shall be calculated as follows:[172]

$$Default\ Termination\ Payment = (TFR * \Pi_{\mathrm{i}}) * 365 * NRC * ALF$$

where:

TFR	=	means the termination fee rate equal to [●] pounds (£[●]) (*£/tCO$_2$*)
Π_i	=	means the Inflation Factor applicable to the Default Termination Date (*i*)
NRC	=	means the Net Removal Capacity (*tCO$_2$/Day)* as at the Start Date or the Final Net Removal Capacity which is confirmed pursuant to Condition 7 (*Final Net Removal Capacity*) (whichever is the most recently confirmed figure)
ALF	=	means the Assumed Load Factor (%)

1.2 For the avoidance of doubt, where the GGR Contract Counterparty exercises its right to terminate the GGR Contract under Condition 48.27 (*Default termination*) on the basis that more than one (1) ground for termination has arisen, the Developer shall not be liable to pay more than one (1) Default Termination Payment to the GGR Contract Counterparty.

[172] **Note to Reader:** This formula (and HMG compensation more broadly for early termination) is subject to further consideration by DESNZ.

Annex 4
Change Control Procedure[173]

1. **INTERPRETATION: ANNEX 4**

Interpretation

1.1 In this Annex 4 (*Change Control Procedure*), any reference to an "amendment" (or grammatical variation thereof or any analogous term) in respect of any Proposed Amendment shall be deemed to include any change, replacement, deletion or supplement to or of any provision of:

(A) the GGR Contract;

(B) CCUS Programme GGR Contracts (other than any CCUS Programme GGR Contract to which this Annex 4 (*Change Control Procedure*) is expressed not to apply); or

(C) CCUS Programme GGR Contracts of a particular category (other than any CCUS Programme GGR Contracts to which this Annex 4 (*Change Control Procedure*) is expressed not to apply).

2. **CHANGE CONTROL PROCEDURE**

Amendment Notifications

2.1 The GGR Contract Counterparty may at any time give a notice to the Developer proposing an amendment to the GGR Contract (an **"Amendment Notification"**). Each Amendment Notification shall:

(A) set out the proposed amendment(s) (the **"Proposed Amendment"**);

(B) specify the date on which the Proposed Amendment is proposed to become effective (the **"Proposed Amendment Effective Date"**);

(C) state whether the GGR Contract Counterparty considers the Proposed Amendment to be a Material Amendment or a Technical Amendment;

(D) if the GGR Contract Counterparty considers the Proposed Amendment to be a Technical Amendment, state whether the Proposed Amendment is a General Amendment; and

(E) if the Proposed Amendment is a General Amendment, state whether it applies to all CCUS Programme GGR Contracts or only to those of a specified category or categories (in each case, other than any CCUS Programme GGR Contract to which this Annex 4 (*Change Control Procedure*) is expressed not to apply) and, if the latter, set out those categories;

(F) contain such Supporting Information as the GGR Contract Counterparty considers necessary to enable the Developer to evaluate the Proposed Amendment.

Material Amendments: process

2.2 If an Amendment Notification specifies that the Proposed Amendment is a Material Amendment, the Developer shall, no later than twenty (20) Business Days after the Amendment Notification has been received, either:

---

173 **Note to Reader:** This Annex is subject to further consideration and review by DESNZ.

(A) confirm by notice in writing to the GGR Contract Counterparty that it agrees with the Proposed Amendment and the Proposed Amendment Effective Date; or

(B) specify, by notice in writing to the GGR Contract Counterparty (a **"Material Amendment Response Notification"**), any objections which the Developer has to:

(i) the Proposed Amendment, any such notification to include details of:

(a) any proposal by the Developer to address the matters identified in the Amendment Notification by means of an alternative amendment; and

(b) any consequential matters arising from the Proposed Amendment which the Developer considers have not been identified in the Amendment Notification; or

(ii) the Proposed Amendment Effective Date.

2.3 Any Material Amendment Response Notification shall also include such Supporting Information as the Developer considers necessary to enable the GGR Contract Counterparty to evaluate the matters covered in such notification.

2.4 No later than ten (10) Business Days after receipt by the GGR Contract Counterparty of a Material Amendment Response Notification, the Parties shall meet and negotiate in good faith to agree:

(A) whether to effect the Proposed Amendment;

(B) the date on which the Proposed Amendment shall become effective (which need not be the Proposed Amendment Effective Date); and

(C) if effected:

(i) the terms of the Proposed Amendment; and

(ii) what, if any, consequential amendments need to be made to the GGR Contract.

Material Amendments: implementation

2.5 A Material Amendment shall not become effective unless and until documented in writing and signed by each Party (a **"Material Amendment Agreement"**). Any Material Amendment Agreement shall:

(A) set out the amendment which is to be effected;

(B) state the effective date of the amendment; and

(C) detail any consequential amendments to be made (whether or not identified in the Amendment Notification).

Technical Amendments (bilateral Proposed Amendments): process

2.6 If an Amendment Notification:

(A) specifies that the Proposed Amendment is a Technical Amendment; and

(B) does not specify that it is a General Amendment, the Developer shall, no later than twenty (20) Business Days after receipt of the Amendment Notification (the **"Technical Amendment Response Period"**), either:

(i) confirm by notice in writing to the GGR Contract Counterparty that it agrees with the Proposed Amendment and the Proposed Amendment Effective Date; or

(ii) specify, by notice in writing to the GGR Contract Counterparty (a **"Technical Amendment Response Notification"**), any objections which the Developer has to:

(a) the classification of the Proposed Amendment as a Technical Amendment (including reasonable details of the Developer's reasons for such objections) (a **"Classification Objection"**);

(b) the Proposed Amendment, any such notification to include details of:

(1) any proposal by the Developer to address the matters identified in the Amendment Notification by means of an alternative amendment; and

(2) any consequential matters arising from the Proposed Amendment which the Developer considers have not been identified in the Amendment Notification; or

(c) the Proposed Amendment Effective Date.

2.7 Any Technical Amendment Response Notification shall also include such Supporting Information as the Developer considers necessary to enable the GGR Contract Counterparty to evaluate the matters covered in such notification.

2.8 If the Developer:

(A) does not give the GGR Contract Counterparty a Technical Amendment Response Notification within the Technical Amendment Response Period, the Proposed Amendment shall be binding on the Parties with effect from the Proposed Amendment Effective Date; or

(B) gives the GGR Contract Counterparty a Technical Amendment Response Notification within the Technical Amendment Response Period, then the following provisions shall apply:

(i) if the Technical Amendment Response Notification included a Classification Objection, then:

(a) the Technical Amendment Response Notification shall constitute a Dispute Notice and the resulting Dispute shall be subject to the Dispute Resolution Procedure; and

(b) if, pursuant to the Dispute Resolution Procedure, either of the Parties agrees (whether by means of a Senior Representatives Settlement or otherwise) that the Proposed Amendment is a Material Amendment or it is otherwise determined or resolved pursuant to the Dispute Resolution Procedure that the Proposed Amendment is a Material Amendment, then the Proposed Amendment shall not become effective between the Parties unless and until a Material Amendment Agreement is entered into; and

(ii) if either:

(a) the Technical Amendment Response Notification did not include a Classification Objection; or

(b) (pursuant to the Dispute Resolution Procedure) the Parties agree (whether by means of a Senior Representatives Settlement or otherwise) that the Proposed Amendment is a Technical Amendment or it is otherwise determined or resolved pursuant to the Dispute Resolution Procedure that the Proposed Amendment is a Technical Amendment,

then:

(1) the GGR Contract Counterparty shall consider the objections of the Developer set out in the Technical Amendment Response Notification and may make such amendments to the Proposed Amendment as it deems appropriate having regard to such objections; and

(2) the Proposed Amendment (as amended if the GGR Contract Counterparty elects to so amend pursuant to paragraph 2.8(B)(ii)(b)(1)) shall become binding on the Parties with effect from the Proposed Amendment Effective Date.

Technical Amendments (General Amendments): process

2.9 If an Amendment Notification specifies that the Proposed Amendment is a Technical Amendment and is a General Amendment, then paragraphs 2.6 to 2.8 shall be applied, with the necessary modifications, on the following basis:

(A) the confirmation provided for in paragraph 2.6(B)(i) shall be deemed to have been given by the Developer, and the Proposed Amendment shall (subject to paragraph 2.9(C)) be binding on the Developer with effect from the Proposed Amendment Effective Date, unless seventy-five per cent. (75%) or more in number of all CCP Affected Parties give a Technical Amendment Response Notification to the GGR Contract Counterparty within the Technical Amendment Response Period;

(B) if seventy-five per cent. (75%) or more in number of the CCP Affected Parties deliver a Technical Amendment Response Notification within the Technical Amendment Response Period then the procedure provided for in paragraph 2.8(B) shall be applied; and

(C) if the Developer gives a Technical Amendment Response Notification within the Technical Amendment Response Period which includes a Classification Objection, then the Proposed Amendment shall become binding on the Developer only in accordance with the provisions of paragraph 2.8(B).

Technical Amendments: implementation

2.10 Where any Technical Amendment is to take effect in accordance with this Change Control Procedure, the Developer shall, if requested by the GGR Contract Counterparty, promptly sign an agreement (a **"Technical Amendment Agreement"**) which:

(A) sets out the amendment which is to be effected;

(B) states the effective date of the amendment; and

(C) details any consequential amendments to be made (whether or not identified in the Amendment Notification), in each case as agreed, determined or resolved in accordance with the relevant provisions of paragraphs 2.6 to 2.9 (inclusive).

2.11 Any failure or refusal by the Developer to sign a Technical Amendment Agreement shall not operate so as to prevent the relevant Technical Amendment being binding on the Parties with effect from the relevant Proposed Amendment Effective Date in accordance with the provisions of paragraph 2.8(B)(ii) or paragraph 2.9(A) (as appropriate).

Miscellaneous

2.12 The categorisation of any Proposed Amendment as a Technical Amendment (irrespective of whether it is a General Amendment) or a Material Amendment shall not operate so as to prevent the provisions of Condition 58 (*Consolidation of Connected Disputes*) applying to any Dispute arising in respect of that Proposed Amendment.

Annex 5[174]
Form of Direct Agreement

LOW CARBON CONTRACTS COMPANY LTD
as GGR Contract Counterparty and

[●]
as [Lender(s)]/[Security Trustee][175] and

[●]
as Developer

DIRECT AGREEMENT
in relation to a Greenhouse Gas Removal Contract for [*insert details of the facility]*

[174] **Note to Reader:** This Annex remains subject to further review and development by DESNZ.

[175] **Note to Reader:** Parties to conform to underlying funding arrangements.

CONTENTS

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

BETWEEN:

(1) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, London, England, E14 4PU and whose company number is 08818711 (the **"GGR Contract Counterparty"**);

(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 developer***], a company incorporated under the laws of [England and Wales] whose registered office is [●] and whose company number is [●] (the **"Developer"**)[176].

BACKGROUND

(A) The GGR Contract Counterparty has entered into the Contract with the Developer.

(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 **Definitions**[177]

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

"Affected Person" means any direct or indirect shareholder of the Developer who is able to evidence to the satisfaction of the GGR Contract Counterparty 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 a 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;

---

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

177 Note to draft: Definitions to conform to underlying funding arrangements.

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

"Contract" means the greenhouse gas removal contract dated [●] and made between the GGR Contract Counterparty and the Developer in relation to the Facility;

"Contract Default" has the meaning given to **"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;

"Developer's Proceeds Account" means the account held by the Developer at [●] with the account number [●] and sort code [●] or such other account and bank as the Developer and the [Lender(s)]/[Security Trustee] may notify to the GGR Contract Counterparty from time to time;

"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 Developer[178];

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

"Facility Agent" means the Facility Agent appointed under the Facilities Agreement[179];

"Finance Documents" means the Facilities Agreement and the other documents defined as Finance Documents in the Facilities Agreement[180];

"Finance Parties" means the parties with the benefit of security under the Security Documents and **"Finance Party"** means any of them[181];

"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;

---

178 Note to draft: Definition to conform to underlying funding arrangements.

179 Note to draft: Definition to conform to underlying funding arrangements.

180 Note to draft: Definition to conform to underlying funding arrangements.

181 Note to draft: Definition to conform to underlying funding arrangements.

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

"Funding Mechanism" has the meaning given to that term in the Contract;

"GGR Contract Counterparty Enforcement Action" means:

(A) the termination or revocation of the Contract by the GGR Contract Counterparty (including the giving of any notice under or pursuant to Condition 48.1 (*Pre-Start Date termination*), Condition 48.5 (*Termination for Prolonged Force Majeure*), Condition 48.27 (*Default termination*) or 48.32 (*Termination for failing to satisfy the Minimum Longstop Date Commissioning Requirements*) of the Contract by the GGR Contract Counterparty to the Developer terminating the Contract, but excluding the giving of any notice under or pursuant to Condition 48.29 (*Qualifying Change in Law termination*), Condition 48.31 (*QCiL Compensation termination*) or Condition 48.22 (*Termination for failing to remedy a T&S Prolonged Unavailability Event*) of the Contract by the GGR Contract Counterparty to the Developer terminating the Contract and the subsequent termination of the Contract under that Condition);

(B) the suspension or withholding (as applicable) by the GGR Contract Counterparty of payments under or pursuant to Condition 25.2(A) (*Failure to comply with compliance of technology undertaking*), Condition 27.10 (*Failure to comply with Minimum CO_2 Storage Rate Obligation: Suspension*), Condition 31.4 (*Suspension of payments (failure to provide KYC Information)*), Condition 31.8 (*Suspension of payments (no cumulation of Subsidy, State aid, Union Funding and/or International Funding*)), Condition 31.11 (*Suspension of payments (failure to provide Information*)), Condition 33.13 (*Failure to provide an Offtake Review Notice: suspension*), Condition 36.7 (*Failure to comply with the GGR Contract Counterparty Audit Right: suspension*), Condition 37.8 (*Failure to comply with Offtake Compliance Audit: suspension*), Condition 38.11 (*Failure to provide an Annual Compliance Report or Annual Compliance Documents: suspension*) or Condition 48.16 (*Failure to comply with T&S Prolonged Unavailability Procedure Obligation: suspension*);[182] or

(C) the commencement by the GGR Contract Counterparty of any proceedings for, or the petitioning by the GGR Contract Counterparty for, the winding-up, administration, dissolution or liquidation of the Developer (or the equivalent procedure under the law of the jurisdiction in which the Developer is incorporated, domiciled or resident or carries on business or has assets);

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

"GGR Contract Settlement Required Information" has the meaning given to that term in the Contract;

"GGR Contract Settlement Services Provider" has the meaning given to that term in the Contract; and

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

---

182 **Note to Reader:** The references in this section are subject to further development by DESNZ as the undertakings are further developed.

"Lender" means any bank or financial institution (excluding any direct or indirect shareholder of the Developer) which provides debt financing or refinancing in relation to the Facility;

"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 Developer (including its rights in respect of the Facility and under the Contract) and in whose favour the Developer has assigned its rights under the Contract and any other GGR Document in accordance with Condition 78.6 (*Permitted assignment by the Developer*) 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 Developer (including its rights in respect of the Facility and under the Contract) and in whose favour the Developer has assigned its rights under the Contract and any other GGR Document in accordance with Condition 78.6 (*Permitted assignment by the Developer*) 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 Developer 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 GGR Contract Counterparty 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 GGR Contract Counterparty Enforcement Notice.][183] /

[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 Developer (including its rights in respect of the Facility and under the Contract) and in whose favour the Developer has assigned its rights under the Contract and any other GGR Document in accordance with Condition 78.6 (*Permitted assignment by the Developer*) 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 over the Developer 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 GGR Contract Counterparty 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 GGR Contract Counterparty Enforcement Notice.][184]

---

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

[184] Retain wording in square brackets if there is a Lender but no Security Trustee.

"Novation Agreement" means a novation agreement entered into pursuant to Clause 9.3 (*Substitution Procedure*) between the GGR Contract Counterparty, the Developer 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 GGR Contract Counterparty 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 GGR Contract Counterparty pursuant to Clause 10.3;

"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 Developer'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 Developer 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 GGR Contract Counterparty;

"Security Documents" means any documents creating or evidencing any existing or future security interest granted by the Developer 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 GGR Contract Counterparty 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 GGR Contract Counterparty of any GGR Contract Counterparty 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 GGR Contract Counterparty 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 Developer'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 **"GGR Contract Counterparty"**, [the **"Facility Agent"**,][the **"Security Trustee"**], the **"Developer"**, [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 Developer hereby gives notice to the GGR Contract Counterparty that, under or pursuant to the Security Documents, the Developer has assigned or charged by way of security to the [Lender(s)]/[Security Trustee] its rights, title and interest in and to the Contract.

(B) The GGR Contract Counterparty acknowledges receipt of notice of, and consents to, the grant of the security interests referred to in paragraph (A) above.

(C) The GGR Contract Counterparty acknowledges that neither the [Lender(s)]/[Security Trustee] nor any Finance Party shall have any obligations or liabilities to the GGR Contract Counterparty (whether in place of the Developer 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 GGR Contract Counterparty confirms that, as at the date of this Deed, it has not received notice of any other security interest granted over the Developer's rights, title and interest in and to the Contract. The GGR Contract Counterparty 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 Developer and the [Lender(s)]/[Security Trustee] irrevocably authorises and instructs the GGR Contract Counterparty, and the GGR Contract Counterparty agrees, to pay the full amount of each sum which it is obliged at any time to pay to the Developer under or in respect of the Contract (whether before or after termination of the Contract) to the Developer'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 GGR Contract Counterparty 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 GGR Contract Counterparty to make the relevant payment to the Developer.

(C) The authority and instructions set out in paragraph (A) above shall not be revoked or varied by the Developer without the prior written consent of the [Lender(s)]/[Security Trustee], copied to the GGR Contract Counterparty.

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 Developer shall not amend, waive or suspend the provisions of the Contract and the rights of the GGR Contract Counterparty 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 GGR Contract Counterparty 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 GGR CONTRACT COUNTERPARTY**

3.1 **Notification of Default**

(A) The GGR Contract Counterparty 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 GGR Contract Counterparty on the Developer.

(B) The GGR Contract Counterparty shall have no obligation to notify the [Lender(s)]/[Security Trustee] of a default under the Contract where the GGR Contract Counterparty has not served a notice of default on the Developer.

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 Developer in circumstances where:

(A) the Developer'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 Developer has breached the Contract or a Contract Default has arisen,

and any such action will be deemed to have been taken by the Developer 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 Developer had taken such action itself.

