

DATED 2023

(1) BRADFORD ENERGY LIMITED

(2) THE LORD CHANCELLOR

HEATING SUPPLY AGREEMENT

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BETWEEN:-

- (1) **BRADFORD ENERGY LIMITED** (incorporated and registered in England and Wales under company registration number 13567856 whose registered office is at C/O Pinsent Masons Llp, 1 Park Row, Leeds, United Kingdom, LS1 5AB ("**Supplier**"); and
- (2) **THE LORD CHANCELLOR** acting on behalf of the Crown at 102 Petty France, London, SW1H 9AJ ("**Supply Customer**").

WHEREAS:-

- (A) Supplier operates the Heat Distribution Network, which provides the Heat Supply.
- (B) The Supply Customer is the freehold owner of the Building.
- (C) Supplier has agreed with the Supply Customer to provide the Heat Supply from the Heat Distribution Network to the Building's Heating System on the terms set out in this Agreement.

IT IS AGREED as follows:-

1. DEFINITIONS AND INTERPRETATIONS

The following definitions and rules of interpretation apply in this Agreement.

1.1 Definitions

" Abortive Call-Out Charge "	means the amount described as such in Schedule 1
" Abortive Visit "	has the meaning given to it in Clause 10.10
" Affiliate "	in relation to any person, any subsidiary, any holding company or any subsidiary of such holding company, and holding company and subsidiary shall have the meaning given to them in section 1159 of the Companies Act 2006
" Approved Supply Customer Transferee "	means any entity that simultaneously accepts an assignment, novation or transfer of the Connection Agreement
" Authorisation "	means an authorisation, consent, permission, approval, resolution, licence, exemption, filing, notarisation, permit, licence, agreement, or registration, (whether statutory, regulatory, contractual or otherwise) including the Planning Permissions
" Base Rate "	means the borrowing base rate published by the Bank of England from time to time
" Billing Information "	means information including current Charges, and where available, comparisons of the Supply Customer's Heat Supply against the previous year
" Billing Period "	means each calendar month during the Supply Period
" Building "	means the building and surrounding land which the Supply Customer is the freehold owner of, to which the Heat Supply is made pursuant to this Agreement, being the building and surrounding area at Bradford Combined Court Centre, The Law Courts, Exchange Square, Drake Street, BD1 1JA

"Building Heat Exchanger" or "PHE"	means a unit comprising heat exchanger, pump and associated input and output valves and controls used for the transfer of Heat from the Heat Distribution Network to the Building at the Connection Point, excluding for the avoidance of doubt the Heat Meter and Volume Meter
"Building Heat Plant Room"	means a plant room located within the Building, within which the Building Heat Substation Plant and Equipment is housed
"Building Heat Substation Plant and Equipment"	means the Connection Point, Building Heat Exchanger and all relevant ancillary equipment and infrastructure relating to the connection located within the Building Heat Substation
"Building's Heating System"	means the network of pipes and ancillary equipment downstream of the Connection Point which the Supply Customer is responsible for
"Business Day"	means any day, other than a Saturday or a Sunday, on which banks are open in London for normal banking business
"Charges"	means the following charges:- <ul style="list-style-type: none"> (a) the Standing Charge; (b) the Variable Charge; (c) the Volume Charge; and (d) any Reconnection Charges, Abortive Call-Out Charges or Debt-Processing Charges
"Confidential Information"	has the meaning given to it in Clause 18.1
"Connection Agreement"	means the agreement dated on or around the date of this Agreement between Supplier and the Supply Customer which regulates the connection between the Building and the Heat Distribution Network
"Connection Point"	means the point specified as such in the Connection Point Drawing
"Connection Capacity"	the agreed kW rating of the Connection Point as stated in Schedule 1 of the Connection Agreement
"Connection Point Drawing"	means the drawing set out in Schedule 3 of the Connection Agreement
"Court Operating Hours"	means the hours between 07.00 and 19.00 Monday to Friday and 7:00 and 13:00 on Saturday including UK bank holidays
"Cure Period"	has the meaning given to it in Clause 11.1.2
"Data Protection Legislation"	means all applicable data protection and privacy legislation in force from time to time in the UK including the UK GDPR; the Data Protection Act 2018; and the Privacy and Electronic Communications Regulations 2003 (SI 2003/2426) as amended, and any other legislation relating to personal data and all other legislation and regulatory requirements in force from time to time which apply to a party relating to the use of personal data (including, the privacy of electronic communications), and the

