



For the attention of: [REDACTED]
By e-mail only



Dear [REDACTED]

STRICTLY PRIVATE AND CONFIDENTIAL

LETTER AGREEMENT RELATING TO FUNDING OF CONTINUING SERVICES BY [REDACTED]

We write further to our recent discussions regarding the financial position of the Company, which is a supplier to bodies related to the NHS Commissioning Board known as NHS England ("**NHSE**") including ICBs and GP practices, supplying services to around 1200 GP surgeries (the "**Services**").

We understand that the Company's directors have taken advice from an insolvency practitioner and have concluded that the Company is cashflow insolvent and does not have sufficient cash to continue to trade. Steps are now being taken to market the Company's business for sale as a going concern on an accelerated basis, with offers required together with proof of funding by no later than Tuesday 14 February. You have informed us that the Company will be placed into creditors' voluntary liquidation if a suitable buyer cannot be found by Wednesday 15 February 2023.

You have requested that NHSE provides funding to pay for the continuing provision of the Services in the period during which the Company's business is being marketed for sale until the earlier of (a) the Company's business is sold to an alternative provider or (b) the Company resolves to enter liquidation (the "**Funding Period**"). Such funding is intended to be used by the Company to fund continuation of the Services in lieu of the income that the Company might receive from its customers on account of future services. NHSE has agreed to provide such funding subject to the terms and conditions of this Letter Agreement.

1. The initial funding to be provided by NHSE will be limited to the sum of [REDACTED] ("**NHSE Funding**"). Further funding may be provided by NHSE in accordance with and subject to the terms of this Letter Agreement, but no commitment can be made at this time.
2. The Company hereby declares that it shall hold the NHSE Funding on trust for NHSE, not to be comingled with any assets of the Company and to be applied solely in the manner set out in this Letter Agreement.

3. The NHSE Funding shall be paid by direct bank transfer to the Company's bank account with the following details (the "**Designated Account**"):

██████████	██
██████████	██████████
████████████████	██████████

The Company hereby declares that the balance held in the Designated Account from time to time (including any accruing interest) shall be held on trust for NHSE for the purposes set out in this Letter Agreement and shall not be used for any other purpose.

4. The Company may apply the NHSE Funding only to discharge payments that are critical to providing the Services during the Funding Period, as set out in the attached schedule ("**Critical Payments**"), solely in accordance with the terms of this letter.
5. The Company shall not make any payments from the Designated Account if and to the extent that it has funds available to it from other sources which could be used to make such payments, and shall not make any payments from the Designated Account other than Critical Payments, which shall not be made before the dates set out in respect of such Critical Payments in the attached schedule.
6. The Company undertakes to NHSE that it shall not collect for own use and benefit any further monies from GP practices and/or ICBs in relation to future Services to be provided by the Company, and any such income that is in fact received will be kept ring-fenced in separate bank accounts on trust for the paying parties.
7. The Company shall notify NHSE not less than 24 hours in advance of any Critical Payments intended to be made from the Designated Account and shall confirm the remaining balance on the Designated Account promptly following request by NHSE from time to time. The Company shall deliver to NHSE promptly upon request copies of all such bank statements, invoices and other supporting documentation that might be required to evidence compliance with the terms of this Letter Agreement from time to time.
8. No payments shall be made from the Designated Account in the event that the members or directors of the Company resolve to appoint an administrator or liquidator to the Company, or cease to provide the Services. In the event that the Company ceases to provide the Services, the Company shall promptly return to NHSE any balance remaining in the Designated Account free from any set-off and/or deduction. In any event, the Company shall return to NHSE the remaining balance held in the Designated Account promptly following expiry of the Funding Period.
9. Any payments required to be made by the Company pursuant to paragraph 8 above shall be made by bank transfer to such account as may be notified by NHSE.
10. The Company shall, and shall procure that any buyer of the Company's business shall, apply an amount equal to the NHSE Funding used by the Company to pay Critical Payments as a credit against payments due from GP practices and/or ICBs in relation to the Services, such credit to be applied in such proportions and amounts as may be agreed with NHSE from time to time.
11. In the event that any further funding for provision of the Services is agreed by NHSE, any such additional funding will be paid into the Designated Account and the balance held by the Company and applied solely in accordance with the terms of this Letter Agreement.
12. If any provision (or part of a provision) of this Letter Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision (or part

of a provision) shall be deemed deleted. Any modification to or deletion of a provision (or part of a provision) under this paragraph 10 shall not affect the legality, validity and enforceability of the rest of this Letter Agreement.

13. The perpetuity period for the purpose of this Letter Agreement and the trust hereby constituted shall be 80 years.
14. A person who is not party to this Letter Agreement shall have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Letter Agreement. This clause does not affect any right or remedy of any person which exists or is available otherwise than pursuant to that Act.
15. No variation of this Letter Agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).
16. No failure or delay by a party to exercise any right or remedy provided under this Letter Agreement or by law shall constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict the further exercise of that or any other right or remedy. No single or partial exercise of such right or remedy shall prevent or restrict the further exercise of that or any other right or remedy.
17. This Letter Agreement may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all the counterparts shall together constitute the one agreement
18. This Letter Agreement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by, and construed in accordance with, the law of England and Wales.
19. Each party irrevocably agrees that the courts of England and Wales shall have non-exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Letter Agreement or its subject matter or formation (including non-contractual disputes or claims).
20. NHSE and the Company agree that the content of this Letter Agreement supersedes any other communications on any of the subject matter above which has been discussed or shared between the parties.

Please indicate your agreement to these arrangements by signing and returning this Letter Agreement to NHS England.

[Redacted signature area]



CRITICAL PAYMENTS SCHEDULE

[illegible]

[REDACTED]	
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
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