3.3 **GGR Contract Counterparty Enforcement Action**

Subject to Clause 7.2 (*GGR Contract Counterparty Enforcement Action during a Step-In Period*), the GGR Contract Counterparty shall not take any GGR Contract Counterparty Enforcement Action without first giving a GGR Contract Counterparty 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 GGR Contract Counterparty Enforcement Notice; or

(ii) any notice from the GGR Contract Counterparty 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 GGR Contract Counterparty (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 GGR Contract Counterparty, the evidence provided shall be:

(i) a clear letter to the GGR Contract Counterparty 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][185];

(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;][186]

(c) [if the Security Trustee acts on behalf of any person who is a direct or indirect shareholder of the Developer, explaining the basis upon which such person falls within (as applicable) paragraph (B) of the definition of Non-Qualification Event and][187] confirming whether [such person][188]/[the Lender][189] 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][190] 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

---

185 Words in square brackets to be retained if there is a Security Trustee.

186 Words in square brackets to be retained if there is a Security Trustee.

187 Words in square brackets to be retained if there is a Security Trustee.

188 Words in square brackets to be retained if there is a Security Trustee.

189 Words in square brackets to be retained in the case of a Lender and no Security Trustee.

190 Words in square brackets to be retained if there is a Security Trustee.

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 GGR Contract Counterparty 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][191]:

(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 Developer, whether such person falls within (as applicable) paragraph (B) of the definition of Non-Qualification Event and][192] whether [such person][193]/[the Lender][194] is a Security Shareholder;

(c) if a breach, non-compliance or failure has occurred which is or may be the subject of a GGR Contract Counterparty Enforcement Notice, such breach, non-compliance or failure did not occur more than twenty (20) Business Days after the [Lender(s)]/[Security Trustee] became a Security Shareholder who has enforced its Security Documents and Controls the Developer. 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 GGR Contract Counterparty, up-to-date, complete and accurate copies of the relevant Finance Documents and Security Documents.

(C) Without limitation of Clause 3.4(B), the GGR Contract Counterparty 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 GGR Contract Counterparty 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

---

191 Words in square brackets to be retained only if there is a Security Trustee.

192 Words in square brackets to be retained if there is a Security Trustee.

193 Words in square brackets to be retained if there is a Security Trustee.

194 Words in square brackets to be retained if there is a Lender and no Security Trustee.

support and/or are inconsistent with or contradict the NQE Confirmation or Further NQE Confirmation,

the GGR Contract Counterparty 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 GGR Contract Counterparty 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 Developer of the grounds for the intended exercise of the GGR Contract Counterparty's rights to take any GGR Contract Counterparty Enforcement Action or any of its other rights regarding such GGR Contract Counterparty Enforcement Action and the giving of a GGR Contract Counterparty Enforcement Notice shall not release the Developer 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 GGR Contract Counterparty 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 Developer.

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

After receiving notification of an Event of Default from the [Lender(s)]/[Security Trustee], the GGR Contract Counterparty shall accept as validly given by the Developer 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 Developer itself. The Developer 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 GGR Contract Counterparty under the Contract.

5. **STEP-IN DECISION PERIOD**

5.1 **Suspension of Rights and Remedial Action**

During a Step-In Decision Period the GGR Contract Counterparty shall not take any GGR Contract Counterparty Enforcement Action (other than any GGR Contract Counterparty 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 GGR Contract Counterparty shall give the [Lender(s)]/[Security Trustee] a statement of any amounts owed by the Developer to the GGR Contract Counterparty and any outstanding performance obligations of the Developer under the Contract of which the GGR Contract Counterparty is aware as at the date of the GGR Contract Counterparty Enforcement Notice.

(B) For the avoidance of doubt, a failure by the GGR Contract Counterparty 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 Developer 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 GGR Contract Counterparty 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 GGR Contract Counterparty shall be entitled to take GGR Contract Counterparty Enforcement Action without serving a further GGR Contract Counterparty Enforcement Notice if the default, event or circumstance in respect of which the GGR Contract Counterparty gave the GGR Contract Counterparty Enforcement Notice is subsisting or has not been remedied or cured (whether by the Developer, [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 GGR Contract Counterparty (a **"Step-In Notice"**) specifying:

(i) the Appointed Representative who will give a Step-In Undertaking to the GGR Contract Counterparty; 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 GGR Contract Counterparty, provided that the relevant Step-In Decision Period shall be deemed to have expired on delivery of such notice to the GGR Contract Counterparty.

6.2 **Step-In Undertaking**

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

7. **STEP-IN PERIOD**

7.1 **Step-In Period**

During the Step-In Period:

(A) the GGR Contract Counterparty shall deal only with the Appointed Representative and not the Developer and the GGR Contract Counterparty shall have no liability to the Developer for compliance with the instructions of the Appointed Representative or the [Lender(s)]/[Security Trustee] in priority to those of the Developer;

(B) the GGR Contract Counterparty agrees that payment by the Appointed Representative to the GGR Contract Counterparty of any sums due under the Contract, or performance by the Appointed Representative of any other of the Developer's obligations under the Contract, shall comprise good discharge *pro tanto* of the Developer's payment and other obligations under the Contract; and

(C) the GGR Contract Counterparty shall owe its obligations under the Contract to the Developer and the Appointed Representative jointly but performance by the GGR Contract Counterparty in favour of the Appointed Representative alone shall be a good discharge *pro tanto* of its obligations under the Contract.

7.2 **GGR Contract Counterparty Enforcement Action during a Step-In Period**

(A) During the Step-In Period, the GGR Contract Counterparty shall be entitled to take GGR Contract Counterparty 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 GGR Contract Counterparty to take the relevant GGR Contract Counterparty Enforcement Action under or in connection with the Contract.

(B) The provisions of Clause 3.3 (*GGR Contract Counterparty Enforcement Action*) shall not apply to any GGR Contract Counterparty 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 GGR Contract Counterparty 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 GGR Contract Counterparty 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 GGR Contract Counterparty 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 GGR Contract Counterparty under the Contract and this Deed.

(C) The Developer shall continue to be bound by the terms of the Contract notwithstanding the occurrence of the Step-Out Date and the GGR Contract Counterparty shall continue to be entitled to exercise and enforce all of its rights and remedies under the Contract as against the Developer.

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 GGR Contract Counterparty 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 GGR Contract Counterparty.

(B) The [Lender(s)]/[Security Trustee] shall give the GGR Contract Counterparty not less than fifteen (15) Business Days' prior notice of the Proposed Novation Date.

9.2 **Objection to Substitute**

The GGR Contract Counterparty may only object to a proposed Substitute if the entry into a Novation Agreement or the Contract with the proposed Substitute would be unenforceable or illegal and the GGR Contract Counterparty gives notice of its objection to the [Lender(s)]/[Security Trustee] within ten (10) Business Days of receipt by the GGR Contract Counterparty 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 GGR Contract Counterparty and the Developer shall each enter into a Novation Agreement with the Substitute.

(B) The novation of the Developer'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 GGR Contract Counterparty having received, in form and content satisfactory to the GGR Contract Counterparty (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, the Contract and the other GGR Documents;

(ii) the GGR Contract Counterparty having received a legal opinion addressed to the GGR Contract Counterparty, in form and content reasonably satisfactory to the GGR Contract Counterparty, 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 and the other GGR Documents;

(iii) the GGR Contract Counterparty having received written confirmation from the GGR Contract Settlement Services Provider that:

(a) it has received the GGR Settlement Required Information which is required from the Substitute prior to the Proposed Novation Date or such later date, as the case may be; and

(b) the Substitute has in place the systems and processes which are necessary for the continued provision of the GGR Settlement Required Information;

(iv) the Substitute being or having become the legal and beneficial owner of the Facility, subject only to any third party rights arising by reason of any security interest created or subsisting over or in respect of the Facility; and

(v) any collateral required to be in place under Condition 52 (*Collateral Requirement*) or 53 (*Acceptable Collateral*) of the GGR Contract having been provided by or on behalf of the Substitute.

(C) The GGR Contract Counterparty 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 GGR Contract Counterparty shall, subject to and in accordance with Condition 78.6 (*Permitted assignment by the Developer*) 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.

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 GGR Contract Counterparty of the occurrence of the Finance Party Discharge Date.

10.3 The [Lender(s)]/[Security Trustee] shall promptly notify the GGR Contract Counterparty 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 Developer 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 GGR Contract Counterparty.

11.4 Developer's Acknowledgement

The Developer 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) **GGR Contract Counterparty**

Address: Low Carbon Contracts Company Ltd, 10 South Colonnade, London, England, E14 4PU

Attention: [Head of Contract Management]

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

Address: [●]

Attention: [●]

(C) **Developer**

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:

(A) the liability of the GGR Contract Counterparty pursuant to this Deed shall not exceed the aggregate of the amounts from time to time received and held by the GGR Contract Counterparty, and allocated to the GGR Contract, in accordance with the [Funding Mechanism]; and

(B) the GGR Contract Counterparty shall not be in default pursuant to this Deed in not making any payment that is due and owing if and to the extent that it shall not have received the amounts and other funds referred to in paragraph (A) above which are necessary to make such payment, but if and to the extent that such payment is not made, the GGR Contract Counterparty shall continue to owe an amount equal to the amount of the payment due and owing but not paid and shall make such payment promptly and in any event within two (2) Business Days after and to the extent of its receipt of such corresponding and allocated amounts and other funds.

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.

GGR Contract Counterparty

EXECUTED and delivered as a **DEED** by	)	
[LOW CARBON CONTRACTS COMPANY LTD]	)	…………………………………………….
acting by its director/duly appointed attorney	)	Director/Attorney

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: ………………………………………….

Developer

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: Low Carbon Contracts Company Ltd

[*insert address*]

For the attention of: Head of Contract Management

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 Developer but unpaid as of the date hereof;

   (B) pay, or procure payment, to you any sum which becomes due and payable by the Developer to you pursuant to the terms of the Contract during the Step-In Period which is not paid by the Developer on the due date;

   (C) perform or discharge, or procure the performance or discharge of, all outstanding performance obligations of the Developer 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 Developer 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 Developer.

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 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) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, London, England, E14 4PU and whose company number is 08818711 (the **"GGR Contract Counterparty"**);

(2) [**insert name and details of the developer**], a company incorporated under the laws of [England and Wales] whose registered office is [●] and whose company number is [●] (the **"Developer"**); 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 Developer, the GGR Contract Counterparty 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 Developer 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. **GGR Contract Counterparty Release and Discharge**

With effect from the Novation Date, the GGR Contract Counterparty releases and discharges the Developer 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 GGR Contract Counterparty and arising out of or in respect of the Contract, save for the Developer's obligations under Condition 69 (*Confidentiality*) of the Contract.

3. **Developer Release and Discharge**

With effect from the Novation Date, the Developer releases and discharges the GGR Contract Counterparty 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 Developer 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 Developer 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 Developer 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 Developer from the date of the Contract.

5. **GGR Contract Counterparty Agreement to Perform**

The GGR Contract Counterparty 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 Developer from the date of the Contract.

6. **Replacement of Developer by Substitute**

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

7. **Outstanding GGR Contract Counterparty Claims**

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

(A) outstanding amounts properly due and payable to the GGR Contract Counterparty on the Novation Date and which remain unpaid on the expiry of three (3) Business Days' notice from the GGR Contract Counterparty 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 Developer 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 GGR Contract Counterparty 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 Condition 79 (*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 above[195].

[195] Note to draft: Execution blocks to be amended as appropriate.

GGR Contract Counterparty

EXECUTED and delivered as a **DEED** by	)	
LOW CARBON CONTRACTS COMPANY LTD	)	…………………………………………….
acting by its director/duly appointed attorney	)	Director/Attorney

in the presence of

Signature: ……………………………………………

Print Name: ………………………………………….

Address: ……………………………………………..

Occupation: ………………………………………….

Developer

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: ………………………………………….

Annex 6
Compliance Scheme Alignment Review

1. **DEFINITIONS AND INTERPRETATION**

"Acceptable Compliance Scheme" means a Compliance Scheme that complies with the Compliance Scheme Principles, as determined by the GGR Contract Counterparty pursuant to paragraph 1.10(A)(i) (*Notification of outcome of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*) or as is otherwise determined or resolved pursuant to paragraph 4.5 (*Compliance Scheme Alignment Reviews: Dispute Process*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme" means the UK Emissions Trading Scheme, an alternative UK emissions credit issuing scheme or any other regulatory scheme which:

(A) issues, grants, allocates or attributes GGR Credits which may be applied towards the satisfaction of a legal compliance obligation; and

(B) has been effected by a Competent Authority;

"Compliance Scheme Accreditation Notice" has the meaning given to that term in paragraph 3.1 (*Notification Of Accreditation By Acceptable Compliance Scheme Alignment(s)*) of Part A (Compliance Scheme Alignment Review);

"Compliance Scheme Alignment Dispute" means a Dispute in relation to the outcome of the Compliance Scheme Alignment Review;

"Compliance Scheme Alignment Dispute Developer" has the meaning given to that term in paragraph 4.1 (*Procedure for raising a Dispute*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Dispute Notice" has the meaning given to that term in paragraph 4.1 (*Procedure for raising a Dispute*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Dispute Response Notice" has the meaning given to that term in paragraph 4.2 (*Validity of Compliance Scheme Alignment Dispute Notices*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Expert Appointment Threshold" has the meaning given to that term in paragraph 4.6 (*Compliance Scheme Alignment Expert Appointment Threshold*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Participation Notice" has the meaning given to that term in paragraph 2.1 (*Notification of participation in Acceptable Compliance Scheme Alignment(s)*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review" means a review conducted by the GGR Contract Counterparty in accordance with Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Implementation Date" has the meaning given to that term in paragraph 1.10 (*Notification of outcome of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Notice" has the meaning given to that term in paragraph 1.6 (*Notification of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Outcome Notice" has the meaning given to that term in paragraph 1.10 (*Notification of outcome of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Outcomes" has the meaning given to that term in paragraph 1.10(A) (*Notification of outcome of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Response Deadline" has the meaning given to that term in paragraph 1.6 (*Notification of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Response Notice" has the meaning given to that term in paragraph 1.7 (*Notification of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Alignment Review Trigger" has the meaning given to that term in paragraph 1.1 (*Notification of Compliance Scheme Alignment Review*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Dispute Deadline" has the meaning given to that term in paragraph 4.1 (*Compliance Scheme Alignment Reviews: Dispute Process*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Participation Notice" has the meaning given to that term in paragraph 2.1 (*Notification of Participation in Acceptable Compliance Scheme Alignment(s)*) of Part A (*Compliance Scheme Alignment Review*);

"Compliance Scheme Principles" has the meaning given to that term in paragraph 1 (*Compliance Scheme Principles*) of Part B (*Compliance Scheme Principles*);

"Proposed Compliance Scheme Alignment Expert" has the meaning given to that term in paragraph 4.2(A) (*Validity of Compliance Scheme Alignment Dispute Notices*) of Part A (*Compliance Scheme Alignment Review*); and

Part A
Compliance Scheme Alignment Review[196]

1. **COMPLIANCE SCHEME ALIGNMENT REVIEW**

Undertaking of the Compliance Scheme Alignment Review[197]

1.1 The Developer may give a notice to the GGR Contract Counterparty (a **"Compliance Scheme Alignment Review Application Notice"**) at any time after:

(A) either:

(i) an amendment to, or a replacement or repeal of, the UK Emissions Trading Scheme (or the enactment of a new UK emissions credit issuing scheme) has been proposed or effected by the relevant Competent Authority which will result in the issuance or sale of GGR Credits being permissible in the relevant emissions credit issuing scheme; or

(ii) it determines that a regulatory scheme other than an emissions credit issuing scheme referred to in paragraph 1.1(A)(i) has been proposed or effected by the relevant Competent Authority which will result in the issuance or sale of GGR Credits being permissible in the relevant regulatory scheme; and

(B) the Competent Authority has published all material information related to the issuance or sale of GGR credits within the relevant emissions credit issuing scheme or other regulatory scheme referred to in paragraph 1.1(A) above,

(each a **"Compliance Scheme Alignment Review Trigger"**).

1.2 A Compliance Scheme Alignment Review Application Notice shall:

(A) specify the Compliance Scheme Alignment Review Trigger which has occurred, including the emissions credit issuing scheme or other regulatory scheme to which the Compliance Scheme Alignment Review Trigger relates; and

(B) include Supporting Information in form and content reasonably satisfactory to the GGR Contract Counterparty to evidence the same.

1.3 The GGR Contract Counterparty shall conduct a Compliance Scheme Alignment Review if:

(A) the Developer has provided to the GGR Contract Counterparty a Compliance Scheme Alignment Review Application Notice which complies with the requirements set out in paragraph 1.2 above; or

(B) the Developer demonstrates to the satisfaction of the GGR Contract Counterparty that it is or will be obliged by any Law to sell GGR Credits in a Compliance Scheme.

---

196 **Note to Reader:** The full details of the Compliance Scheme Alignment Review remain subject to further consideration by DESNZ.

197 **Note to Reader:** Whether (i) there will be a limit on the frequency of which a Developer can request a Compliance Scheme Alignment Review, excluding situations where it is obliged by law to sell into a Compliance Scheme(s); and (ii) the GGR Contract Counterparty is able to review and revise the outcome of a Compliance Scheme Alignment Review at a later date, is subject to further development and consideration by DESNZ.

Purpose of the Compliance Scheme Alignment Review

1.4 If the GGR Contract Counterparty is required to conduct a Compliance Scheme Alignment Review, then the purpose of such Compliance Scheme Alignment Review shall be to determine:

(A) subject to paragraph 1.5, whether the Compliance Scheme is an Acceptable Compliance Scheme, in which case the Developer shall be:

(i) permitted to issue and/or sell GGR Credits in the relevant Acceptable Compliance Scheme; and

(ii) eligible to receive subsidy in respect of any GGR Credits issued and/or sold in the relevant Acceptable Compliance Scheme subject to the terms of the GGR Contract;

(B) the amendments required to the GGR Contract as a result of the Compliance Scheme Alignment Review, including, but not limited to, any additional conditions relating to the Fair Market Value Principles and Offtake Compliance Provisions;[198] and

(C) in the GGR Contract Counterparty's sole and absolute discretion, any conditions that must be complied with by the Developer in order to be permitted to receive subsidy for the issue or sale of GGR Credits in the Acceptable Compliance Scheme subject to the terms of the GGR Contract.[199]

1.5 If the Developer has demonstrated to the satisfaction of the GGR Contract Counterparty that it is obliged by any Law to sell GGR Credits in a Compliance Scheme, the Developer shall be permitted by the GGR Contract Counterparty to sell GGR Credits in such Compliance Scheme, irrespective of whether such Compliance Scheme is an Acceptable Compliance Scheme and therefore the GGR Credits are eligible for subsidy subject to the terms of the GGR Contract.