	guidance and codes of practice issued by the relevant data protection or supervisory authority and applicable to a Party
"Debt-Processing Charge"	means the cost charged for recovering overdue Charges as set out in Schedule 1
"Deferred Connection Fee"	means (where the Customer has elected option CF 2 pursuant to clause 8.1.2 of the Connection Agreement) the Connection Fee under the Connection Agreement
"Deferred Connection Fee Proportion"	means a £/kw/day charge to be paid as part of the Standing Charge to recover the Deferred Connection Fee calculated in accordance with Schedule 1 of this Agreement
"Deferred Secondary Side Works Fee"	means (where the Customer has elected option SWF 2 pursuant to clause 8.1.2 of the Connection Agreement) the Secondary Side Works Fee under the Connection Agreement
"Deferred Secondary Side Works Fee Proportion"	means £/kw/day charge to be paid as part of the Standing Charge to recover the Deferred Secondary Side Works Fee calculated in accordance with Schedule 1 of this Agreement
"Direct Supply Agreement"	has the meaning given to it in Clause 23.5
"Due Date"	means the date on which an amount under a Heat Bill is payable in accordance with Clauses 4.4 or 4.5
"EIR"	means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such regulations
"Emergency"	means an incident which is causing or likely to cause a serious risk of personal injury or serious damage to property and/or loss of heating and hot water to multiple buildings
"Energy Plant and Equipment"	means the plant and associated plant and equipment used by Supplier to produce and generate and/or upgrade heat (as may change from time to time)
"Estimated Heat Bill"	has the meaning given to it in Clause 5.2.1
"Exit Plan"	has the meaning given to it in Clause 13.4
"FOIA"	means the Freedom of Information Act 2000 and any subordinate legislation (as defined in section 84 of the Freedom of Information Act 2000) made under the Freedom of Information Act 2000 from time to time together with any guidance and/or codes of practice issued by the Information Commissioner or relevant Government department in relation to such Act
"Force Majeure Event"	means the occurrence after the date of this Agreement of any event beyond the reasonable control of a Party which cannot reasonably be avoided or overcome by that Party and which is not attributable to the acts or omissions of that Party or its Related Party, including:-

- (a) war, hostilities (whether war be declared or not), invasions, act of foreign enemies, civil war, sabotage, piracy;
- (b) rebellion, terrorism, revolution, insurrection, military or usurped power, riot, civil commotion or disorder;
- (c) contamination, the presence of which was caused by the release, discharge, spillage or deposit of that contamination by a third party;
- (d) operation of the forces of nature such as earthquake, hurricane, lightning, typhoon or volcanic activity;
- (e) acts, inactions, defaults or restraint of a statutory undertaking, government or public authority (excluding the Supply Customer), whether lawful or unlawful, except for:-
 - (i) acts for which the relevant Party has assumed the risk by virtue of other provisions of this Agreement;
 - (ii) acts for which the relevant Party should reasonably have anticipated and mitigated; and
 - (iii) any lack of Authorisation, licence or approval necessary for the performance of this Agreement which is to be issued by any public authority where the Supplier or the Supply Customer (as applicable) has failed to apply for any such Authorisation in accordance with Good Industry Practice
- (f) strikes, lockouts or labour disputes generally affecting the construction industry or energy generation industry or any supply chain related to or, service or supply to such industries, or a significant sector of any of them;
- (g) the discovery of fossils, antiquities or unexploded ordnance;
- (h) failure or interruption of supply of the following: electricity utility and/or electrical connections, or the failure of gas supply; or
- (i) the occurrence of an event after the date of the Agreement which is recognised by the World Health Organisation as a pandemic or an epidemic and which (i) affects the whole of England and (ii) results from the transmission of a novel and newly emerging infectious virus and (iii) a national restriction on movement is imposed by the Government of the United Kingdom as a result of the occurrence of such event,

which directly causes either Party to be unable to comply with all or a material part of its obligations under this Agreement

"Good Industry Practice"

means using the standards, practices, methods and procedures which comply with the Law and exercising that degree of skill and

	care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in a similar type of undertaking under the same or similar circumstances
"Heat"	has the meaning given in the definition of "Heat Supply"
"Heat Bill"	means a bill issued at regular intervals in accordance with Clause 4.2
"Heat Distribution Network"	means the pipe network and ancillary equipment, which provides the Heat Supply (wholly or mainly) from the Energy Plant and Equipment to the Connection Point, including for the avoidance of doubt the Heat Meter and Volume Meter
"Heat Meter"	means the meter located within the Building Heat Substation to measure the amount of Heat Supply provided to the Connection Point, owned and operated by Supplier
"Heat Supply"	means the supply of heat not exceeding the Maximum Heat Supply Capacity generated by the Energy Plant and Equipment (or any Temporary Heat Solution) and delivered through the Heat Distribution Network to the Connection Point for the purposes of providing heating and hot water and Heat shall be construed accordingly
"Indirect Loss"	means loss of profit or revenue, loss of opportunity, loss of contract or loss of goodwill, the cost of obtaining any new financing or maintaining any existing financing (including the making of any scheduled or other repayment or prepayment of debt and the payment of any other costs, fees or expenses incurred in connection with the obtaining or maintaining of financing) but for the avoidance of doubt shall not include any amounts expressly payable under this Agreement or losses which arise from a breach by the Supply Customer of Clause 2.5
"Insolvency Event"	means in respect of a Party:- <ul style="list-style-type: none"> (a) other than for the purposes of a bona fide reconstruction or amalgamation, such party passing a resolution for its winding up, or a court of competent jurisdiction making an order for it to be wound up or dissolved, or that party being otherwise dissolved; (b) the appointment of an administrator of, or the making of an administration order in relation to, either party, or the appointment of a receiver or administrative receiver of, or an encumbrancer taking possession of or selling, the whole or any part of the entity's undertaking, assets, rights or revenue; (c) that party entering into an arrangement, compromise or composition in satisfaction of its debts with its creditors or any class of them, or taking steps to obtain a moratorium, or making an application to a court of competent jurisdiction for protection from its creditors; (d) that party being unable to pay its debts, or being capable of being deemed unable to pay its debts, within the meaning of section 123 of the Insolvency Act 1986; or

	(e) that party entering into any arrangement, compromise or composition in satisfaction of its debts with its creditors
"Invoice Date"	means in relation to a Billing Period, the 5th Business Day after the end of the Billing Period
Law	any law applicable in the United Kingdom and shall include common law, statute, statutory instrument, proclamation, by-law, directive, decision, regulation, rule, order, notice, rule of court, instrument, or delegated or subordinate legislation and any applicable judgement of a relevant court of law which is binding in United Kingdom
"Loss(es)"	any and all losses, liabilities, damages, compensation, awards, costs (including reasonable legal costs), charges, fines, penalties, expenses but excluding any Indirect Loss
"Margins of Error"	means 5% in accordance with Measurement Instrumentation Directive (2014/32/EU) for class 2 meters
"Maximum Heat Supply Capacity"	means a volume of heat which is not greater at any one time than the Connection Capacity
"Planned Maintenance Schedule"	means the programme setting out the planned routine maintenance required to be carried out by the Supplier in respect of the Heat Distribution Network and/or Building Heat Substation Plant and Equipment in the relevant Supply Year
"Planning Permission"	means any outline planning permission and/or detailed planning permission or planning agreement relevant to the Building
"Reconnection Charge"	means the charge for reconnecting the Heat Supply to the Building after suspension in accordance with Clause 7, as set out in Schedule 1
"Refundable Deposit"	means a cash sum payable by the Supply Customer to the Supplier under Clause 7.1.2 equal to Supplier's reasonable estimate of three (3) months' Charges
"Regulatory Body"	means any government department and regulatory, statutory, local authority and any other entity, agency committee, and body which, whether under statute, rules, regulations, code of practice or otherwise, is entitled by any applicable Law to supervise, regulate, investigate, or influence the matters dealt with in this Agreement, including in relation to tax and the Authorisations. "Regulatory Body" includes the Department for Energy Security and Net-Zero, the Gas and Electricity Markets Authority and the Valuation Office Agency, together with any successor bodies
"Related Party"	means a Party's employees, contractors (of any tier), agents, representatives and Affiliates
"Remediation Notice"	has the meaning given in Clause 11
"Security"	means a mortgage, assignment, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect

"Service Failure"	means a failure to meet a Service Level as set out under Schedule 2
"Service Failure"	means the service levels set out under Schedule 2
"Service Failure Payment"	means the compensation required to be paid for a Service Failure, as set out in Schedule 2
"Site Rules"	shall have the meaning given to it in the Connection Agreement
"Standards of Service"	means the Standards of Service as set out in Schedule 2
"Standing Charge"	<p>means in relation to a Billing Period, a fixed charge which covers:-</p> <ul style="list-style-type: none"> (a) non commodity costs associated with the operation and maintenance of the Energy Plant and Equipment, Heat Distribution Network and the Building Heat Substation Plant and Equipment and the provision of the Heat Supply; (b) recovery of the Deferred Connection Fee (where applicable); and (c) recovery of the Deferred Secondary Side Works Fee (where applicable), <p>calculated and adjusted in accordance with Schedule 1</p>
"Sufficient Security"	<p>means either:-</p> <ul style="list-style-type: none"> (a) a bond or equivalent form of security from a reputable financial institution (approved by Supplier), such approval not to be unreasonably withheld or delayed), in a form reasonably satisfactory to Supplier), in an amount equivalent to the greater of:- <ul style="list-style-type: none"> (i) the Supply Customer Cap on Liability; or (ii) Supplier's reasonable estimate of three (3) months' Charges; or (b) a guarantee in a form approved by Supplier, such approval not to be unreasonably withheld or delayed
"Summer Period"	means the period starting 1 April and ending 30 September each year
"Supply Customer Cap on Liability"	has the meaning given to it in the Connection Agreement
"Supplier Cap on Liability"	has the meaning given to it in the Connection Agreement
"Supply Customer Termination Grounds"	<p>means:-</p> <ul style="list-style-type: none"> (a) Supplier is in material or persistent breach of its obligations which: (a) substantially prevents the Supply Customer from performing its obligations or exercising its rights under this Agreement; or (b) materially affects the benefit which the Supply Customer would otherwise