Notification of Compliance Scheme Alignment Review

1.6 Where the GGR Contract Counterparty is required to conduct a Compliance Scheme Alignment Review, the GGR Contract Counterparty shall issue a notice to the Developer (a **"Compliance Scheme Alignment Review Notice"**). A Compliance Scheme Alignment Review Notice shall:

(A) specify whether it agrees that the Compliance Scheme Alignment Review Trigger specified in the Developer's Compliance Scheme Alignment Review Application Notice has occurred, including the emissions credit issuing scheme or other regulatory scheme to which the Compliance Scheme Alignment Review Trigger relates;

(B) specify the date on which the Compliance Scheme Alignment Review shall commence; and

(C) specify a deadline by which the Developer may provide a Compliance Scheme Alignment Review Response Notice, such deadline to be no less than ten (10) Business Days and no more than thirty (30) Business Days after the date on which the

---

198 **Note to Reader:** DESNZ is considering any amendments that may be required to the terms of the GGR Contract in its current form to ensure it is suitable for sales into Acceptable Compliance Schemes, including but not limited to the application of the Fair Market Value Principles.

199 **Note to Reader:** This Condition is subject to further review and development by DESNZ.

Compliance Scheme Alignment Review Notice is received by the Developer (the **"Compliance Scheme Alignment Review Response Deadline"**).

1.7 The Developer may, as soon as reasonably practicable but no later than the Compliance Scheme Alignment Review Response Deadline, issue a notice to the GGR Contract Counterparty which:

(A) shall include all of the Supporting Information which the Developer considers the GGR Contract Counterparty should take into account of when conducting the Compliance Scheme Alignment Review; and

(B) may include proposals from the Developer with respect to the manner in which the Compliance Scheme Alignment Review Trigger should be addressed (including amendments to the GGR Contract which the Developer considers should be effected and conditions that the Developer must comply with in order to be permitted to issue and/or sell GGR Credits in the relevant Acceptable Compliance Scheme and be eligible to receive subsidy for the issue and/or sale of GGR Credits in the relevant Acceptable Compliance Scheme subject to the terms of the GGR Contract),

(the **"Compliance Scheme Alignment Review Response Notice"**).

1.8 When conducting the Compliance Scheme Alignment Review, the GGR Contract Counterparty shall not be obliged to take into account any Compliance Scheme Alignment Review Response Notice, except where such Compliance Scheme Alignment Review Response Notice is received prior to the Compliance Scheme Alignment Review Response Deadline.

Compliance Scheme Restriction during Compliance Scheme Alignment Review

1.9 Notwithstanding the issue of a Compliance Scheme Alignment Review Notice, the Compliance Scheme Restriction set out in Condition 35.1 (*Compliance Schemes*) shall remain in effect until the Compliance Scheme Alignment Review Implementation Date.

Notification of outcome of Compliance Scheme Alignment Review

1.10 The GGR Contract Counterparty shall issue a notice to the Developer (the **"Compliance Scheme Alignment Review Outcomes Notice"**) as soon as reasonably practicable following the conclusion of the Compliance Scheme Alignment Review and in any event, no later than thirty (30) Business Days after Compliance Scheme Alignment Review Response Notice (or, if a Compliance Scheme Alignment Review Response Notice is not provided by the Developer, the Compliance Scheme Alignment Review Response Deadline). The Compliance Scheme Alignment Review Outcome Notice shall:

(A) set out the outcome of the Compliance Scheme Alignment Review, including:

(i) subject to paragraph 1.5, whether the Compliance Scheme is an Acceptable Compliance Scheme, in which case the Developer shall be:

(a) permitted to issue and/or sell GGR Credits in the relevant Acceptable Compliance Scheme; and

(b) eligible to receive subsidy in respect of any GGR Credits issued and/or sold in the relevant Acceptable Compliance Scheme subject to the terms of the GGR Contract;

(ii) the amendments required to the GGR Contract as a result of the Compliance Scheme Alignment Review, including, but not limited to, any additional conditions relating to the Fair Market Value Principles and Offtake Compliance Provisions;[200] and

(iii) in the GGR Contract Counterparty's sole and absolute discretion, any conditions that must be complied with by the Developer in order for the Developer to be permitted to receive subsidy for the issue or sale of GGR Credits in the Acceptable Compliance Scheme subject to the terms of the GGR Contract,

(together, the **"Compliance Scheme Alignment Review Outcomes"**);

(B) specify the date from which any Compliance Scheme Alignment Review Outcomes are to take effect which, subject to paragraph 4.8, shall be:

(i) in the case of a Compliance Scheme Alignment Review Outcomes relating to a Compliance Scheme Alignment Review Trigger pursuant to paragraph 1.1(A)(i), no earlier than the date on which the replacement or repeal of, or an amendment to, the UK Emissions Trading Scheme (or the enactment of a new UK emissions credit issuing scheme) has been effected by the relevant Competent Authority and the relevant emissions credit issuing scheme becomes applicable to GGR Credits; or

(ii) in the case of a Compliance Scheme Alignment Review Outcomes relating to a Compliance Scheme Alignment Review Trigger pursuant to paragraph 1.1(A)(ii), no earlier than the date on which the enactment of the relevant regulatory scheme has been effected by the relevant Competent Authority resulting in the regulatory scheme being applicable to GGR Credits,

(the **"Compliance Scheme Alignment Review Implementation Date"**).

1.11 Paragraph 4 (*Compliance Scheme Alignment Reviews: Disputes Process*) shall apply to any Dispute relating to this paragraph 1 (*Compliance Scheme Alignment Review*).

2. NOTIFICATION OF PARTICIPATION IN ACCEPTABLE COMPLIANCE SCHEME ALIGNMENT(S)

2.1 The Developer shall at any time after receipt of a Compliance Scheme Alignment Review Outcome Notice, notify the GGR Contract Counterparty if it intends to participate in the relevant Acceptable Compliance Schemes (a **"Compliance Scheme Participation Notice"**).

3. NOTIFICATION OF ACCREDITATION BY ACCEPTABLE COMPLIANCE SCHEME

3.1 The Developer shall, within five (5) Business Days of receipt of confirmation by an Acceptable Compliance Scheme that the Developer has become certified or accredited for that Acceptable Compliance Scheme, notify the GGR Contract Counterparty that it has become certified or accredited by such Acceptable Compliance Scheme (a **"Compliance Scheme Accreditation Notice"**).

3.2 The Compliance Scheme Accreditation Notice shall specify the date on which the Developer became certified or accredited for that Acceptable Compliance Scheme and include Supporting Information to evidence such certification or accreditation for that Acceptable Compliance Scheme.

---

200 **Note to Reader:** DESNZ is considering any amendments that may be required to the terms of the GGR Contract in its current form to ensure it is suitable for sales into Acceptable Compliance Schemes, including but not limited to the application of the Fair Market Value Principles.

4. **COMPLIANCE SCHEME ALIGNMENT REVIEWS: DISPUTE PROCESS**

Procedure for raising a Dispute

4.1 The Developer may, no later than twenty (20) Business Days after receipt of a Compliance Scheme Alignment Review Outcome Notice (the **"Compliance Scheme Dispute Deadline"**), give a notice to the GGR Contract Counterparty that it wishes to raise a Dispute in relation to the outcome of such Compliance Scheme Alignment Review (a **"Compliance Scheme Alignment Dispute Notice"** and any such Developer, a **"Compliance Scheme Alignment Dispute Developer"**). Each Compliance Scheme Alignment Dispute Notice shall comply with the requirements of a Dispute Notice as specified in Conditions 54.3(A) to 54.3(H) (*Outline of Dispute Resolution Procedure*) (inclusive).

Compliance Scheme Alignment Dispute Notices

4.2 The GGR Contract Counterparty shall notify the Developer no later than twenty (20) Business Days after the date on which the relevant Compliance Scheme Alignment Dispute Notice is received (irrespective of whether or not the Developer is a Compliance Scheme Alignment Dispute Developer) (a **"Compliance Scheme Alignment Dispute Response Notice"**). A Compliance Scheme Alignment Dispute Response Notice shall:

(A) include a proposal as to the identity, and terms of reference, of an Expert to determine the Compliance Scheme Alignment Dispute (the **"Proposed Compliance Scheme Alignment Expert"**) and details of the relevant expertise that the GGR Contract Counterparty considers qualifies the Proposed Compliance Scheme Alignment Expert to determine such Compliance Scheme Alignment Dispute (being a person fulfilling the requirements of Condition 56.2 (*Expert Determination Procedure*) and having no conflict of interest which prevents the Proposed Compliance Scheme Alignment Expert from determining the Compliance Scheme Alignment Dispute);

(B) comply with the requirements of an Expert Determination Notice as specified in Condition 56.1 (*Expert Determination Procedure*); and

(C) comply with the requirements of a Consolidation Request as specified in Condition 58.2 (*Consolidation of Connected Disputes*).

Permitted bases of Dispute: Compliance Scheme Alignment Review

4.3 For the purposes of paragraph 4.1, the Developer acknowledges and agrees that

(A) it may only raise a Dispute with respect to the outcome of any Compliance Scheme Alignment Review if the GGR Contract Counterparty has acted unreasonably in failing to pay due regard to the Supporting Information which the Developer requested the GGR Contract Counterparty take into account when undertaking the Compliance Scheme Alignment Review (as set out in its Compliance Scheme Alignment Review Response Notice); and

(B) any Compliance Scheme Alignment Dispute Notice which is based upon grounds other than those specified in this paragraph 4.3 shall be invalid and of no effect.

Resolution of valid Compliance Scheme Alignment Disputes

4.4 If the relevant Compliance Scheme Alignment Dispute complies with paragraph 4.3, then such Compliance Scheme Alignment Dispute shall be finally resolved in accordance with paragraph 4.5.

4.5 If paragraph 4.4 applies to any Compliance Scheme Alignment Dispute:

(A) Condition 55 (*Resolution by Senior Representatives*) shall not apply to such Compliance Scheme Alignment Dispute;

(B) no agreement between the Developer and the GGR Contract Counterparty to settle the relevant Compliance Scheme Alignment Dispute shall be valid and binding unless and until such resolution is agreed with all GGR Developers who have issued a Compliance Scheme Accreditation Notice;

(C) the Arbitration Procedure shall not apply to such Compliance Scheme Alignment Dispute;

(D) the Developer agrees not to raise any objection to the consolidation of such Compliance Scheme Alignment Dispute in accordance with Condition 58 (*Consolidation of Connected Disputes*);

(E) the Expert Determination Procedure shall apply to such Compliance Scheme Alignment Dispute on the basis that:

  (i) if the Compliance Scheme Alignment Expert Appointment Threshold is met, the GGR Contract Counterparty shall be deemed to have satisfied the requirements of, and to have given an Expert Determination Notice pursuant to, Condition 56.1 (*Expert Determination Procedure*) and the Parties will be deemed to have agreed to both the identity and the terms of reference of the Proposed Compliance Scheme Alignment Expert;

  (ii) if the Compliance Scheme Alignment Expert Appointment Threshold is not met:

    (a) the GGR Contract Counterparty may, within ten (10) Business Days, either:

      (aa) make an alternative proposal as to the identity of an Expert to determine the Compliance Scheme Alignment Dispute, in which case paragraphs 4.2(A) and 4.5(E)(i), and this paragraph 4.5(E)(ii)(a)(aa), shall apply to such proposed Expert as if that Expert were a Proposed Compliance Scheme Alignment Expert; or

      (bb) request the LCIA to nominate an Expert for the purposes of determining the Compliance Scheme Alignment Dispute in accordance with Condition 56.4 (*Expert Determination Procedure*); and

    (b) the terms of reference of the Proposed Compliance Scheme Alignment Expert (or any Expert nominated by the LCIA pursuant to paragraph 4.5(E)(ii)(a)(bb) shall be determined by the GGR Contract Counterparty in its sole and absolute discretion (having regard to any submissions made to it by any GGR Developer), and shall be binding on the Parties, provided that such terms of reference are sufficiently broad to enable the Expert to determine the Compliance Scheme Alignment Dispute;

  (iii) if the GGR Contract Counterparty and the GGR Developers fail to agree on the terms of appointment of the Expert within ten (10) Business Days of the identity of the Expert having been agreed (or deemed to have been agreed) pursuant to paragraph 4.5(E)(i) or having been nominated by the LCIA pursuant to paragraph 4.5(E)(ii)(a)(bb), such terms shall be determined by the GGR Contract Counterparty in its sole and absolute discretion (having regard to any submissions made to it by any GGR Developer), and shall be binding on the Parties, provided that the terms of appointment comply with the requirements of this paragraph 4.5(E)(iii), Condition 56.5(B) and Condition 56.5(C) (*Expert Determination Procedure*);

(iv) Condition 56.5 (*Expert Determination Procedure*) shall be deemed to have been modified such that the Parties shall use reasonable endeavours to procure that the terms of appointment of the Expert prohibit the Expert from disclosing any Supporting Information disclosed or delivered by:

(a) the Developer to the Expert in consequence of, or in respect of, their appointment as the Expert to any other GGR Developer or the GGR Contract Counterparty; or

(b) the GGR Contract Counterparty to the Expert in consequence of, or in respect of, their appointment as the Expert to any GGR Developer (including the Developer);

(v) the Expert will be instructed, in establishing or modifying the procedure for the determination of the Compliance Scheme Alignment Dispute, to afford the Developer an opportunity to make submissions in respect of the Compliance Scheme Alignment Dispute, irrespective of whether or not the Developer is a Compliance Scheme Alignment Dispute Developer;

(vi) if the circumstances described in Condition 56.8 (*Expert Determination Procedure*) arise, paragraphs 4.2(A), 4.5(E)(i) and 4.5(E)(ii) shall apply, with the necessary modifications, to the appointment of a replacement Expert;

(vii) for the purposes of Condition 56.12 (*Expert Determination Procedure*), the Expert shall be: (i) required to include in their determination provision for the allocation of their fees and the costs and expenses of the GGR Contract Counterparty among each of the Compliance Scheme Alignment Dispute Developers in such manner as the Expert, in their absolute discretion, determines is fair and equitable if the Expert makes a determination against the Compliance Scheme Alignment Dispute Developers; and (ii) permitted to allocate their fees and the costs and expenses of the GGR Contract Counterparty in such manner as the Expert determines is fair and equitable if the Expert makes a determination in favour of the Compliance Scheme Alignment Dispute Developers; and

(viii) the Expert shall, notwithstanding any other provision of the Expert Determination Procedure, be instructed to reach a determination which is to be applied to all CCUS Programme GGR Contracts; and

(F) the Developer acknowledges and agrees that the determination of the Expert in any Compliance Scheme Alignment Dispute shall be applied to all CCUS Programme GGR Contracts, irrespective of whether or not the Developer was a party to the Compliance Scheme Alignment Dispute giving rise to that determination.

Compliance Scheme Alignment Expert Appointment Threshold

4.6 For the purposes of paragraphs 4.5(E)(i) and 4.5(E)(ii), the **"Compliance Scheme Alignment Expert Appointment Threshold"** is that thirty per cent. (30%) or more of GGR Developers who have issued a Compliance Scheme Accreditation Notice, by number, have consented, or not objected in writing, to both the identity and the terms of reference of the Proposed Compliance Scheme Alignment Expert. For the purposes of determining whether the

Compliance Scheme Alignment Expert Appointment Threshold is met, the GGR Counterparty shall calculate the number of GGR Developers which have consented or have been deemed to have consented to the Proposed Compliance Scheme Alignment Expert as a percentage of the total number of GGR Developers who have issued a Compliance Scheme Accreditation Notice.

Provisions applying pending resolution of a Compliance Scheme Alignment Dispute

4.7 If there is a valid Compliance Scheme Alignment Dispute requiring resolution in accordance with the provisions of paragraphs 4.4 to 4.6 then, pending resolution of such Compliance Scheme Alignment Dispute, paragraph 4.8 shall apply.

4.8 If there is a valid Compliance Scheme Alignment Dispute relating to a Compliance Scheme Alignment Review:

(A) the relevant Compliance Scheme Alignment Review Outcome Notice shall be deemed to be valid and effective and the Compliance Scheme Alignment Review Outcomes shall apply with effect from the Compliance Scheme Alignment Review Implementation Date specified in that Compliance Scheme Alignment Review Outcome Notice; and

(B) if the Expert finds in favour of the Developer, the Compliance Scheme Alignment Review Outcomes provided for in the determination of such Expert shall be implemented on a date falling no earlier than twenty (20) Business Days after the date on which the Expert has made their determination.

Part B
Compliance Scheme Principles

1. **COMPLIANCE SCHEME PRINCIPLES**

The following are the **"Compliance Scheme Principles"**:[201]

(A) The Developer meets the eligibility criteria for participation in the Compliance Scheme as defined by the Competent Authority.

(B) The GGR Standard is approved as an eligible carbon standard in the Compliance Scheme.

(C) The Compliance Scheme offers competitive GGR Credit prices comparable to the Voluntary Scheme (or other approved Compliance Schemes).

(D) Any subsidy to be provided in respect of GGR Credits sold in the Compliance Scheme will not unduly dampen, dilute, disrupt or otherwise distort components of the Compliance Scheme that would incentivise operational behaviour materially different from that which would be observed absent the existence of CCUS Programme GGR Contracts.

[201] **Note to Reader:** The Compliance Scheme Principles remain under development and consideration by DESNZ.

Annex 7
Form of Supply Chain Report

Part A

1. **HOW TO COMPLETE THIS FORM**

1.1 Please use the text boxes in this template (Part A) and the tables in the accompanying spreadsheet (Part B) to report on the economic benefits and CCUS Programme supply chains associated with the development of the Project. The purpose of this reporting is to provide the GGR Contract Counterparty and the Secretary of State with the key economic, technical, and commercial data around the supply chain and the value drivers that underpin it. For the avoidance of doubt, submission of each Supply Chain Report relates to the Developer's supply chain reporting obligations pursuant to Condition 30 of the GGR Contract only.

1.2 Please ensure that each submission is complete and includes all required evidence and Supporting Information. At the point of publication of the Conditions, this template is indicative only and the Secretary of State reserves the right to review and amend the requirement for Developers to report on economic benefits and supply chains in relation to their Project. As such, the template may be updated from time to time during the CCUS Programme.