derive from a substantial or material portion of this Agreement and:-

(i) where the breach is capable of remedy, the Supply Customer has issued a Remediation Notice pursuant to Clause 11 (*Remediation Plan Process*) and Supplier:-

(1) has failed to put forward a Remediation Plan and materially failed to remedy the breach(es) specified in the Remediation Notice; or

(2) has put forward a Remediation Plan but has materially failed to remedy the breach(es) specified in the Remediation Notice in accordance with the Remediation Plan within the Cure Period; or

(ii) where the breach is not capable of remedy, the Supply Customer is unable to obtain financial compensation for the relevant breach or it is able to obtain such compensation but it would be unreasonable to expect the Supply Customer to accept financial compensation for such default as its sole remedy

(b) an Insolvency Event occurs in relation to Supplier; and/or

(c) Supplier has breached Clause 23 (*Assignment and Other Dealings*); and/or

(d) the aggregate liability of Supplier to the Supply Customer (excluding liabilities that are not subject to the Supplier Cap on Liability) arising out of or in connection with this Agreement reaches the Supplier Cap on Liability

"Supplier Termination Grounds"

means:-

(a) the Supply Customer is in material or persistent breach of its obligations which: (a) substantially prevents Supplier from performing its obligations or exercising its rights under this Agreement or (b) materially affects the benefit which the Supplier would otherwise derive from a substantial or material portion of this Agreement and:-

(i) where the breach is capable of remedy, the Supplier has issued a Remediation Notice pursuant to Clause (*Remediation Plan Process*) and the Supply Customer:-

(1) has failed to put forward a Remediation Plan and materially failed to remedy the breach(es) specified in the Remediation Notice; or

	<ul style="list-style-type: none"> (2) has put forward a Remediation Plan but has materially failed to remedy the breach(es) specified in the Remediation Notice in accordance with the Remediation Plan within the Cure Period; (ii) where the breach is not capable of remedy, Supplier is unable to obtain financial compensation for the relevant breach or it is able to obtain such compensation but it would be unreasonable to expect Supplier to accept financial compensation for such default as its sole remedy
	<ul style="list-style-type: none"> (b) an Insolvency Event occurs in relation to the Supply Customer; (c) the Supply Customer has breached Clause 23 (Assignment and Other Dealings); (d) the Building has been isolated in accordance with the Connection Agreement; (e) the aggregate liability of the Supply Customer to the Supplier (excluding liabilities that are not subject to the Customer Cap on Liability) arising out of or in connection with this Agreement reaches the Supply Customer Cap on Liability; and/or (f) the Supplier is entitled to terminate this Agreement in accordance with Clause 12.5
"Supply Period"	means the period from the Supply Start Date until the expiry or termination of this Agreement in accordance with its terms
"Supply Start Date"	means the "Commercial Operations Date" (as defined in the Connection Agreement)
"Supply Year"	<p>means:</p> <ul style="list-style-type: none"> (a) in respect of the first Supply Year, the period from the date of this Agreement until the 31 March immediately following the date of this Agreement; (b) (subject to paragraph (c) below) in respect of each subsequent Supply Year, the period of 12 consecutive months commencing on 1 April and ending on 31 March; and (c) in respect of the final Supply Year, the period from the commencement of such Supply Year until the expiry or termination of this Agreement
"Temporary Heat Solution"	means any temporary heat solution provided by Supplier for the provision of heating to the Supply Customer when heat supplies from the Energy Plant and Equipment (or the Heat Distribution Network as relevant) are temporarily unavailable

"Tenant"	has the meaning given to it in Clause 23.5
"UK GDPR"	means the EU GDPR as implemented by the European Union (Withdrawal) Act 2018 and as amended from time to time including by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (as amended by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2020)
"Variable Charge"	means the charge for each unit (kWh) of Heat Supply calculated and adjusted in accordance with Schedule 1
"Volume"	means the volume of water (cubic meter) provided to the Connection Point
"Volume Charge"	means the charge for each cubic metre of water passing through the Building Heat Substation, as measured by the Volume Meter
"Volume Meter"	means the meter located within the Building Heat Substation to measure the volume of water passing through the Connection Point, such meter being owned and operated by Supplier
"Winter Period"	means the period starting 1 October and ending 31 March each year

- 1.2 Clause, Sub-Clause, Schedule and Paragraph headings and the recitals section shall not affect the interpretation of this Agreement.
- 1.3 Any reference to this Agreement includes the Schedules.
- 1.4 A reference to a "company" shall include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.5 A reference to "holding company" or a "subsidiary" means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006.
- 1.6 Unless the context requires otherwise, words in the singular include the plural and in the plural include the singular.
- 1.7 Unless the context requires otherwise, a reference to one gender shall include a reference to the other genders.
- 1.8 A reference to a statute or statutory provision is a reference to it as amended, extended, consolidated or re-enacted from time to time.
- 1.9 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.10 A reference to "writing" or "written" includes any method of representing or reproducing words in a visible and legible form, including email unless otherwise expressly provided in this Agreement.
- 1.11 A reference to "this Agreement" or to any other agreement referred to in this Agreement is a reference to this Agreement as varied or novated from time to time.
- 1.12 If there is an inconsistency between the Clauses and Schedules respectively, the provisions in the Clauses shall prevail in preference to the Schedules.
- 1.13 Any words following the terms "including", "include", "in particular", "for example" or any other similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or terms preceding those terms.

1.14 A breach of this Agreement relating to a deadline not being achieved shall be considered to be a rectifiable breach.

1.15 Where:-

1.15.1 a Dispute arises under this Agreement, the subject matter of which also constitutes a 'Dispute' under the Connection Agreement; or

1.15.2 a Remediation Notice is served under this Agreement in relation to a matter which either the Supply Customer or the Supplier is required to produce a 'Customer Cure Programme' or 'Supplier Cure Programme' (as applicable) under the Connection Agreement,

the Parties agree to carry out a single dispute resolution process or rectification process (as applicable) under this Agreement in relation to the relevant matter in order to determine to the relevant steps to be taken under both this Agreement and the Connection Agreement.

1.16 Where one provision of this Agreement or the Connection Agreement imposes upon either Party a standard, duty or obligation which is more onerous than, or additional to, that imposed by another provision of this Agreement or the Connection Agreement, this shall not be treated as a conflict or inconsistency, rather, the relevant standards, duties or obligations shall, so far as possible, be treated as cumulative, failing which the more onerous standard, duty or obligation shall apply.

2. **PROVISION OF HEAT**

2.1 Subject to Clause 2.2, this Agreement shall commence on the Supply Start Date and shall continue until the earlier of:

2.1.1 the date of termination in accordance with the terms of this Agreement; and

2.1.2 the expiry or termination of the Connection Agreement in accordance with its terms,

provided that if the Connection Agreement terminates before the Supply Start Date this Agreement shall automatically terminate.

2.2 Clause 1 (Definitions and Interpretation), Clause 2 (Provision of Heat), Clause 9 (Reporting), Clause 16 (Limit of Liability) to Clause 34 (Jurisdiction) (inclusive), Schedule 1 (Heat Charges and Indexation), Schedule 6 (Reporting) and any other Clauses or Schedules to the extent necessary to give effect to such provisions, shall come into effect on the date of this Agreement.

2.3 Supplier shall make the Heat Supply available to the Supply Customer during the Supply Period:-

2.3.1 in accordance with Good Industry Practice; and

2.3.2 in accordance with all Law, including to the extent applicable, the Heat Network (Metering and Billing) Regulations 2014.

2.4 The Supply Customer grants Supplier the sole right to supply Heat to the Building and acknowledges that such Heat Supply shall be made to the Supply Customer pursuant to the terms of this Agreement (or, where applicable any Direct Supply Agreement).

2.5 The Supply Customer warrants, represents and, for the duration of this Agreement, undertakes that it shall not and shall procure that no other person:-

2.5.1 enters into any agreement or arrangement for the provision by a third party of a supply of energy for the purposes of space and/or water heating to the Building (or a part thereof);

2.5.2 install(s), use(s), enable(s) or facilitate(s) the installation or use of any form of gas supply, any gas-fired appliance (except appliances used for any purpose other than the generation or conveyance of heating and/or hot water), any boilers, any electric storage heaters, electric heaters, any heat microgeneration equipment (including solar thermal panels

and/or ground, water or air source heat pumps) or any other alternative central heating or hot water system for the supply of space and/or water heating to the Building (or a part thereof).