2. **MINIMUM REQUIREMENTS**

2.1 Each Supply Chain Report must:

(A) be submitted by the relevant Supply Chain Report Deadline;

(B) be accompanied by a Directors' Certificate;

(C) be completed in full, ensuring fields are not left blank;

(D) be completed with information that is relevant to the question asked; and

(E) comply with the restrictions on the type of data that can be entered into the accompanying spreadsheet (Part B) and the word count limits specified for the text boxes of this form (Part A).

2.2 If the GGR Contract Counterparty has issued a Supply Chain Report Response Notice which states that the relevant Supply Chain Report does not comply with the requirements set out in this Annex, the Developer will be required to pay the Supply Chain Report Fees in respect of the Developer's failure to provide the GGR Contract Counterparty with the relevant Supply Chain Report.

3. **CONTACT AND PROJECT DETAILS**

Company name and project name		Authorised representative(s)	
Company address		Preferred contact number(s)	
Preferred email(s)		Preferred contact person	

4. REPORT SUBMISSION DECLARATION

To the best of your knowledge, is the information provided in this report accurate, complete, and compliant with the requirements set out in the guidance above? Please provide details on how the information and data have been quality assured.	Yes/No (delete as appropriate) Details:
Has the submission of this report been accompanied with a Directors' Certificate?	Yes/No (delete as appropriate)
Report milestone (1, 2, or 3) and version number. Please provide further details if this is not the first version submitted for a report milestone, including whether a non-compliance notice had been issued.	(e.g. Report 1, Version 1)
Has this report been submitted within the deadline? Please provide further details if necessary.	Yes/No (delete as appropriate)
Report Submission Date	[DD/MM/YYYY]

5. DISCLOSURE OF INFORMATION

5.1 The GGR Contract Counterparty will pass the Information provided in each Supply Chain Report, including information provided in supporting documents, to the Secretary of State, pursuant to Condition 69.3(K). The Secretary of State may look to publish extracts from these reports in order to share information with wider industry, to support the implementation of a CCUS Programme supply chain and to support the development of the CCUS Programme.

5.2 The Secretary of State may be required to disclose any information provided by Developers in accordance with the Secretary of State's legal obligations (including, but not limited to, under the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018, UK General Data Protection Regulation (UK GDPR) and the Environmental Information Regulations 2004 (EIR)). More information on the FOIA, Data Protection Act 2018, GDPR and EIR (including information on exemptions) can be found at: https://ico.org.uk/for-organisations/.

5.3 To help the Secretary of State deal with information requests and without prejudice to the paragraph above, in the box below, please set out the reasons why you consider any specific information should not be disclosed, including (if possible) by reference to the specific exemption contained in the relevant legislation (for example, because disclosure of the information would prejudice your commercial interests under section 43 of the FOIA), explaining why this is the case. Where appropriate, please also state whether you consider your reasons for non-disclosure only apply for a particular time period.

Please detail what specific information, if any, within this report submission should not be disclosed and the reasons why. Please include (if possible) reference to the specific exemption contained in the relevant legislation.	

6. SUPPLY CHAIN SUMMARY

6.1 For this section and Section 7 below, it would be useful to make references to activities that have either already taken place, are ongoing or planned. Where activities have already been completed or are ongoing, Developers should provide evidence of what has taken place and progress towards delivery (*expressed as a % if relevant*), the metric used to measure the intended outcomes, and evidence of the outcome of the activity where known. Where there is reference to activities that are planned, Developers should explain how these will be implemented, including sources of funding and engagement with key stakeholders.

6.2 Include in your responses metrics and KPIs to measure outcomes, who is responsible, milestones, date of achieving expected outcome and how you will monitor progress in delivery of the activity and outcomes. Please specify in responses to the below sections the main risks to achieving the intended outcomes, including those arising from interdependencies and how they will be mitigated. Examples of success and lessons learnt can also be referenced.

6.3 It is also important to explain any deviations from the supply chain activities or plans proposed in the Project's CCUS Programme submission and progress towards making any improvements that have been suggested to Developers following the assessment of the submission.

6.4 Where relevant within this Part A and Part B of the Form of Supply Chain Report and supporting documentation, please describe data sources, underlying evidence and assumptions that have been used to estimate the data, and methods for quality assuring estimates. Please specify the time periods over which data forecasts and estimates are provided, providing a breakdown between data relevant to the contract term length and data forecasts or estimates provided for time periods beyond the contract term length (if applicable).

6.5 Developers should provide sufficient information and evidence to support their answers within this Part A and Part B of the Form of Supply Chain Report, but should note that there is not a target length for information that should be provided for this reporting requirement. Developers should, however, not exceed the maximum word limit (which is specified for each section below and excludes information provided in Part B and supporting documentation).

Supply chain planning and risks (1000 words)

6.6 Please complete sections 6.6 and 6.7 for the first report only. Projects should provide a concise explanation of the assessment of the supply chain, labour and skills needed to support the proposed delivery timescales for the project and any identified gaps. This should include:

(A) a description of the key uncertainties linked to the supply chain, the consequential uncertainty in project costs and timelines, and when the uncertainty is expected to be resolved;

(B) a description of the key risks and challenges linked to the supply chain and potential mitigations or solutions. This could also include any key supply chain risks arising from interactions with the T&S Network or the wider cluster;

(C) a description of the supply chain capacity and capability to support the project; and

(D) any uncertainties, risks, or issues with the supply chain that government or industry could help to resolve.

Reference to specific related activities in the project programme would be helpful.

6.7 Please also confirm the project developers will and/or are following best practice in sourcing of labour and materials.

References to supporting documentation for Section 6.7	

Supply chain engagement (750 words in Part A and Table 1 in Part B)

6.8 Please complete this section 6.8 for the first Supply Chain Report only, providing a concise explanation of the extent of the supply chain engagement, including which parts of the supply chain have been engaged with and where there are key contracts in place. Please include a description of:

(A) the current view of capability and capacity and how any associated challenges are being addressed;

(B) agreements which have been entered into with third parties and their scope; and

(C) the effectiveness of engagement with the supply chain.

References to supporting documentation for Section 6.8	

7. **ECONOMIC BENEFITS**

7.1 Information provided in this section can help to demonstrate the contribution that the Project is making or can make to the UK economy and the UK government's Growth Mission and commitment to raising living standards in every part of the UK.. Information should be provided in the text boxes below and through supporting documentation, and in the accompanying spreadsheet (Part B).

Number and quality of jobs (500 words in Part A and Table 2 in Part B)

7.2 The Developer should indicate plans, initiatives, or metrics relating to the quality of jobs in relation to the Project (e.g. employee salary measured against national/local salary, financial security, social protection offered by employers, openness of employer for employees to participate in trade unions etc.).

References to supporting documentation for Section 7.2	

Transparency of supply chain procurement processes (750 words)

7.3 Please provide information on how you are making or have made the Project procurement strategies as transparent as possible. For example, identifying and implementing supply chain opportunities, advertising them as early as possible and improving the visibility of them to suppliers, and undertaking meaningful engagement with CCUS Programme supply chain companies including SMEs. It would be useful to describe the effectiveness of early engagement with the supply chain and of transparent supply chain processes more generally. Developers should explain any challenges they have identified in implementing their procurement process and how they are working to overcome these.

References to supporting documentation for Section 7.3	

Investment in CCUS Programme related skills (750 words in Part A and Table 3 in Part B)

7.4 Please provide details on the types of initiatives to upskill/reskill employees and building capability. This can include any formal training that has been (or is being) offered and the impact of this on the NVQ level of employees and whether non-formal training is being or has been considered such as vocational courses or digital training. It would be useful to describe whether training has been (or is being) internally and/or externally led. Any collaboration with educational institutions should be mentioned.

7.5 Please also provide evidence that demonstrates where consortium partners have (or are) individually or collectively investing in training programmes to develop CCUS Programme related skills, for example in apprenticeships and retraining programmes. We ask that projects provide detail on time and duration of these programmes and specifically how they have (or are) supporting retraining workforces transitioning from other sectors – locally, regionally and nationally.

References to supporting documentation for Sections 7.4 and 7.5	

Wider economic benefits (750 words in Part A and Table 4 in Part B)

7.6 Noting the UK government's objective to drive local and regional growth as part of the Growth Mission, please set out how the Project has contributed or is contributing to economic growth within the local area in line with the following strategic priorities:

(A) regional decarbonisation: This could be demonstrated through, for example, the mapping of a broader decarbonisation pathway for the region, identifying the economic benefits and opportunities of decarbonisation, as well as the development of skills required to realise these benefits;

(B) regeneration and community renewal: Developers should consider how the Project has contributed or is contributing to improving and widening the economic benefits associated with their development and impact on local communities. This could include but is not limited to, impacts on air quality, increased attractiveness to other businesses, local transport links or land value. Developers should provide evidence of any wider economic benefits that they deem to be relevant. Developers should reference any engagement with local communities or institutions that has taken place, or will take place, and the outcome of any such engagement; and

(C) equality, diversity and inclusion: Developers should demonstrate how they are continuing to ensure the diversity and inclusivity of their workforce, as well as how they are or plan to incorporate hiring practices which do not disadvantage those with protected characteristics. Developers should describe how their recruitment process removes barriers to recruitment of suitably qualified and skilled workers and provides equal and fair consideration of applicants.

References to supporting documentation for Section 7.6	

Tables to be completed in Excel spreadsheet

7.7 In addition to the text boxes within this Part A of the Form of Supply Chain Report, please also complete the tables in the accompanying spreadsheet (Part B), which can be found on the following page: https://www.gov.uk/government/publications/carbon-capture-usage-and-storage-ccus-business-models. For ease, these tables are listed below.

Table 1	List of suppliers	To be completed
Table 2	Jobs	To be completed
Table 3	Skills and training	To be completed
Table 4	Wider economic benefits	To be completed

7.8 For any enquiries regarding the content of the Form of Supply Chain Report, Developers should contact the following email: [GGR.BusinessModels@energysecurity.gov.uk]

Part B

Greenhouse Gas Removal

Form of Supply Chain Report: Part B (Spreadsheet), available at:[●][202]

[202] **Note to Reader:** Form of supply chain report to be made available in due course following August publication of GGR Contract.

Annex 8
Pre-Capture Meter Operational Framework and Technical Specification[203]

[●]

[203] **Note to Reader:** This Annex is subject to further review and development by DESNZ as metering specifications are further developed.

Annex 9
Stack Meter Operational Framework and Technical Specification[204]

[●]

[204] **Note to Reader:** This Annex is subject to further review and development by DESNZ as metering specifications are further developed.

Annex 10
T&S Meter Operational Framework and Technical Specification[205]

1. **INTRODUCTION**

This Annex 10 (*T&S Meter Operational Framework and Technical Specification*) sets out requirements for the installation, operation and maintenance of each T&S Meter Measurement System.

2. **DEFINITIONS: ANNEX 10**

In this Annex 10 (T&S Meter Operational Framework and Technical Specification):

"Applicable Standards" means:

(A) the relevant standards set out in paragraph 4 of Part D (*T&S Meter Measurement System - Technical Specification*); or

(B) where such relevant standards are not available, the relevant ISO standards; or

(C) where such ISO standards are not available, suitable British Standards; or

(D) where such British Standards are not available, suitable draft standards;

(E) where such suitable draft standards are not available, industry best practice guidelines;

(F) where such industry best practice guidelines are not available, manufacturers' recommendations; or

(G) where such manufacturers' recommendations are not available, other scientifically proven methodologies;

"CO_2 Storage Test" means a test carried out in accordance with Annex 2 (*Testing Requirements*) to verify the Achieved CO_2 Storage Rate and/or the Metered CO_2 Rich Stream Output to T&S;[206]

"Further T&S Meter Proving Test Response Notice" has the meaning given to that term in paragraph 4.12(C)(ii) of Part C (*T&S Meter Measurement System- Operations*);

"Inaccurate T&S Metered Data" means any T&S Metered Data which is generated in circumstances where:

(A) the T&S Metering Equipment recording such T&S Metered Data does not meet the relevant T&S CO_2 Measurement Uncertainty Requirement;

(B) the T&S Metering Equipment recording such T&S Metered Data does not meet the relevant T&S CO_2 Rich Stream Measurement Uncertainty Requirement;

(C) the T&S Metering Equipment recording such T&S Metered Data drifts beyond the permitted specification as determined by the relevant technology deployed by such T&S Metering Equipment;

(D) there is an error in a correction factor or scaling factor within the relevant DAHS;

---

205 **Note to Reader:** This Annex is subject to further review and development by DESNZ as metering specifications are further developed.

206 **Note to Reader:** This definition is subject to further review and consideration by DESNZ.

(E) there is an error in the transcription from the relevant DAHS to the GGR Contract Counterparty; and/or

(F) the T&S Metering Equipment is otherwise incorrectly recording data;

"Maximum Metered CO_2 Rich Stream Output to T&S Flow Rate" has the meaning given to that term in the GGR Agreement;

"Metered CO_2 Output to T&S Flow Rate" means the flow rate of CO_2 (*expressed in tCO_2/h*) entering the relevant T&S Network from the Capture Plant during the relevant Reporting Unit, measured by the T&S Flow Meter(s) at the T&S Network Metering Point(s);

"Metered CO_2 Rich Stream Output to T&S Flow Rate" means the flow rate of CO_2 Rich Stream (*expressed in tCO_{2RS}/h*) entering the relevant T&S Network from the Capture Plant during the relevant Reporting Unit, measured by the T&S Flow Meter(s) at the T&S Network Metering Point(s);

"Minimum CO_2 Purity Requirement" means the minimum CO_2 purity requirement contained in the "Carbon Dioxide Specification" applicable to the T&S Network under the CCS Network Code;

"Non-Routine T&S Meter GGR Technical Audit " has the meaning given to that term in limb (A) of the definition of T&S Meter GGR Technical Audit;

"Routine T&S Meter GGR Technical Audit" has the meaning given to that term in limb (B) of the definition of T&S Meter GGR Technical Audit;

"T&S Bypass Stack(s)" means one (1) or more emission point(s) to atmosphere from a vent located upstream of the T&S Flow Meter(s) that is capable of diverting to atmosphere one (1) or more stream(s) of CO_2 Rich Stream that would ordinarily be routed to the T&S Network from the Capture Plant;

"T&S Composition Analysis Equipment" means one (1) or more device(s) (including ancillary instrumentation, sampling equipment and, if necessary, conditioning equipment) for measuring the CO_2 concentration and for determining the CO_2 mass fraction in the stream of CO_2 Rich Stream routed from the Capture Plant to the T&S Network for the purposes of determining the Metered CO_2 Output to T&S and located at the T&S Network Analysis Point(s);

"T&S Composition Analysis Measurement Period" has the meaning given to that term in paragraph 2.9 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Measurement Uncertainty Requirement" has the meaning given to that term in paragraph 3.8 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter GGR Technical Audit" means an audit, check, examination or inspection conducted by the GGR Contract Counterparty and/or its appointed representative in accordance with Part B (*T&S Meter Measurement System - Technical Assurance*), Part D (*T&S Meter Measurement System - Technical Specification*) of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*):

(A) once every three (3) years in accordance with the timings set out in paragraph 4.4 of Part B (*T&S Meter Measurement System - Technical Assurance*) (each a **"Routine T&S Meter GGR Technical Audit"**); or

(B) with such frequency as is considered necessary by the GGR Contract Counterparty in accordance with paragraph 4.1 of Part B (*T&S Meter Measurement System - Technical*

Assurance), acting reasonably (each a **"Non-Routine T&S Meter GGR Technical Audit"**;

"T&S Meter Invalid Reporting Unit" has the meaning given to that term in paragraph 3.5 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Invitee" means each of:

(A) the GGR Contract Counterparty acting through any reasonably nominated employee, agent or contractor; and

(B) the T&S Meter Technical Assurance Agent, acting through any reasonably nominated employee, agent or contractor;

"T&S Meter Measurement System" means all of the relevant T&S Metering Equipment including the relevant commissioned T&S Flow Meter(s) and T&S Composition Analysis Equipment, a DAHS, other associated equipment, and any standby meter(s) for the purposes of measuring the CO_2 and the CO_2 Rich Stream at the T&S Network Metering Point(s) and the T&S Network Analysis Point(s);

"T&S Meter Measurement System Material Change" means a change to any component of a T&S Meter Measurement System which has, or may have, an impact on the T&S Metered Data;

"T&S Meter Measurement System Technical Details" means all of the technical details relating to a T&S Meter Measurement System that are required to enable metered data to be collected and correctly interpreted from that T&S Meter Measurement System as referred to in this Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Meter Measurement System Technical Specification" means the technical specification relating to the T&S Meter Measurement System as set out in Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Measurement Uncertainty Assessment" has the meaning given to that term in paragraph 3.12(A) of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Primary Composition Data" has the meaning given to that term in paragraph 3.1(B) of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Primary Data" has the meaning given to that term in paragraph 3.1 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Primary Flow and Time Data" has the meaning given to that term in paragraph 3.1 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Proving Test" means the test described in paragraph 4.8 of Part C (*T&S Meter Measurement System - Operations*), or as otherwise agreed in accordance with paragraph 4.14 of Part C (*T&S Meter Measurement System - Operations*);

"T&S Meter Proving Test Notice" has the meaning given to that term in paragraph 4.9 of Part C (*T&S Meter Measurement System - Operations*);

"T&S Meter Proving Test Response Notice" has the meaning given to that term in paragraph 4.11 of Part C (*T&S Meter Measurement System - Operations*);

"T&S Meter Proving Test Supporting Information" has the meaning given to that term in paragraph 4.11(C) of Part C (*T&S Meter Measurement System - Operations*);

"T&S Meter Secondary Data" has the meaning given to that term in paragraph 3.2 of Part D (*T&S Meter Measurement System - Technical Specification*);

"T&S Meter Technical Assurance" means compliance by the Developer with the requirements of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) in relation to each T&S Meter Measurement System;

"T&S Meter Technical Assurance Agent" means a third party agent or representative appointed by the GGR Contract Counterparty to be responsible for monitoring T&S Meter Technical Assurance;

"T&S Meter Tertiary Data" has the meaning given to that term in paragraph 3.4 of Part D (*T&S Meter Measurement System - Technical Specification*); and

"T&S Metered Data" means the T&S Meter Tertiary Data, the T&S Meter Secondary Data and the T&S Meter Primary Data.