2.6 The provisions of Clause 2.5 shall not apply in relation to:-

2.6.1 the provision of heating or hot water for construction purposes only;

2.6.2 the provision of heating or hot water on a temporary basis by any temporary means at a time when a Heat Supply is not being made available by Supplier (other than where Supplier has suspended or disconnected the Heat Supply pursuant to Clause 6.1.6 or where the Heat Supply is deliberately interrupted by the Supply Customer and provided that the Supply Customer shall cease the provision of heat from such sources immediately upon the Heat Supply being restored by the Supplier);

2.6.3 the use of:-

(a) existing instantaneous water heaters; and

(b) portable electric storage heaters in addition to the Heat Supply,

provided that this does not impact on the Heat Supply demand at the Building and the Heat Supply remains the primary source of heat supply for the Building.

3. **HEAT SUPPLY RELIEF EVENTS AND SERVICE FAILURE PAYMENTS**

3.1 Subject to Clause 3.2, if the Heat Supply is disconnected or suspended which results in a Service Failure, the Supply Customer shall be eligible to claim compensation in the form of a Service Failure Payment in accordance with the process in Schedule 2.

3.2 The Supply Customer acknowledges that it shall not be entitled to a Service Failure Payment where:-

3.2.1 in the case of a Service Failure relating to interruptions to the Heat Supply or Heat Supply unavailability, the Service Failure would not have occurred but for:-

(a) Supplier electing to disconnect or suspend the Heat Supply in accordance with its rights under Clause 6.1.6 due to Supply Customer non-payment;

(b) Supplier electing to disconnect or suspend the Heat Supply where and to the extent necessary to avoid danger or as a result of an Emergency;

(c) Supplier electing to disconnect or suspend the Heat Supply where and to the extent necessary to comply with the Law or the requirement of a Regulatory Body;

(d) the suspension or interruption being caused by an act or omission of the Supply Customer (including due to a breach of the Connection Agreement) or any person for whom the Supply Customer is responsible;

(e) Supplier electing to disconnect or suspend the Heat Supply where Supplier has been unable to carry out repairs or maintenance within the Building due to:-

(i) health and safety risks described in Clause 8.3.8; or

(ii) the Supplier being unable to gain access to the Building where it is entitled to such access under this Agreement; or

(f) Supplier being otherwise expressly permitted to suspend or disconnect the Heat Supply under this Agreement.

3.2.2 in the case of a Service Failure relating to the Supplier's response to and/or repair of faults, the Service Failure would not have occurred but for:-

- (a) the Supplier being unable to gain access to the Building and/or Building Heat Substation to inspect a fault and/or carry out repairs or maintenance:-
 - (i) health and safety risks described in Clause 8.3.8;
 - (ii) the Supplier being unable to gain access to the Building where it is entitled to such access under this Agreement;

3.2.3 the Service Failure is due to:-

- (a) a Force Majeure Event; or
- (b) a breach by the Supply Customer of its obligations under this Agreement and/or the Connection Agreement.

3.3 Where a Service Failure Payment has been validly claimed in accordance with the process in Schedule 2, Supplier shall deduct such Service Failure Payment from the amounts due to it in any subsequent Heat Bill(s) issued pursuant to Clause 4.2.

3.4 If there is a fault with the Heat Supply to the Building or the Heat Supply is interrupted (other than an interruption notified by Supplier to the Supply Customer) the Supply Customer shall notify Supplier as soon as reasonably practicable.

3.5 Subject to any other express right of the Supply Customer pursuant to this Agreement, the sole remedy of the Supply Customer in respect of any breach of this Agreement that results in a failure by Supplier relating to the provision of the Heat Supply or the operation of the Heat Distribution Network and/or the Building Heat Substation Plant and Equipment shall be the operation of Schedule 2.

4. **CHARGES, BILLING AND PAYMENT**

4.1 The Charges as at the date of this Agreement are set out in Schedule 1 and shall be payable by the Supply Customer in accordance with this Agreement.

4.2 Supplier shall issue a Heat Bill in respect of each Billing Period on or as soon as reasonably practicable after the Invoice Date, setting out:-

4.2.1 the amount of the Heat Supply and the Volume as determined in accordance with Clause 5 and the corresponding Charges applicable to such Billing Period;

4.2.2 any applicable VAT;

4.2.3 any reconciliation or other adjustment to be made to the Heat Bill due to inaccuracies in previous Heat Bills or otherwise in accordance with this Agreement, including in accordance with Clause 4.3;

4.2.4 any interest that has accrued for late payment of previously issued Heat Bills pursuant to Clause 6.1.2;

4.2.5 any Service Failure Payment payable by Supplier to the Supply Customer which is set off against amounts owed to Supplier; and

4.2.6 on an annual basis, the Billing Information.