"T&S Metering Equipment" means the metering equipment which is required pursuant to the T&S Metering Specification to determine the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S, which may include flow meters, composition analysers, temperature measurement equipment, pressure measurement equipment, associated communications equipment, and any other necessary ancillary equipment and infrastructure;

"T&S Metering Specification" means Annex 10 (*T&S Meter Operational Framework and Technical Specification*);

"T&S Rich Stream Measurement Uncertainty Requirement" has the meaning given to that term in paragraph 3.9 of Part D (*T&S Meter Measurement System - Technical Specification*);

Part A
T&S Meter Measurement System– General

1. **INTRODUCTION**

1.1 This Part sets out:

(A) the general requirements for the installation, commissioning, operation and maintenance of each T&S Meter Measurement System;

(B) the Developer's responsibilities, the ownership and use of data and the access to each T&S Meter Measurement System; and

(C) the functions of any agents or representatives appointed by the GGR Contract Counterparty in connection with each T&S Meter Measurement System.

1.2 For the purposes of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*), the relevant quantities of CO_2 and CO_2 Rich Stream shall be measured and recorded through each T&S Meter Measurement System installed, commissioned, operated and maintained and otherwise provided for as set out in this Part A (*T&S Meter Measurement System– General*).

1.3 In this Part A (*T&S Meter Measurement System– General*):

(A) in relation to each T&S Meter Measurement System, references to requirements under the T&S Meter Measurement System Technical Specification shall be construed as requirements in relation to all of the relevant T&S Flow Meters, T&S Composition Analysis Equipment and associated equipment comprised or required to be comprised in that T&S Meter Measurement System;

(B) references to a T&S Meter Measurement System includes a T&S Meter Measurement System comprising one (1) or more T&S Flow Meter(s) or T&S Composition Analysis Equipment which a third party is or will be required to install;

(C) references to a T&S Meter Measurement System shall be construed as references to all of the relevant T&S Flow Meters, T&S Composition Analysis Equipment and associated equipment which are or will be comprised in such T&S Meter Measurement System; and

(D) "commission" means to commission for the purposes of the GGR Contract Settlement Activities in accordance with this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) and "commissioned" and other derivative terms shall be construed accordingly.

2. **DEVELOPER RESPONSIBILITY FOR T&S METER MEASUREMENT EQUIPMENT**

2.1 The principal functions and responsibilities of the Developer (or any agent or representative appointed on its behalf) shall be to install, commission, operate, test, maintain, rectify faults and provide a sealing service in respect of each T&S Meter Measurement System in accordance with Part D (*T&S Meter Measurement System – Technical Specification*).

2.2 The Developer shall comply with or (as appropriate) procure that any appointed agent or representative complies with the requirements of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

3. T&S METER MEASUREMENT SYSTEM – BASIC REQUIREMENTS

Developer Responsibilities

3.1 The Developer shall ensure that each T&S Meter Measurement System is:

(A) calibrated, tested, installed and commissioned; and

(B) operated and maintained,

for the purposes described in paragraph 1.2 in accordance with and subject to the provisions of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

T&S Meter Measurement System Technical Details

3.2 The Developer shall, in accordance with this Annex 10 (*T&S Meter Operational Framework and Technical Specification*):

(A) establish and maintain T&S Meter Measurement System Technical Details in respect of each T&S Meter Measurement System; and

(B) ensure that such T&S Meter Measurement System Technical Details are true, complete and accurate.

Information and records

3.3 The Developer shall:

(A) comply with the requirements of the GGR Contract when providing the GGR Contract Counterparty with information relating to each T&S Meter Measurement System, including the relevant T&S Meter Measurement System Technical Details;

(B) provide such T&S Meter Measurement System Technical Details to the GGR Contract Counterparty; and

(C) provide the GGR Contract Counterparty with all such information regarding each T&S Meter Measurement System as the GGR Contract Counterparty reasonably requires for the purposes of carrying out a T&S Meter GGR Technical Audit.

3.4 The information to be provided under paragraphs 3.3(A), 3.3(B) and 3.3(C) includes information regarding the dates and time periods for the installation of new T&S Flow Meters and T&S Composition Analysis Equipment and the dates and time periods when such T&S Flow Meters and T&S Composition Analysis Equipment are out of service.

3.5 The Developer shall:

(A) prepare and maintain complete and accurate records in relation to each T&S Meter Measurement System; and

(B) provide a copy of such records to the GGR Contract Counterparty promptly upon request.

Compliance with the T&S Meter Measurement System Technical Specification

3.6 All components of each T&S Meter Measurement System shall, as a minimum, comply with the requirements referred to or set out in Part D (*T&S Meter Measurement System – Technical Specification*).

3.7 The Developer shall provide such evidence as the GGR Contract Counterparty may require to confirm that, following its commissioning, each T&S Meter Measurement System meets the requirements of Part D (*T&S Meter Measurement System – Technical Specification*). This evidence shall be traceable and dated.

3.8 Subject to paragraphs 3.9 and 3.10, each component of each T&S Meter Measurement System shall be required to comply with the Applicable Standards specified in the relevant T&S Meter Measurement System Technical Specification which are current at the Agreement Date.

3.9 If, following the Agreement Date, any component of the relevant T&S Meter Measurement System is calibrated, tested, installed or commissioned, the calibration, testing, installation or commissioning of such component shall be required to be carried out in accordance with and comply with the latest version of the Applicable Standards specified in the relevant T&S Meter Measurement System Technical Specification prevailing at the time of such calibration, testing, installation or commissioning.

T&S Meter Measurement System Material Change

3.10 Notwithstanding paragraphs 3.6 to 3.9, where any T&S Meter Measurement System Material Change occurs:

(A) the Developer shall promptly and in any event no later than two (2) Business Days following such T&S Meter Measurement System Material Change notify the GGR Contract Counterparty; and

(B) the latest version of the Applicable Standards specified in the relevant T&S Meter Measurement System Technical Specification shall apply to the components which are the subject of such T&S Meter Measurement System Material Change.

Calibration of each T&S Meter Measurement System

3.11 The Developer shall ensure that each T&S Meter Measurement System is calibrated (including during installation, testing commissioning, maintenance and operation) in accordance with Part D (*T&S Meter Measurement System – Technical Specification*)

Commissioning and maintenance of each T&S Meter Measurement System

3.12 The Developer shall, at its own cost and expense, ensure that each T&S Meter Measurement System is kept in good working order, repair and condition in accordance with Part D (*T&S Meter Measurement System – Technical Specification*) to the extent necessary to allow the correct registration, recording and transmission of the T&S Metered Data by the relevant component of such T&S Meter Measurement System.

3.13 If any component of a T&S Meter Measurement System is removed, replaced or otherwise changed, then the commissioning and maintenance record in relation to such removed, replaced or changed component (including any replacement) shall be retained by the Developer in accordance with [Condition 73 (*Maintenance and retention of records*) of the GGR Contract and shall be provided to the GGR Contract Counterparty upon request.

Testing and inspection

3.14 The Developer shall ensure that routine audits, tests and checks, including but not limited to any audits, tests and checks required pursuant to Part D (*T&S Meter Measurement System – Technical Specification*) are carried out to confirm the measurement uncertainty of each T&S

Meter Measurement System, in addition to the T&S Meter GGR Technical Audits carried out by the GGR Contract Counterparty (or its appointed representative).

3.15 The Developer shall ensure that a test of the measurement uncertainty of any component of the relevant T&S Meter Measurement System which replaces a defective or inaccurate component is carried out where any defective or inaccurate component of such T&S Meter Measurement System is replaced as soon as reasonably practicable after the installation of such component.

3.16 The Developer shall give the GGR Contract Counterparty reasonable prior notice of the date, time, place and nature of every audit test and/or check carried out pursuant to paragraph 3.14 and the GGR Contract Counterparty shall have the right to attend such audit test(s) and/or check(s).

3.17 If the Developer (or any agent or representative appointed on its behalf) has reason to believe that a T&S Meter Measurement System does not comply with the requirements set out in Part D (*T&S Meter Measurement System – Technical Specification*), or otherwise for any reason is recording Inaccurate T&S Metered Data, the Developer or such other third party (as procured by the Developer) shall so notify:

(A) the GGR Contract Counterparty; and

(B) the Developer (if relevant),

as soon as reasonably practicable and in any event, within forty-eight (48) hours of the date on which the Developer or such other third party becomes aware of the same.

3.18 The GGR Contract Counterparty may appoint a T&S Meter Technical Assurance Agent to conduct an inspection of the T&S Meter Measurement System as part of the Routine T&S Meter GGR Technical Audit once every three (3) years as set out in paragraph 4.4 of Part B (*T&S Meter Measurement System– Technical Assurance*) of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*). The timing and frequency of such an inspection shall be independent of any inspection carried out or otherwise attended by the GGR Contract Counterparty under paragraphs 3.16 or 3.20. The GGR Contract Counterparty shall give the Developer notice of its intention to carry out such an inspection, setting out the date on which it proposes to do so, which shall generally be no sooner than ten (10) Business Days after the date of the notice.

3.19 All reasonable costs incurred in undertaking a Routine T&S Meter GGR Technical Audit, including the reasonable costs incurred by the GGR Contract Counterparty and/or its appointed representative in attending the Installation and the reasonable costs of any tests which form part of such Routine T&S Meter GGR Technical Audit, shall be payable by the Developer and included in the next GGR Billing Statement (but without prejudice to the Developer's right to charge any other person for such service pursuant to another agreement or arrangement).

3.20 If the GGR Contract Counterparty is notified (under paragraph 3.17(A)) or otherwise has reason to believe that any component of a T&S Meter Measurement System does not comply with the requirements set out in Part D (*T&S Meter Measurement System – Technical Specification*) or a T&S Meter Measurement System is otherwise for any reason recording Inaccurate T&S Metered Data:

(A) the GGR Contract Counterparty may require the Developer to inspect and then test such T&S Meter Measurement System as soon as reasonably practicable, and in any event no later than ten (10) Business Days after the GGR Contract Counterparty gives notice of such requirement pursuant to this paragraph 3.20(A), whereupon the

Developer shall carry out such test in the presence of a representative of the GGR Contract Counterparty; or

(B) the GGR Contract Counterparty may, as part of a Non-Routine T&S Meter GGR Technical Audit and without giving notice to the Developer, arrange for the inspection of a T&S Meter Measurement System by a T&S Meter Technical Assurance Agent, and for such agent to carry out such tests as such agent shall deem necessary to determine the measurement uncertainty of such T&S Meter Measurement System, and the Developer shall co-operate with such agent in carrying out such tests. A T&S Meter Technical Assurance Agent shall be entitled to assume that all required consents have been obtained for the relevant inspection until such time as it is notified to the contrary.

3.21 Subject to paragraph 3.22, all reasonable costs incurred in undertaking a Non-Routine T&S Meter GGR Technical Audit, including the reasonable costs incurred by the GGR Contract Counterparty and/or its appointed representative in attending the Installation and the reasonable costs of any tests which form part of that Non-Routine T&S Meter GGR Technical Audit, shall be payable by the Developer and included in the next GGR Billing Statement (but without prejudice to the Developer's right to charge any other person for such service pursuant to another agreement or arrangement).

3.22 Where pursuant to a Non-Routine T&S Meter GGR Technical Audit the Developer is found not to be in material breach of any requirement of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*), any reasonable costs reasonably incurred by the Developer in carrying out any inspections and tests required by the GGR Contract Counterparty as part of a Non-Routine T&S Meter GGR Technical Audit (but excluding any costs associated with the attendance by the Developer and/or its appointed representative(s) at such inspections and tests), shall be payable by the GGR Contract Counterparty and included in the next GGR Billing Statement, unless such Non-Routine T&S Meter GGR Technical Audit has been requested by the Developer in accordance with paragraph 4.1(E) (*Reasons for requesting a Non-Routine T&S Meter GGR Technical Audit*) of Part B (*T&S Meter Measurement System- Technical Assurance*) in which case the reasonable costs incurred by the GGR Contract Counterparty shall be payable by the Developer and included in the next GGR Billing Statement. For the purposes of this paragraph, **"material breach"** shall mean a breach that has a material impact on the T&S Metered Data provided for the purposes of the GGR Contract Settlement Activities.

3.23 Any test carried out pursuant to paragraphs 3.14 to 3.22 shall comply with Part D (*T&S Meter Measurement System - Technical Specification*).

Sealing and security

3.24 The Developer shall:

(A) procure that each T&S Meter Measurement System is sealed in accordance with Part D (*T&S Meter Measurement System - Technical Specification*);

(B) procure that each T&S Meter Measurement System is as secure as possible in all circumstances; and

(C) notify the GGR Contract Counterparty as soon as reasonably practicable and in any event no later than two (2) Business Days after becoming aware that any of a T&S Meter Measurement System's seals are broken or damaged.

4. DATA

Ownership of data

4.1 Subject to paragraph 4.2, the Developer shall own the T&S Metered Data and may provide any person with access to and use of such T&S Metered Data.

4.2 The Developer shall not exercise any rights in relation to, or provide any person with any use of or access to, T&S Metered Data in a manner which would interfere with the GGR Contract Settlement Activities or which otherwise would be inconsistent with giving effect to the GGR Contract or this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) (including the exercise of the GGR Contract Counterparty's rights hereunder).

Access to and use of data

4.3 The Developer shall provide access to, and hereby authorises the use of, T&S Metered Data, to and by the GGR Contract Counterparty (for the purposes of this paragraph 4.3, the "data recipient", which term shall include any officer, official, director, employee, agent, representative, consultant or adviser of the same), without charge, for all purposes for which each such data recipient requires such access and use pursuant to or in order to give effect to this Annex 10 (*T&S Meter Operational Framework and Technical Specification*), but not for any other purpose.

4.4 The Developer shall promptly provide the T&S Metered Data to:

(A) each Third Party; and

(B) any other person,

who (in either case) is entitled to receive such T&S Metered Data in accordance with the GGR Contract or this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

Frequency of submission of Metered CO_2 Output to T&S and Metered CO_2 Rich Stream Output to T&S

4.5 Should the GGR Contract Counterparty approve a request by the Developer to change the frequency with which it provides details of the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S, to the GGR Contract Settlement Services Provider pursuant to the GGR Contract, the GGR Contract Counterparty may charge an administrative fee to cover its reasonable costs in relation to such change.

Missing and Inaccurate T&S Metered Data

4.6 In respect of each T&S Meter Measurement System, if, for any reason:

(A) any T&S Meter Primary Flow and Time Data is not available in respect of such T&S Meter Measurement System; or

(B) any T&S Meter Primary Flow and Time Data in respect of such T&S Meter Measurement System is Inaccurate T&S Metered Data which cannot be corrected pursuant to paragraph 4.8(A),

such T&S Meter Primary Flow and Time Data shall not be included in the calculation of the Achieved CO_2 Storage Rate, Average Achieved CO_2 Storage Rate, Metered CO_2 Output to T&S and Metered CO_2 Rich Stream Output to T&S for the purposes of the GGR Contract.

4.7 In respect of the T&S Meter Measurement System, where the relevant T&S Meter Primary Composition Data is not excluded pursuant to paragraph 4.6, if, for any reason:

(A) any T&S Meter Primary Composition Data is not available; or

(B) any T&S Meter Primary Composition Data is Inaccurate T&S Metered Data which cannot be corrected pursuant to paragraph 4.8(A),

but the relevant T&S Operator accepts the CO_2 Rich Stream captured by the Capture Plant and directed to the relevant T&S Network, such T&S Meter Primary Composition Data shall not be used as the CO_2 concentration (mol %), and instead the Minimum CO_2 Purity Requirement shall be used as the CO_2 concentration (mol %), for the purposes of determining the T&S Meter Secondary Data for each relevant T&S Composition Analysis Measurement Period pursuant to paragraph 3.2 of Part D (*T&S Meter Measurement System – Technical Specification*).

4.8 If the Developer becomes aware at any time that any T&S Metered Data measured by a T&S Meter Measurement System is Inaccurate T&S Metered Data:

(A) if it is technically feasible to correct such Inaccurate T&S Metered Data such that it is not Inaccurate T&S Metered Data, the Developer shall:

(i) correct such T&S Metered Data to the satisfaction of the GGR Contract Counterparty as soon as possible and in any event by the start of the next Billing Period;

(ii) notify the GGR Contract Counterparty of such corrected T&S Metered Data within two (2) Business Days of such T&S Metered Data being corrected; and

(iii) the Inaccurate T&S Metered Data shall be replaced with such corrected T&S Metered Data for the purposes of the GGR Contract; or

(B) if it is not technically feasible to correct such Inaccurate T&S Metered Data such that it is not Inaccurate T&S Metered Data, paragraphs 4.6, 4.7 and/or 4.8 (as applicable) will apply.

5. **ACCESS TO PROPERTY**

Grant and procurement of rights

5.1 The Developer shall permit the GGR Contract Counterparty and any T&S Meter Invitee to access any part of the relevant property in accordance with this paragraph 5.

5.2 In this paragraph 5, the **"relevant property"** is:

(A) any and all components of each T&S Meter Measurement System; and

(B) the property of any third party, the exercise of whose rights could prevent the Developer, the GGR Contract Counterparty or any T&S Meter Invitee from performing their obligations and/or exercising their rights under this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

5.3 The Developer shall give the GGR Contract Counterparty and any T&S Meter Invitee full rights to carry out such tasks and do all such acts as are necessary for the purpose of performing audits, tests, reviews and checks, including full rights to carry out such tests on any component of a T&S Meter Measurement System, provided that the person or persons responsible for carrying out such tests is or are competent in the operation of such component.

5.4 The rights and permissions referred to in paragraphs 5.1 and 5.3 are:

(A) for any T&S Meter Invitee, full rights to enter upon and through and remain upon the relevant property or do any other act contemplated by this Part A (*T&S Meter Measurement System- General*);

(B) for the GGR Contract Counterparty and/or its appointed representative (including any agent, employee or contractor), full rights to carry out such tasks and do all such acts as are necessary for the purpose of performing audits, tests, reviews and checks for the purposes of a T&S Meter GGR Technical Audit, including full rights to carry out such tests on a T&S Meter Measurement System, provided that the person or persons responsible for carrying out such tests is or are competent in the operation of such T&S Meter Measurement System; and

(C) for a T&S Meter Technical Assurance Agent, full rights to undertake on-site tests and checks and to report on each T&S Meter Measurement System in relation to its compliance with Part D (*T&S Meter Measurement System - Technical Specification*) and this Part A (*T&S Meter Measurement System- General*),

but in each case only to the extent such rights are necessary for the purposes of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) and subject to the other provisions of this paragraph 5.