4.3 Where the Heat Bill is an Estimated Heat Bill, Supplier shall make any necessary adjustments after the next accurate (as applicable) Heat Meter or Volume Meter reading and shall debit or credit the Heat Bill for any subsequent Billing Periods.

- 4.4 The Supply Customer shall notify Supplier as soon as reasonably practicable (and in any event within five (5) Business Days of receipt of the Heat Bill) if the Supply Customer disputes a Heat Bill. Where the Supply Customer raises a bone fide dispute in respect of a Heat Bill within this time period, then the Supply Customer shall not be obliged to pay the disputed part of the Heat Bill until such dispute is resolved or determined in accordance with Clause 17 whereupon the amount determined or resolved to be payable shall become payable within thirty (30) days of such resolution or determination.
- 4.5 Subject to Clause 4.4, the Supply Customer must pay the amount set out in a Heat Bill no later than thirty (30) Business Days after the date of the Heat Bill.
- 4.6 The Supply Customer acknowledges and agrees that the Standing Charge shall be payable throughout the Supply Period, whether or not a Heat Supply is used at the Building, including in circumstances where the Heat Supply has been disconnected or suspended. If the interruption or suspension is due to a Service Failure, the Supply Customer shall, subject to Clauses 3.2 and 16 be entitled to a Service Failure Payment as set out in Schedule 2.

5. **METER READINGS**

- 5.1 The Heat Bill shall show the amount of Heat supplied to the Customer, and the Volume which has passed through the Heat Distribution Network side of the Building Heat Exchanger, which shall be recorded by the Heat Meter and the Volume Meter (as appropriate). Supplier shall read the Heat Meter and Volume Meter remotely every month without requiring access to the Building. If Supplier is unable to read the Heat Meter or Volume Meter remotely, Supplier shall, where possible, provide the Supply Customer with the means to provide Supplier with readings.
- 5.2 If Supplier has not been able to read the Heat Meter and/or the Volume Meter because of a fault in Supplier's automated meter-reading system and the Supply Customer has not been able to give Supplier the Supply Customer's own readings, or Supplier has reason to believe that the Heat Meter or Volume Meter is not reading correctly, Supplier:
- 5.2.1 may, in accordance with Clause 5.3 and subject to Clause 5.4, send the Supply Customer a Heat Bill, on the basis of Supplier's reasonable estimate of the amount of Heat supplied and Volume which has passed through the Connection Point (an "**Estimated Heat Bill**"); and
- 5.2.2 if the problem cannot be solved remotely the Supplier shall attend the Building or procure a third party to attend the Building to read the Heat Meter and/or the Volume Meter, whichever meter cannot be read.
- 5.3 Supplier's reasonable estimates will be based on either:-
- 5.3.1 the Supply Customer's pattern of energy use in the past; or
- 5.3.2 the Heat Supply the Supply Customer is likely to have used given the size of the Building and comparison readings from other similar properties.
- 5.4 The Supplier shall use reasonable endeavours not to send an Estimated Heat Bill for two Billing Periods in succession.
- 5.5 If the Supply Customer believes that the Heat Meter or Volume Meter is faulty, the Supply Customer must notify Supplier as soon as possible in order that Supplier can arrange a check.
- 5.6 If the Supply Customer requests Supplier to check the Heat Meter or Volume Meter and Supplier finds that it is accurate within the Margins of Error, Supplier reserves the right to require the Supply Customer to pay Supplier's reasonable costs of checking the Heat Meter or Volume Meter (as applicable).
- 5.7 Supplier may also ask to check the Heat Meter or Volume Meter at any time if Supplier believes that either is not accurate. The Supply Customer will not be required to pay any costs if Supplier requests

to check the Heat Meter or Volume Meter unless the Supply Customer has damaged or interfered with (as applicable) the Heat Meter or Volume Meter.

6. FAILING TO PAY

6.1 If the Supply Customer fails to pay any undisputed part of a Heat Bill by the Due Date, Supplier may take one or more of the following actions:-

6.1.1 require the Supply Customer to pay by another method;

6.1.2 charge the Supply Customer interest on the overdue amount at a rate of **REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS** (any interest accruing under this Clause 6.1.2 shall be compounded with the overdue amount on the last day of each month and payable on demand);

6.1.3 require that a Refundable Deposit is provided;

6.1.4 if the Supply Customer pays by direct debit, increase the amount debited from its bank account so that Supplier can recover the difference over a period that is reasonably acceptable to Supplier, provided that the Supplier has given the Supply Customer prior notice of such increase;

6.1.5 take court action to recover the debt and Supplier's costs; and/or

6.1.6 disconnect or suspend the Supply Customer's Heat Supply (Supplier may also suspend or disconnect the Supply Customer's Heat Supply where it has validly requested a Refundable Deposit under this Clause 6 and the Supply Customer has failed to provide this).