Safe access

5.5 Subject to the rights of the GGR Contract Counterparty to require inspection without notice pursuant to paragraph 3.20(B), the Developer shall use all reasonable endeavours to procure that all reasonable arrangements and provisions are made, and revised from time to time, as and when necessary or desirable to facilitate the safe exercise by any T&S Meter Invitee of any right of access granted pursuant to paragraphs 5.1 to 5.4 with the minimum of disruption, disturbance and inconvenience to such T&S Meter Invitee.

5.6 The arrangements and provisions referred to in paragraph 5.5 may, to the extent that the same are reasonable, limit or restrict the exercise of such right of access granted pursuant to paragraphs 5.1 to 5.4 and/or provide for the Developer to make directions or regulations from time to time in relation to a specified matter.

5.7 Matters to be covered by the arrangements and/or provisions referred to in paragraph 5.5 include:

(A) provision of a site safety induction;

(B) supply of all necessary personal protective equipment;

(C) a method of identifying any relevant component of a T&S Meter Measurement System;

(D) the particular access routes applicable to the relevant property having particular regard to the weight and size limits on those routes;

(E) any limitations on times of exercise of the right of access;

(F) any requirements as to prior notification and as to authorisation or security clearance of individuals exercising the right of access and procedures for obtaining the same;

(G) the means of communication by the Developer (to all individuals exercising the right of access) of any relevant directions or regulations made by the Developer;

(H) the availability of all site personnel that the individuals exercising the right of access may wish to liaise with during the exercise of the right of access granted pursuant to paragraphs 5.1 to 5.4;

(I) the identification of and arrangements applicable to the individuals exercising the right of access granted pursuant to paragraphs 5.1 to 5.4;

(J) where relevant, the obligation to comply with the procedural requirements set out in Part D (*T&S Meter Measurement System - Technical Specification*) on procedures; and

(K) disclosure of any known hazards on the site.

5.8 The GGR Contract Counterparty shall take all reasonable steps to procure that any T&S Meter Invitee observes and performs any such arrangements and provisions (or directions or regulations issued pursuant thereto), failing which in any particular case the Developer may take reasonable steps to ensure that, as a condition of exercising any right of access pursuant to paragraphs 5.1 to 5.4, each T&S Meter Invitee shall agree to observe and perform the same.

Damage

5.9 Subject to Condition 61.8 (General limitation on liability), the GGR Contract Counterparty shall take all reasonable steps to procure that each T&S Meter Invitee takes all reasonable steps in the exercise of any right of access pursuant to paragraphs 5.1 to 5.4, in order to:

(A) avoid or minimise damage in relation to any relevant property; and

(B) cause as little disturbance and inconvenience as possible to any Third Party, third party or other occupier of any relevant property,

and that each T&S Meter Invitee makes good any damage caused to such property in the course of the exercise of such rights as soon as practicable.

5.10 Subject to paragraph 5.9, all such rights of access shall be exercisable by each T&S Meter Invitee free of any charge or payment of any kind.

Denial of access

5.11 The GGR Contract Counterparty shall be deemed not to be in breach of any duty or obligation under this Annex 10 (T&S Meter Operational Framework and Technical Specification) if and to the extent that its inability to perform such duty or obligation is directly attributable to the GGR Contract Counterparty or any other T&S Meter Invitee being denied necessary access to the relevant T&S Meter Measurement System.

Part B
T&S Meter Measurement System– Technical Assurance

1. **INTRODUCTION**

1.1 This Part sets out:

(A) the requirements in relation to the appointment of a T&S Meter Technical Assurance Agent;

(B) the responsibilities of the T&S Meter Technical Assurance Agent; and

(C) the tests and checks forming part of a T&S Meter GGR Technical Audit, the timing of Routine T&S Meter GGR Technical Audits and the grounds to request a Non-Routine T&S Meter GGR Technical Audit.

2. **TECHNICAL ASSURANCE**

2.1 The GGR Contract Counterparty may appoint a T&S Meter Technical Assurance Agent to carry out inspections and/or audits of each T&S Meter Measurement System. For the avoidance of doubt, for the purposes of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) and as the context requires, the T&S Meter Technical Assurance Agent shall be an agent of the GGR Contract Counterparty.

2.2 The T&S Meter Technical Assurance Agent shall monitor T&S Meter Technical Assurance and identify cases where there is any T&S Meter Technical Assurance failure (**"non-compliance"**).

2.3 The T&S Meter Technical Assurance Agent shall meet all of the following criteria:

(A) be a competent auditor; and

(B) possess an appropriate level of knowledge of metering and technical systems of the same type as each T&S Meter Measurement System.

3. **NON-COMPLIANCE**

3.1 The T&S Meter Technical Assurance Agent shall determine:

(A) in respect of those matters (including those associated with or connected to a T&S Meter Measurement System) which it has been requested to inspect and/or audit, that such matter is non-compliant if the requirements of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) are not being adhered to and/or if configurable meter parameters are not consistent with the T&S Meter Measurement System Technical Details provided by the Developer; and

(B) in respect of any non-compliance determined in accordance with paragraph (A), whether it considers such non-compliance to be material.

3.2 Where any non-compliance has been determined in accordance with paragraph 3.1, the Developer shall ensure that the non-compliance is rectified as soon as reasonably practicable.

3.3 Following the rectification of any material non-compliance (as determined by the T&S Meter Technical Assurance Agent in accordance with paragraph 3.1), the GGR Contract Counterparty shall, where in its discretion it considers it appropriate to do so having regard to the nature of such rectification, require the Developer to carry out a T&S Meter Proving Test, and the GGR Contract Counterparty and/or the T&S Meter Technical Assurance Agent may attend and/or request details if any such T&S Meter Proving Test is carried out.

4. AUDIT

Reasons for requesting a Non-Routine T&S Meter GGR Technical Audit

4.1 The GGR Contract Counterparty and/or its appointed representative (including the T&S Meter Technical Assurance Agent) may conduct a Non-Routine T&S Meter GGR Technical Audit for the following reasons:

(A) the GGR Contract Counterparty has reason to suspect:

(i) invalid T&S Meter Measurement System Technical Details have been provided by the Developer; and/or

(ii) that any T&S Metered Data recorded by a T&S Meter Measurement System is Inaccurate T&S Metered Data;

(B) T&S Metered Data recorded by a T&S Meter Measurement System has failed validation;

(C) the GGR Contract Counterparty has not been provided with or is unable to access the T&S Metered Data from a T&S Meter Measurement System;

(D) T&S Metered Data required for a T&S Meter Proving Test cannot be obtained; and/or

(E) the Developer requires such a Non-Routine T&S Meter GGR Technical Audit.

Description of tests and checks forming part of a T&S Meter GGR Technical Audit

4.2 The GGR Contract Counterparty and/or its appointed representative (including the T&S Meter Technical Assurance Agent) may carry out tests and checks as part of any T&S Meter GGR Technical Audit including, but not limited to, the following:

(A) T&S Meter Measurement System Technical Details

The T&S Meter Measurement System Technical Details may be checked to ensure that they conform with those recorded in GGR Contract Settlement Activities systems using information provided by the Developer, including any commissioning details.

(B) Measurement uncertainty

The measurement uncertainty of a T&S Meter Measurement System may be checked by the GGR Contract Counterparty, the T&S Meter Technical Assurance Agent or any other appointed agent in accordance with the applicable requirements set out in Part D (*T&S Meter Measurement System - Technical Specification*).

(C) Compliance with T&S Meter Measurement System Technical Specification

Checks may be carried out to ensure that each T&S Meter Measurement System meets the standards required by Part D (*T&S Meter Measurement System - Technical Specification*).

(D) Quality of Installation

All points may be checked in accordance with Part D (*T&S Meter Measurement System - Technical Specification*) including, but not limited, to the:

(i) labelling of equipment;

(ii) general standard of installation, being the good working practice standard; and

(iii) compliance of installation with any relevant manufacturers' requirements and/or guidelines.

(E) Queries and appeals

If the Developer wishes to query or appeal any determination made pursuant to the T&S Meter GGR Technical Audit process, the Parties shall endeavour in good faith to resolve any such query or appeal through negotiation and if the Parties are unable to resolve such query or dispute through negotiation, the Developer may refer such query or appeal to an expert for determination in accordance with the Expert Determination Procedure.

Investigation of T&S Meter Invalid Reporting Units

4.3 If, in respect of a T&S Meter Measurement System:

(A) there are greater than [five (5)] T&S Meter Invalid Reporting Units in a Billing Period; and/or

(B) there are greater than [twenty (20)] T&S Meter Invalid Reporting Units within any twelve (12) consecutive Billing Periods,

then the GGR Contract Counterparty and/or its appointed representative may undertake a full investigation of the relevant T&S Meter Measurement System at the Developer's expense.

Timing of Routine T&S Meter GGR Technical Audit

4.4 If required by the GGR Contract Counterparty, a Routine T&S Meter GGR Technical Audit shall be conducted in the first quarter of each of the following years during the term of the GGR Contract (and each date shall be calculated by reference to the Start Date):

(A) year one (1) (being the year which commences twelve (12) Months after the Start Date);

(B) year four (4);

(C) year seven (7);

(D) year ten (10); and

(E) year thirteen (13).

Part C
T&S Meter Measurement System– Operations

1. **INTRODUCTION**

Purpose and scope

1.1 This Part C (*T&S Meter Measurement System- Operations*) sets out:

(A) the processes that the Developer shall develop and implement to operate each T&S Meter Measurement System;

(B) the processes for the identification and reporting of faults; and

(C) the processes for installing, calibrating and commissioning each T&S Meter Measurement System.

2. **METER OPERATION OBLIGATIONS**

General Obligations: Systems and Processes

2.1 The Developer shall develop and implement systems and processes in accordance with Part D (*T&S Meter Measurement System - Technical Specification*) for the operation of each T&S Meter Measurement System.

2.2 Subject to paragraph 2.2 of Part A (*T&S Metering Meter Measurement System - General*), the Developer may appoint a competent third party, agent or representative to operate one (1) or more of its T&S Meter Measurement Systems. If the Developer does appoint such a third party, it shall notify the GGR Contract Counterparty as soon as reasonably practicable of the identity of that third party, the scope of its appointment and of any change to the identity of such person including any cessation of such appointment.

2.3 Where the Developer has appointed a third party to operate a T&S Meter Measurement Systemin accordance with paragraph 2.2 of Part A (*T&S Metering Meter Measurement System - General*) and that third party ceases to do so at any time and for any reason, the Developer shall resume the responsibility for operating such T&S Meter Measurement System until such a time as a replacement third party is appointed.

2.4 Notwithstanding paragraphs 2.2 and 2.3 above, the Developer shall remain responsible for any failure by any third party, agent or representative appointed on behalf of the Developer to comply with the requirements of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

Identification and Reporting of Faults

2.5 Without prejudice to the GGR Contract Counterparty's other rights under this Annex 10 (*T&S Meter Operational Framework and Technical Specification*):

(A) if at any time any component of a T&S Meter Measurement System is destroyed, damaged, faulty or otherwise ceases to function, or is found to be determining the Metered CO_2 Output to T&S and/or the Metered CO_2 Rich Stream Output to T&S from the T&S Metered Data recorded by the relevant T&S Meter Measurement System outside the relevant T&S Measurement Uncertainty Requirement and/or the relevant T&S Rich Stream Measurement Uncertainty Requirement (as applicable) as set out in Part D (*T&S Meter Measurement System - Technical Specification*), the Developer shall notify the GGR Contract Counterparty of the nature of such fault within one (1) Business Day of becoming aware of the same. The Developer shall separately identify in such notice any faults affecting the T&S Metered Data and those not affecting the T&S Metered Data;

(B) the Developer shall investigate such fault within two (2) Business Days of becoming aware of the fault. If the Developer employs a third party agent or representative to operate the relevant component of the relevant T&S Meter Measurement System, the Developer shall investigate the fault within five (5) Business Days of being notified by such third party of such fault or otherwise becoming aware of the same;

(C) the Developer shall use all reasonable endeavours to rectify the fault, including by repairing or replacing any defective component so as to ensure that such component is back in service and is operating in accordance with Part D (*T&S Meter Measurement System - Technical Specification*), as soon as reasonably practicable and in any event within ten (10) Business Days of the date on which the fault is discovered by or notified to the Developer;

(D) if the fault has not been rectified within such ten (10) Business Day period, the Developer shall notify the GGR Contract Counterparty on the Business Day immediately following such ten (10) Business Day period with a proposal setting out how and the time period within which it intends to rectify the fault;

(E) the Developer shall notify the GGR Contract Counterparty within two (2) Business Days of rectifying the relevant fault. For these purposes, a fault affecting any T&S Metered Data shall be treated as rectified when the relevant T&S Meter Measurement System recommences recording and supplying T&S Metered Data to the GGR Contract Counterparty and GGR Contract Settlement Services Provider, in compliance with Part D (*T&S Meter Measurement System Technical Specification*); and

(F) the GGR Contract Counterparty shall be entitled to attend any investigation of the relevant T&S Meter Measurement System fault and the reasonable costs of such attendance shall be borne by the Developer.

3. INTERFACE AND TIMETABLE INFORMATION

New component

3.1 In the event that the Developer installs any new component of a T&S Meter Measurement System, it shall:

(A) ensure that it does so in compliance with this Part C (*T&S Meter Measurement System-Operations*) and Part D (*T&S Meter Measurement System - Technical Specification*); and

(B) provide an updated version of the relevant schematic diagram referred to in paragraph 3(E) of Part B of Annex 1 (*Conditions Precedent*) to the GGR Contract Counterparty in accordance with Condition [●] (*Undertakings: Measurement Equipment Schematics*) of the GGR Contract.

Replacement of any component of a T&S Meter Measurement System

3.2 If any component of a T&S Meter Measurement System needs to be replaced for any reason, the Developer shall install and commission a "like-for-like" or better performing replacement component and within two (2) Business Days of completion of the commissioning of the relevant replacement component, the Developer shall notify the GGR Contract Counterparty, including any relevant Supporting Information, confirming:

(A) that it has successfully installed and commissioned the relevant component; and

(B) whether the replacement of the relevant component constitutes a T&S Meter Measurement System Material Change.

3.3 Any notice issued by the Developer pursuant to paragraph 3.2 shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, such notice.

3.4 If the replacement of a component pursuant to paragraph 3.2 constitutes a T&S Meter Measurement System Material Change, the Developer shall:

(A) provide an updated version of the relevant schematic diagram referred to in paragraph 3(E) of Part B of Annex 1 (*Conditions Precedent*) to the GGR Contract Counterparty in accordance with [Condition [●] (*Undertakings: Measurement Equipment Schematics*) of the GGR Contract][207]; and

(B) undertake a T&S Meter Proving Test of the relevant T&S Meter Measurement System within twenty (20) Business Days of completion of the commissioning of such component.

4. **INSTALLATION, CALIBRATION, COMMISSIONING AND PROVING TESTS**

Initial Installation

4.1 The Developer shall install and commission the initial component(s) of each T&S Meter Measurement Systemin accordance with this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) prior to the commencement of Payments in accordance with the terms of the GGR Contract.

Calibration of each T&S Meter Measurement System

4.2 Prior to commissioning, all relevant components of each T&S Meter Measurement System shall be calibrated in compliance with the requirements specified in Part D (*T&S Meter Measurement System - Technical Specification*). Such calibration shall demonstrate conformity with relevant product standards applicable to the class index of each component of such T&S Meter Measurement System. The Developer shall procure the calibration certificates which include the actual errors of each component of such T&S Meter Measurement System across its operating range. Such certificates shall be retained by the Developer in accordance with Condition [73] (*Maintenance and retention of records*) of the GGR Contract and shall be made available, on request, to the GGR Contract Counterparty.

Commissioning of each T&S Meter Measurement System

4.3 The purpose of commissioning is to ensure that the CO_2 and CO_2 Rich Stream flowing across the T&S Network Metering Point(s) and the T&S Network Analysis Point is recorded by the associated T&S Meter Measurement Systemin accordance with the requirements specified in Part D (*T&S Meter Measurement System - Technical Specification*).

4.4 The Developer shall commission each T&S Meter Measurement System on site to confirm and record, so far as appropriate, that:

(A) each T&S Meter Measurement System has been installed to the Reasonable and Prudent Standard and in accordance with Applicable Standards;

---

207 **Note to Reader:** This provision will refer to the metering provisions which are being developed by DESNZ.

(B) the components of each T&S Meter Measurement System, including but not limited to the T&S Flow Meter(s), are certified in accordance with The Measuring Instrument Regulations 2016 (to the extent applicable); and

(C) each T&S Meter Measurement System is commissioned in accordance with Applicable Standards.

Proving of each T&S Meter Measurement System

4.5 The Developer shall be required to perform a T&S Meter Proving Test:

(A) on each T&S Meter Measurement System prior to the Commissioning Tests and prior to the commencement of the provision of the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S, pursuant to the GGR Contract;

(B) on the relevant T&S Meter Measurement System(s) following a T&S Meter Measurement System Material Change; and

(C) on the relevant T&S Meter Measurement System(s) if required by any policy, Law or Industry Document.

4.6 The Developer shall give the GGR Contract Counterparty a minimum of twenty (20) Business Days' notice before performing a T&S Meter Proving Test.

4.7 The GGR Contract Counterparty may request that a T&S Meter Technical Assurance Agent attends any T&S Meter Proving Test and the Developer shall permit the same.

4.8 Each **T&S Meter Proving Test** shall be carried out in accordance with Applicable Standards by an independent competent organisation. Each T&S Meter Proving Test shall include, but shall not be limited to:

(A) confirmation that the relevant T&S Meter Measurement System is calibrated in accordance with Applicable Standards;

(B) a functional test and an audit of the relevant T&S Meter Measurement System; and

(C) confirmation that the relevant DAHS is operating in accordance with the manufacturer's specification.

4.9 The Developer shall give a notice to the GGR Contract Counterparty of the results of each T&S Meter Proving Test within five (5) Business Days of the date such T&S Meter Proving Test is carried out (a **"T&S Meter Proving Test Notice"**). Each T&S Meter Proving Test Notice shall:

(A) specify whether the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test; and

(B) include such Supporting Information as the Developer considers to be relevant to and supportive of the foregoing.

4.10 Each T&S Meter Proving Test Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the T&S Meter Proving Test Notice.

4.11 The GGR Contract Counterparty shall, no later than ten (10) Business Days after receipt of a T&S Meter Proving Test Notice, give a notice to the Developer (a **"T&S Meter Proving Test Response Notice"**). A T&S Meter Proving Test Response Notice shall specify whether the GGR Contract Counterparty:

(A) considers that the T&S Meter Proving Test has or has not been carried out in accordance with paragraph 4.8; and

(B) agrees or does not agree that the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test; or

(C) considers that it has not been provided with sufficient Supporting Information to determine whether the T&S Meter Proving Test has been carried out in accordance with paragraph 4.8 and/or whether the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test to which the T&S Meter Proving Test Notice relates and, if so, details of the additional Supporting Information which the GGR Contract Counterparty requires to determine whether the T&S Meter Proving Test has been carried out in accordance with paragraph 4.8 and whether the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test (the **"T&S Meter Proving Test Supporting Information"**).

4.12 If the GGR Contract Counterparty states in a T&S Meter Proving Test Response Notice that:

(A) the T&S Meter Proving Test has been carried out in accordance with paragraph 4.8 and the relevant T&S Meter Measurement System has passed the T&S Meter Proving Test, such T&S Meter Measurement System will be deemed to have passed the T&S Meter Proving Test for the purposes of the GGR Contract;

(B) the T&S Meter Proving Test:

(i) has been carried out in accordance with paragraph 4.8 but the relevant T&S Meter Measurement System has not passed the T&S Meter Proving Test; or

(ii) has not been carried out in accordance with paragraph 4.8,

such T&S Meter Measurement System will be deemed not to have passed the T&S Meter Proving Test for the purposes of the GGR Contract and the Developer will be required to carry out a further T&S Meter Proving Test within two (2) Business Days of receipt of the T&S Meter Proving Test Response Notice; or

(C) the Developer has not provided the GGR Contract Counterparty with sufficient Supporting Information to determine whether the T&S Meter Proving Test has been carried out in accordance with paragraph 4.8 and/or whether the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test to which the T&S Meter Proving Test Notice relates:

(i) the Developer shall provide the T&S Meter Proving Test Supporting Information as soon as practicable, and in any event no later than ten (10) Business Days after receipt of the T&S Meter Proving Test Response Notice, or such longer period as is specified by the GGR Contract Counterparty; and

(ii) upon receipt of the T&S Meter Proving Test Supporting Information, the GGR Contract Counterparty shall as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of such T&S Meter Proving Test Supporting Information, give a further T&S Meter Proving Test Response Notice to the Developer (a **"Further T&S Meter Proving Test Response Notice"**). A Further T&S Meter Proving Test Response Notice shall specify whether the GGR Contract Counterparty considers that the T&S Meter Proving Test has or has not been carried out in accordance with paragraph 4.8 and whether the relevant T&S Meter Measurement System has or has not passed the T&S Meter Proving Test.

4.13 Nothing in this paragraph 4 (*Installation, Calibration, Commissioning and Proving Tests*) shall require the GGR Contract Counterparty to specify in any T&S Meter Proving Test Response Notice or Further T&S Meter Proving Test Response Notice that the GGR Contract Counterparty accepts that the relevant T&S Meter Measurement System has passed the T&S Meter Proving Test, unless and until the GGR Contract Counterparty is satisfied of the same.

4.14 The Developer may use an alternative method of proving to that set out in paragraph 4.8, subject to obtaining the prior written consent of the GGR Contract Counterparty (such consent not to be unreasonably withheld).

Part D
T&S Meter Measurement System – Technical Specification

1. **METERING AND ANALYSIS POINTS**

1.1 The Developer shall ensure that:

(A) each T&S Flow Meter:

(i) shall be installed on:

(a) the stream of CO_2 Rich Stream that is routed from the Capture Plant to the T&S Network; or

(b) if the CO_2 Rich Stream that is routed from the Capture Plant to the T&S Network consists of multiple sub-streams, the stream or a sub-stream of the CO_2 Rich Stream provided that each sub-stream is metered with a T&S Flow Meter;

(ii) shall have:

(a) suitable double-block-and-bleed isolation valves installed both upstream and downstream of the T&S Flow Meter such that the T&S Flow Meter can be safely isolated and removed if required; and

(b) either:

(1) appropriate straight pipe lengths upstream and downstream to minimise the impact of the Installation on the performance of the T&S Flow Meter; or

(2) a flow conditioner installed upstream of the T&S Flow Meter,

in each case in compliance with Applicable Standards;

(iii) shall be installed to the Reasonable and Prudent Standard and in accordance with Applicable Standards;

(iv) shall be located:

(a) at a T&S Network Metering Point; and

(b) downstream of the T&S Composition Analysis Equipment, all composition analysis equipment used for pipeline integrity purposes and all T&S Bypass Stacks; and

(v) if such T&S Flow Meter is a flow meter other than a mass flow meter, then a densitometer or other instrumentation agreed with the GGR Contract Counterparty pursuant to paragraph 2.3 (as applicable) shall be installed:

(a) at a point or points in the T&S Meter Measurement System such that the measurement is representative of the stream(s) of CO_2 Rich Stream flowing through the relevant T&S Flow Meter(s); and

(b) to the Reasonable and Prudent Standard and in accordance with Applicable Standards;

(B) each item of T&S Composition Analysis Equipment:

(i) shall be installed on:

(a) the stream of CO_2 Rich Stream that is routed from the Capture Plant to the T&S Network; or

(b) if the CO_2 Rich Stream that is routed from the Capture Plant to the T&S Network consists of multiple sub-streams, the stream or a sub-stream of the CO_2 Rich Stream provided that each sub-stream is measured with T&S Composition Analysis Equipment;

(ii) shall be located:

(a) at a T&S Network Analysis Point; and

(b) upstream of any T&S Flow Meter(s);

(iii) shall be installed to the Reasonable and Prudent Standard and in accordance with Applicable Standards; and

(iv) shall include an online sampling system to allow for the collection of fluid samples for online analysis; and

(C) the installation of the T&S Meter Measurement System shall be confirmed by a competent third party organisation by reference to Applicable Standards.

2. T&S METER MEASUREMENT SYSTEM EQUIPMENT

General equipment

2.1 Each T&S Meter Measurement System shall include the following equipment:

(A) T&S Flow Meter(s) for the measurement of the Metered CO_2 Rich Stream Output to T&S Flow Rate;

(B) T&S Composition Analysis Equipment for the measurement of CO_2 concentration and for determining the CO_2 mass fraction in the CO_2 Rich Stream routed from the Capture Plant to the relevant T&S Network;

(C) any other measurement device(s) that is necessary to enable the calculation of the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S including fluid stream temperature and pressure devices; and

(D) a DAHS.

T&S Flow Meter(s)

2.2 The T&S Flow Meter(s) shall be installed and operated according to Applicable Standards.

2.3 If the T&S Flow Meter is a flow meter other than a mass flow meter, then:

(A) a densitometer shall also be installed; or

(B) other instrumentation and methodologies reasonably acceptable to the GGR Contract Counterparty shall be agreed,

to determine the fluid density and allow determination of mass quantity.

2.4 If the T&S Flow Meter is an orifice meter:

(A) such T&S Flow Meter shall be compliant with ISO 5167 Part 1 and Part 2 and either:

(i) be flow calibrated prior to initial installation at a test laboratory; or

(ii) checked and certified prior to initial installation; and

(B) the orifice plate shall be removed and inspected at least once every twelve (12) Months to confirm whether it is compliant with ISO 5167.

2.5 If the T&S Flow Meter is not an orifice meter, such T&S Flow Meter shall be calibrated:

(A) prior to initial installation at a test laboratory; and

(B) at least once every twelve (12) Months thereafter (unless otherwise agreed by the GGR Contract Counterparty having regard to the stability of the performance of the T&S Flow Meter as demonstrated by subsequent calibrations and/or advanced diagnostic methods):

(i) at a test laboratory, or

(ii) in-situ against a master meter or a prover.

2.6 If the T&S Flow Meter is removed from the line and sent to a test laboratory for calibration in accordance with paragraph 2.5(B)(i), such T&S Flow Meter shall be replaced for the duration of the calibration by a standby T&S Flow Meter which complies with Part D (*T&S Meter Measurement System – Technical Specification*) of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

2.7 If the T&S Flow Meter is calibrated in-situ against a master meter or a prover in accordance with paragraph 2.5(B)(ii):

(A) the master meter or prover shall be installed and operated in accordance with Applicable Standards;

(B) the master meter or prover shall be calibrated at regular intervals and at least once every six (6) Months (unless otherwise agreed by the GGR Contract Counterparty having regard to the stability of the performance of the master meter or prover as demonstrated by subsequent calibrations and/or advanced diagnostic methods);

(C) the master meter or prover calibration shall be traceable to laboratories accredited in accordance with paragraph 7.3 of Part D (*T&S Meter Measurement System - Technical Specification*); and

(D) any master meter shall comply with the relevant provisions of Part D (*T&S Meter Measurement System – Technical Specification*) of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*).

2.8 Any secondary instrumentation associated with the T&S Flow Meter, including densitometer(s) and temperature and pressure devices, shall be calibrated:

(A) prior to initial installation at a test laboratory; and

(B) at least once every three (3) Months thereafter (unless otherwise agreed by the GGR Contract Counterparty having regard to the stability of the performance of the secondary instrumentation as demonstrated by subsequent calibrations and/or advanced diagnostic methods),

either at a test laboratory or in-situ. If such secondary instrumentation is calibrated in-situ in accordance with paragraph 2.8(B), any reference test equipment shall be dedicated to the T&S Flow Meter, shall be traceable to a laboratory accredited in accordance with paragraph 7.3 of Part D (*T&S Meter Measurement System - Technical Specification*) and shall be calibrated at least once every twelve (12) Months (unless otherwise agreed by the GGR Contract Counterparty having regard to the stability of the performance of the secondary instrumentation as demonstrated by subsequent calibrations and/or advanced diagnostic methods).

T&S Composition Analysis Equipment

2.9 The CO_2 concentration in the CO_2 Rich Stream routed from the Capture Plant to the relevant T&S Network shall be measured by the T&S Composition Analysis Equipment at least every ten (10) minutes (such measurement period chosen being the **"T&S Composition Analysis Measurement Period"**) by direct measurement of the CO_2 concentration.

2.10 The T&S Composition Analysis Equipment shall be:

(A) an online gas chromatograph optimised for high-purity CO_2 complying with Applicable Standards; or

(B) a suitable alternative method which meets the requirements of Part D (*T&S Meter Measurement System – Technical Specification*) of this Annex 10 (*T&S Meter Operational Framework and Technical Specification*), as agreed between the Developer and the GGR Contract Counterparty and complying with Applicable Standards.

2.11 The T&S Composition Analysis Equipment shall:

(A) be tested by a competent and independent third party laboratory accredited in accordance with paragraph 7.3 of Part D (*T&S Meter Measurement System - Technical Specification*) for the relevant activities and be demonstrated to be fully operational and to operate within the manufacturer's specifications prior to installation according to Applicable Standards;

(B) be inspected and calibrated in-situ at commissioning according to Applicable Standards;

(C) be calibrated in-situ at least every six (6) Months (unless otherwise agreed by the GGR Contract Counterparty having regard to the stability of the performance of the T&S Composition Analysis Equipment as demonstrated by subsequent calibrations and/or advanced diagnostic methods) after commissioning according to Applicable Standards;

(D) be inspected by a competent technician every Month in order to confirm whether it operates within the manufacturer's specifications; and

(E) where possible, perform an auto-validation against validation gases daily.

2.12 The Developer shall ensure that:

(A) the T&S Composition Analysis Equipment is used at all times within its calibrated measurement range;

(B) where calibration mixture bottles are used, the composition of such bottles shall be within their shelf life and certified by a traceable laboratory accredited in accordance with paragraph 7.3 of Part D (*T&S Meter Measurement System - Technical Specification*);

2.13 The Developer shall ensure that for the online sampling system employed:

(A) representative samples are taken and there is no change in concentration between the sampling point and the analyser(s);

(B) in respect of gaseous sampling system(s), there shall be no condensation in the sampling system(s) and the sample shall reach the analyser(s) in gaseous conditions; and

(C) if a liquid sample is taken at line conditions and its pressure is reduced upstream of the analyser(s) to close to atmospheric pressure, there shall be complete sample vaporisation. The sample system(s) shall be appropriately designed to take into account Joule-Thomson effect, condensation effects and temperature stability.

Redundancy

2.14 The Developer shall ensure that in respect of the T&S Meter Measurement System:

(A) at least one (1) standby T&S Flow Meter shall be installed at all times;

(B) if the T&S Flow Meter is a flow meter other than a mass flow meter:

(i) where the Developer has installed a densitometer, at least one (1) standby densitometer shall be installed at all times; or

(ii) where the Developer has installed alternative instrumentation reasonably acceptable to the GGR Contract Counterparty, at least one (1) standby set of instruments shall be installed at all times;

(C) at least one (1) standby CO_2 concentration analyser shall be installed at all times; and

(D) the DAHS features sufficient inherent redundancy such that the failure of any one unit does not compromise the operability of the T&S Meter Measurement System.

Diagnostic capabilities

2.15 The Developer shall ensure that, where available, diagnostic capabilities are implemented, and diagnostic data is recorded and retained.

3. **T&S METERED DATA**

Reporting, determining and recording T&S Metered Data

3.1 The Developer shall ensure that:

(A) the following measurements are recorded for each second by the T&S Meter Measurement System:

(i) the Metered CO_2 Rich Stream Output to T&S Flow Rate (*expressed in* tCO_{2RS}/h) (provided that if the T&S Flow Meter is a flow meter other than a mass flow meter, the Metered CO_2 Rich Stream Output to T&S Flow Rate (*expressed in* tCO_{2RS}/h) shall be obtained by combining the flow rate measurement from the T&S Flow Meter with the density measurement of the CO_2 Rich Stream routed from the Capture Plant to the relevant T&S Network for each second);

(ii) the absolute pipeline pressure (*expressed in bara*);

(iii) the pipeline stream temperature (*expressed in °C*); and

if the T&S Flow Meter is a flow meter other than a mass flow meter, the density of the CO_2 Rich Stream routed from the Capture Plant to the relevant T&S Network (*expressed in kg/m3*);

(B) the CO_2 concentration (*expressed in % mol*) shall be recorded for each T&S Composition Analysis Measurement Period by the T&S Meter Measurement System (the **"T&S Meter Primary Composition Data"**); and

(C) the following values are recorded by or in respect of the T&S Meter Measurement System:

(i) the number of seconds of operation of the T&S Meter Measurement System in each Reporting Unit;

(ii) the date (*expressed in day/month/year*); and

(iii) the time (*expressed in a 24 hour clock*);

((A) and (C) are together, the **"T&S Meter Primary Flow and Time Data"**); and

((A), (B) and (C) are together, the **"T&S Meter Primary Data"**).

3.2 The Developer shall in respect of the T&S Meter Measurement System:

(A) determine the CO_2 concentration by mass fraction in each T&S Composition Analysis Measurement Period by:

$$Conc_{CO2,wt} = \frac{Conc_{CO2} \times M_{CO2}}{Conc_{Co2} \times M_{CO2} + \sum_{i=1}^{n} Conc_i \times M_i} \times 100$$

$Conc_{CO2,wt}$ = the CO_2 concentration by mass fraction (*wt %*) in each T&S Composition Analysis Measurement Period;

$Conc_{Co2}$ = the CO_2 concentration (*mol %)* in each T&S Composition Analysis Measurement Period;

$Conc_i$ = the concentration of impurity *i* (*mol %*) in each T&S Composition Analysis Measurement Period;

n = the number of impurities;

M_{CO2} = the standard molar mass of CO_2 (i.e. 44.01 kg / kmol); and

M_i = the standard molar mass of impurity *i* (*kg/kmol*); and

(B) determine the Metered CO_2 Output to T&S Flow Rate for each second by:

$$\boldsymbol{m_j = m_{j,rich} \times Conc_{CO2,wt}}$$

m_j = the Metered CO_2 Output to T&S Flow Rate (*expressed in tCO_2/h*) in each second (j);

$m_{j,rich}$	=	the Metered CO_2 Rich Stream Output to T&S Flow Rate (*expressed in* tCO_{2RS}/h) in each second (j); and
$Conc_{CO2,wt}$	=	the CO_2 concentration by mass fraction (*wt %*) in the relevant T&S Composition Analysis Measurement Period,

((A) and (B) are together, the **"T&S Meter Secondary Data"**).

3.3 The Developer shall determine:

(A) the Metered CO_2 Output to T&S in respect of each Reporting Unit by:

$$\boldsymbol{Em_i} = \sum_{j=1}^{Seconds_i} \frac{\boldsymbol{m_j}}{\mathbf{3600}}$$

Em_i	=	the Metered CO_2 Output to T&S (*tCO_2*) for the relevant Reporting Unit (i);
m_j	=	the Metered CO_2 Output to T&S Flow Rate (*expressed in* tCO_2/h) for each second (*j*); and
$Seconds_i$	=	the number of seconds (*j*) in the relevant Reporting Unit (*i*);

(B) the Metered CO_2 Rich Stream Output to T&S in respect of each Reporting Unit by:

$$\boldsymbol{Em_{i,rich}} = \sum_{j=1}^{Seconds_i} \frac{\boldsymbol{m_{j,rich}}}{\mathbf{3600}}$$

$Em_{i,rich}$	=	the Metered CO_2 Rich Stream Output to T&S for the relevant Reporting Unit (*expressed in* tCO_{2RS});
$m_{j,rich}$	=	the Metered CO_2 Rich Stream Output to T&S Flow Rate (*expressed in* tCO_{2RS}/h) for each second (*j*); and
$Seconds_i$	=	the number of seconds (*j*) in the relevant Reporting Unit (*i*).

3.4 The Developer shall report the following data to the GGR Contract Counterparty:

(A) Metered CO_2 Output to T&S; and

(B) Metered CO_2 Rich Stream Output to T&S;

together, the **"T&S Meter Tertiary Data"**.

T&S Meter Invalid Reporting Units

3.5 If in respect of the T&S Meter Measurement System:

(A) there are fewer than [●] of T&S Metered Data during a [Reporting Unit]; or

(B) there are greater than [●] of Inaccurate T&S Metered Data which cannot be corrected pursuant to paragraph 4.8(A) of Part A (*T&S Meter Measurement System – General*) during a Reporting Unit,

then such Reporting Unit shall be invalid (a **"T&S Meter Invalid Reporting Unit"**).

3.6 For the avoidance of doubt, if there is no T&S Meter Primary Composition Data in respect of a T&S Composition Analysis Measurement Period or such T&S Meter Primary Composition Data is Inaccurate T&S Metered Data, then, for the purposes of determining whether a Reporting Unit is invalid, all of the T&S Meter Primary Data in respect of such T&S Composition Analysis Measurement Period shall be considered to be not available or Inaccurate T&S Metered Data.

3.7 If:

(A) there are greater than five (5) T&S Meter Invalid Reporting Units in a Billing Period; or

(B) there are greater than twenty (20) T&S Meter Invalid Reporting Units within any twelve (12) consecutive Billing Periods,

then the Developer shall be deemed to have breached [Condition [●] and Condition [●] (*Undertakings: T&S Metering Obligation*) and Condition [●] and [●] (*Notification of CO_2 Measurement Data*) of the GGR Contract][208].

Measurement uncertainty requirements

3.8 The overall measurement uncertainty of the Metered CO_2 Output to T&S shall:

(A) where the Metered CO_2 Rich Stream Output to T&S Flow Rate is equal to or greater than 10% of the Maximum Metered CO_2 Rich Stream Output to T&S Flow Rate, be equal to or less than +/-1.5% of the measured value at 95% confidence interval; and

(B) where the Metered CO_2 Rich Stream Output to T&S Flow Rate is less than 10% of the Maximum Metered CO_2 Rich Stream Output to T&S Flow Rate, be equal to or less than +/-3% of the measured value at 95% confidence interval,

(the **"T&S Measurement Uncertainty Requirement"**).

3.9 The overall measurement uncertainty of the Metered CO_2 Rich Stream Output to T&S shall:

(A) where the Metered CO_2 Rich Stream Output to T&S Flow Rate is equal to or greater than 10% of the Maximum Metered CO_2 Rich Stream Output to T&S Flow Rate, be equal to or less than +/-1% of the measured value at 95% confidence interval; and

(B) where the Metered CO_2 Rich Stream Output to T&S Flow Rate is less than 10% of the Maximum Metered CO_2 Rich Stream Output to T&S Flow Rate, be equal to or less than +/-2% of the measured value at 95% confidence interval,

(the **"T&S Rich Stream Measurement Uncertainty Requirement"**).

3.10 The T&S Measurement Uncertainty Requirement shall be:

(A) obtained by combining the measurement uncertainty of all the quantities necessary to enable the calculation of the Metered CO_2 Output to T&S in a measurement uncertainty budget; and

(B) ascertained in accordance with internationally recognised and accepted standards, including, but not limited to the guide to the expression of uncertainty in measurement ISO/IEC Guide 98 all parts.

3.11 The T&S Rich Stream Measurement Uncertainty Requirement shall be:

---

208 **Note to Reader:** This provision will refer to the metering provisions which are being developed by DESNZ.

(A) obtained by combining the measurement uncertainty of all the quantities necessary to enable the calculation of the Metered CO_2 Rich Stream Output to T&S in a measurement uncertainty budget; and

(B) ascertained in accordance with internationally recognised and accepted standards, including, but not limited to the guide to the expression of uncertainty in measurement ISO/IEC Guide 98 all parts.

3.12 The Developer shall, as a minimum, in order to determine the overall measurement uncertainty of the Metered CO_2 Output to T&S and the Metered CO_2 Rich Stream Output to T&S:

(A) carry out a measurement uncertainty assessment (a **"T&S Meter Measurement Uncertainty Assessment"**) when the T&S Meter Measurement System is commissioned;

(B) review the T&S Meter Measurement Uncertainty Assessment at least once every Contract Payment Term Year; and

(C) review the T&S Meter Measurement Uncertainty Assessment following a T&S Meter Measurement System Material Change,

to ensure that the overall measurement uncertainty of the Metered CO_2 Output to T&S is complying with the T&S Measurement Uncertainty Requirement and the overall measurement uncertainty of the Metered CO_2 Rich Stream Output to T&S is complying with the T&S Rich Stream Measurement Uncertainty Requirement.

3.13 The Developer shall ensure that:

(A) if the T&S Flow Meter(s) are calibrated with a different fluid to the operational fluid, the transferability of the calibration shall be assessed for the employed metering technology and the additional measurement uncertainty from the calibration with an alternative fluid shall be accounted for in the T&S Meter Measurement Uncertainty Assessment;

(B) if the T&S Flow Meter(s) are calibrated at different line pressure and temperatures to the operational line pressure and temperatures, the impact of such difference on the performance of the T&S Flow Meter shall be assessed for the employed metering technology and, if feasible, corrected for. Any additional measurement uncertainty from the calibration of the T&S Flow Meter at line pressure and temperatures different from the operational line pressure and temperatures shall be accounted for in the T&S Meter Measurement Uncertainty Assessment; and

(C) the measurement uncertainty of the reference standard used for the calibration of the T&S Composition Analysis Equipment shall be accounted for in the T&S Meter Measurement Uncertainty Assessment.

3.14 The Developer shall retain the results of each T&S Meter Measurement Uncertainty Assessment and any review of such T&S Meter Measurement Uncertainty Assessment and shall provide a copy of such results, on request, to the GGR Contract Counterparty within five (5) Business Days of receipt of the request.

3.15 As part of each T&S Meter Measurement Uncertainty Assessment, the Developer shall include a list of all relevant components that form part of each T&S Meter Measurement System.

4. **T&S METER MEASUREMENT SYSTEM CRITERIA**

T&S Meter Measurement System Standards

4.1 The applicable components of the T&S Meter Measurement System shall be certified in accordance with The Measuring Instrument Regulations 2016.

4.2 The T&S Meter Measurement System shall, as a minimum, comply with the latest version of the following standards:

(A) JCGM 100 (Evaluation of measurement data - Guide to the expression of uncertainty in measurement);

(B) ISO 5168 (Measurement of fluid flow. Evaluation of uncertainties); and

(C) ISO 10012 (Measurement management systems. Requirements for measurement processes and measuring equipment).

4.3 The T&S Flow Meter(s) shall comply with the latest version of the following standards, as applicable:

(A) if the T&S Flow Meter is a Coriolis meter, ISO 10790 (Measurement of fluid flow in closed conduits — Guidance to the selection, installation and use of Coriolis flowmeters (mass flow, density and volume flow measurements));

(B) if the T&S Flow Meter is an orifice meter:

(i) ISO 5167-1 (Measurement of fluid flow by means of pressure differential devices inserted in circular cross-section conduits running full — Part 1: General principles and requirements); and

(ii) ISO 5167-2 (Measurement of fluid flow by means of pressure differential devices inserted in circular cross-section conduits running full — Part 2: Orifice plates);

(C) if the T&S Flow Meter is an ultrasonic flow meter:

(i) ISO 12242 (Measurement of fluid flow in closed conduits — Ultrasonic transit-time meters for liquid);

(ii) ISO 17089 (Measurement of fluid flow in closed conduits — Ultrasonic meters for gas — Part 1: Meters for custody transfer and allocation measurement); and

(iii) ISO 17089 (Measurement of fluid flow in closed conduits — Ultrasonic meters for gas — Part 2: Meters for industrial applications); and

(D) if the T&S Flow Meter is a turbine flow meter:

(i) ISO 2715 (Liquid hydrocarbons — Volumetric measurement by turbine flowmeter);

(ii) ISO 9951 (Measurement of gas flow in closed conduits — Turbine meters); and

(iii) BS EN 12261 (Gas meters — Turbine gas meters).

4.4 If the T&S Composition Analysis Equipment is an online gas chromatograph, the T&S Composition Analysis Equipment shall comply with the relevant sections of the latest version of the following standards, as applicable:

(A) ISO 6141 (Gas analysis — Contents of certificates for calibration gas mixtures);

(B) ISO 6142 (Gas analysis — Preparation of calibration gas mixtures — Gravimetric method);

(C) ISO 6143 (Gas analysis — Comparison methods for determining and checking the composition of calibration gas mixtures);

(D) ISO 6974-1 (Natural gas — Determination of composition and associated uncertainty by gas chromatography — Part 1: General guidelines and calculation of composition);

(E) ISO 6974-2 (Natural gas — Determination of composition and associated uncertainty by gas chromatography — Part 2: Uncertainty calculations);

(F) ISO 6974-3 (Natural gas — Determination of composition and associated uncertainty by gas chromatography — Part 3: Precision and bias);

(G) ISO 6974-4 (Natural gas — Determination of composition with defined uncertainty by gas chromatography — Part 4: Determination of nitrogen, carbon dioxide and C1 to C5 and C6+ hydrocarbons for a laboratory and on-line measuring system using two columns);

(H) ISO 6974-5 (Natural gas — Determination of composition and associated uncertainty by gas chromatography — Part 5: Isothermal method for nitrogen, carbon dioxide, C1 to C5 hydrocarbons and C6+ hydrocarbons);

(I) ISO 6974-6 (Natural gas — Determination of composition with defined uncertainty by gas chromatography — Part 6: Determination of hydrogen, helium, oxygen, nitrogen, carbon dioxide and C1 to C8 hydrocarbons using three capillary columns);

(J) ISO 10723 (Natural gas — Performance evaluation for analytical systems);

(K) ISO/TR 10715 (Natural gas — Gas sampling);

(L) ISO/TR 24094 (Analysis of natural gas — Validation methods for gaseous reference materials)

(M) ISO/TR 14749 (Natural gas — Online gas chromatograph for upstream area); and

(N) ISO 8943 (Refrigerated light hydrocarbon fluids — Sampling of liquefied natural gas — Continuous and intermittent methods).

4.5 The Parties acknowledge and agree that although in many cases the above-mentioned standards refer to natural gas as comparable standards are not yet available specifically for CO_2, such standards will nevertheless be applied in relation to CO_2 due to a lack of specific CO_2 related standards until and to the extent a CO_2 specific standard becomes applicable.

Data Flow and Storage

4.6 The Developer shall establish, document, implement and maintain written procedures for data flow activities relating to the T&S Meter Measurement System.

4.7 Such written procedures shall include the following as a minimum:

(A) a diagram providing an overview of the sequence of data collection and processing steps;

(B) identification of the source of the T&S Meter Primary Data;

(C) a summary of each step from the T&S Meter Primary Data to the T&S Meter Tertiary Data, including any formulas and coefficients used in the calculations;

(D) a summary of any relevant electronic data processing and storage systems used and the interaction between such systems and other inputs, including manual inputs; and

(E) the method in which the measured quantities of data are recorded and stored.

4.8 The Developer shall put in place appropriate control measures for mitigating the risk of omission, misrepresentation or error in such data flows.

4.9 All data shall be identifiable to its respective date and time.

Monitoring facilities

4.10 The Developer shall provide monitoring facilities in respect of the T&S Metered Data, with associated alarm conditions when an error in the functionality of the T&S Meter Measurement System is detected.

4.11 The Developer shall ensure that any error(s) in the functionality of the T&S Meter Measurement System are recorded as an event alarm which includes the date and time of such error(s).

Communications

4.12 The Developer shall provide both:

(A) local interrogation facilities; and

(B) remote interrogation facilities,

in respect of the T&S Meter Measurement System.

4.13 The Developer shall ensure that no unauthorised access is granted to the T&S Meter Measurement System.

4.14 All T&S Metered Data shall be recorded and/or reported in a format agreed with the GGR Contract Counterparty.

Appropriate seals

4.15 The Developer shall ensure that each component of the T&S Meter Measurement System is appropriately sealed so as to provide assurance that the following parameters are met:

(A) the Reasonable and Prudent Standard of anti-tamper protection;

(B) compliance with ISO 10012 (Measurement management systems. Requirements for measurement processes and measuring equipment); and

(C) where applicable, compliance with The Measuring Instrument Regulations 2016.

5. **ASSOCIATED FEATURES**

5.1 The Developer may install additional features within or associated with the T&S Meter Measurement System provided such additional features do not interfere with the operation of the T&S Meter Measurement System (including, but not limited to, the operation of data flow and storage in respect of the T&S Meter Measurement System).

6. **ACCESS TO DATA**

6.1 The Developer shall provide access to, and hereby authorises the use of, T&S Metered Data, to and by the GGR Contract Counterparty in accordance with the terms of the GGR Contract.

7. **QUALITY ASSURANCE**

7.1 The Developer shall ensure that regular functional and quality assurance checks of all of the components of the T&S Meter Measurement System are performed in compliance with Applicable Standards.

7.2 The Developer shall ensure that any third party audit reports related to the operation of the T&S Meter Measurement System are addressed and provided to the GGR Contract Counterparty on an annual basis.

7.3 The Developer shall ensure that:

(A) any test laboratories carrying out measurements, calibrations and related assessments on or in relation to the T&S Meter Measurement System are accredited in accordance with EN ISO/IEC 17025 for the relevant calibration and assessment activities; and

(B) any personnel involved in the operation of the T&S Meter Measurement System shall have appropriate training which shall be consistent with the requirements set out in Section 6.2 of ISO/IEC 17025.

8. **RECORDS**

Records required to be kept by the Developer and provided to the GGR Contract Counterparty under this Annex 10 (*T&S Meter Operational Framework and Technical Specification*) shall include, as a minimum and where applicable, the following information:

(A) Developer name;

(B) Installation name;

(C) Installation address;

(D) instrument manufacturer;

(E) instrument model;

(F) instrument serial number;

(G) instrument operating principle;

(H) instrument operating range;

(I) instrument compliance (calibration certificate(s) number);

(J) name and accreditation number of instrument calibration laboratory;

(K) all reports related to demonstrating compliance with Applicable Standards; and

(L) all reports related to the commissioning of the T&S Meter Measurement System.

Annex 11
Annual Audit Reports

Part A
General

1. ANNUAL COMPLIANCE AUDIT REPORT

1.1 The Developer shall:

(A) at its own cost and expense, and without prejudice to paragraph 1.2, appoint an Auditor to carry out the Annual Audit and prepare the Annual Audit Documents pursuant to Condition 38.4 (*Annual Audit*);

(B) procure that the Auditor confirms in writing to the Developer that it has no conflict of interest which prevents it from carrying out the Annual Audit or preparing the Annual Compliance Audit Report;

(C) instruct the Auditor to:

(i) act fairly and impartially;

(ii) use its professional judgement, discretion and experience in carrying out the Annual Audit and preparing the Annual Compliance Audit Report;

(iii) notify the GGR Contract Counterparty if the Developer or any Offtaker fails to provide any Supporting Information or assistance which the Auditor reasonably requires to carry out the Annual Audit and prepare the Annual Compliance Audit Report; and

(iv) ensure the GGR Contract Counterparty can rely on the Annual Compliance Audit Report; and

(D) cooperate and provide, and procure that any Representatives (including any Offtakers) cooperate and provide, all required access, assistance and information to enable the Auditor to carry out the Annual Audit and prepare the Annual Compliance Audit Report.

2. ANNUAL COMPLIANCE AUDIT REPORT: METHODOLOGY

2.1 The Developer shall in relation to the Annual Compliance Audit Report, instruct (and, where relevant, allow) the Auditor to:

(A) assess whether the verification risk is at an acceptably low level to obtain reasonable assurance, and ensure that sufficient evidence has been gathered to be able to give a verification opinion with reasonable assurance that such report is free from material misstatements;

(B) verify the data that the Developer has generated and/or collated during the relevant Fiscal Year by applying detailed testing of the data, including by: (i) sampling an appropriate percentage (to be determined by the Auditor) of the available data to reach an informed opinion; (ii) tracing the data back to all supporting evidence including primary data sources; (iii) cross-checking data with external data sources; (iv) performing reconciliations; (v) checking compliance with the requirements set out in the GGR Contract regarding appropriate data; and (vi) carrying out recalculations;

(C) conduct Site visits, and conduct visits to any third party sites, to assess the physical and commercial operation of the sites, to review books and records at these sites, to conduct interviews, to carry out the activities required by the Annual Compliance Audit Report as well as to gather sufficient evidence enabling the Auditor to conclude whether the company records, systems and documentation reflect a true and fair view of the Site operations during the relevant Fiscal Year pro and are free from material misstatements and omissions; and

(D) carry out substantive testing consisting of analytical procedures and data verification assessing:

(i) the data flow activities and the systems used in the data flow, including information technology systems; and

(ii) whether the internal control activities of the Developer are appropriately documented, implemented, maintained and effective to mitigate any inherent risks of material misstatements and omissions.

Part B
Annual Compliance Audit Report

1. **ANNUAL COMPLIANCE AUDIT REPORT: CONTENT REQUIREMENTS**

1.1 Each Annual Compliance Audit Report shall:

(A) include the GGR Contract Counterparty as an addressee;

(B) contain the following elements:

(i) the name of the Developer that was subject to verification;

(ii) the objectives of the verification;

(iii) the scope of the verification;

(iv) the dates on which the site visits were carried out; and

(v) the verification opinion statement;

(C) contain a detailed narrative of the information collected during the audit;

(D) be prepared in accordance with the requirements in respect of reasonable assurance engagements prescribed in ISAE 3000 (or an equivalent standard); and

(E) be in form and content satisfactory to the GGR Contract Counterparty (acting reasonably).

1.2 Each Annual Compliance Audit Report shall contain a statement from the Auditor confirming whether, in respect of the relevant Fiscal Year:

(A) the aggregate of: (i) the Total Invoiced Quantities for all Billing Periods in the Fiscal Year and (ii) any QCiL Adjusted Revenues Quantities has exceeded the Permitted Annual Sales Cap;

(B) each Payment Information Notice that the Developer has submitted to the GGR Contract Counterparty pursuant to Condition 16 (*Developer Payment Information*) is true, complete and accurate;

(C) the Developer has provided an accurate Additional Revenue Report to the GGR Contract Counterparty which meets the requirements set out in such definition;

(D) all GGR Credits generated by the Facility which the Developer has sold since the Agreement Date have been reported in the Payment Information Notices the Developer has submitted to the GGR Contract Counterparty in accordance with Condition 16 (*Developer Payment Information*);

(E) the Developer has issued any Offtaker with a Confirmed Offtaker Invoice in respect of which the Achieved Sales Price has been decreased in a way which is designed to, or a main purpose of which is to, increase the Difference Amounts payable by the GGR Contract Counterparty to the Developer and/or decrease the Difference Amounts payable by the Developer to the GGR Contract Counterparty; and

(F) where the Developer becomes aware at any time that any Information contained within any: (i) Annual Compliance Report; or (ii) Payment Information Notice was not true, complete and accurate in all material respects and/or was misleading as at the date of submission, the Developer has:

(i) notified the GGR Contract Counterparty of the relevant error(s); and

(ii) provided the GGR Contract Counterparty with (as applicable) a (i) Revised Annual Compliance Report; or (ii) Revised Payment Information Notice;

together with Supporting Information in relation to the matters set out in paragraphs (A) to (F) above.

Annex 12
Pro forma notices[209]

[●]

[209] **Note to Reader:** Pro-forma notices are being developed and will be available post-August.