6.2 At least five (5) Business Days before Supplier disconnects or suspends the Heat Supply in accordance with Clause 6.1, Supplier shall:-

6.2.1 send the Supply Customer at least two reminder emails (which shall be sent not less than twenty (24) hours of a working day apart);

6.2.2 use reasonable endeavours to contact the Supply Customer by phone at least twice over a period of seven (7) days; and

6.2.3 send a notice to Supply Customer in accordance with Clause 22.5.

7. RECONNECTING THE SUPPLY CUSTOMER'S SUPPLY

7.1 Where Supplier has suspended or disconnected the Supply Customer's Heat Supply for non-payment, Supplier shall use reasonable endeavours to make the Heat Supply available to the Supply Customer again within one (1) Business Day (and in any event within three (3) Business Days) if the Supply Customer has:-

7.1.1 paid to the Supplier all Charges and amounts the Supply Customer owes to Supplier including the Reconnection Charge and Debt-Processing Charge and any accrued interest, in full; and

7.1.2 where requested by Supplier under Clause 6.1, provided a Refundable Deposit.

7.2 If the Supply Customer provides to the Supplier a Refundable Deposit following non-payment of a Heat Bill, Supplier shall return the Refundable Deposit once the Supply Customer has kept the Supply Customer's payments up to date, in full, for 12 months.

7.3 Where the Supplier has disconnected or suspended the Supply Customer's Heat Supply for a reason other than non-payment, the Supplier shall use reasonable endeavours to make the Heat Supply available to the Supply Customer again within one (1) Business Day (and in any event within three (3) Business Days) once the event or circumstances entitling the Supplier to suspend or disconnect

has been resolved to the satisfaction of the Supplier (acting reasonably). In such circumstances, the Supply Customer shall be liable to pay the Supplier the Reconnection Charge.

8. OPERATING AND MAINTAINING EQUIPMENT

8.1 Planned Maintenance Schedule

8.1.1 As soon as reasonably practicable following the Supply Start Date, the Supplier shall provide a copy of the Planned Maintenance Schedule to the Supply Customer.

8.1.2 The Supplier shall be entitled to update the Planned Maintenance Schedule at any time by providing notice to the Supply Customer.

8.2 Supplier's responsibility

8.2.1 Supplier shall be responsible for:-

- (a) routinely inspecting, maintaining, repairing or replacing (if necessary) any part of the Heat Distribution Network contained in the Building Heat Plant Room; and
- (b) routinely inspecting, maintaining, repairing and replacing (if necessary) the Heat Meter and the Volume Meter,

so as to comply with requirements of Part 1 of Schedule 3, the Planned Maintenance Schedule and in line with Good Industry Practice, at Supplier's cost (except in the circumstances set out in Schedule 3, when Supplier will not be liable and without prejudice to any other rights of Supplier under this Agreement).

8.2.2 Supplier shall ensure that any planned maintenance carried out that may cause an interruption or reduction to the Heat Supply shall, so far as is reasonably practicable, occur during anticipated periods of low demand for Heat, and the Supplier shall provide a minimum of 48 hours advance notice of such maintenance to the Supply Customer.

8.2.3 In undertaking any planned maintenance under this Agreement Supplier will use reasonable endeavours to avoid, or if unavoidable, minimise, the effects of any potential interruption, or reduction or other to the Heat Supply to the Supply Customer by scheduling maintenance wherever possible outside of Court Operating Hours where Heat Supply would be impacted.

8.2.4 The Parties acknowledge and agree that Supplier shall have no responsibility for the Building's Heating System, which shall be the sole responsibility of the Supply Customer.

8.2.5 If the Supply Customer reports a problem with the Heat Supply, Heat Meter, Volume Meter or Building Heat Substation Plant and Equipment, Supplier shall attend the Building to address the problem within the timescales set out in Schedule 2.

8.2.6 In each case, Supplier will use all reasonable efforts to attend the Building and repair the problem. However, where Supplier is unable to repair the problem on the first visit (including where Supplier needs to source a part to repair the fault), Supplier shall arrange a future visit at an agreed time.

8.3 The Supply Customer's responsibility

8.3.1 The Supply Customer must ensure that the Building's Heating System is maintained and, where necessary, repaired, upgraded or replaced in accordance with Good Industry Practice in order to enable the Building to receive the Heat Supply in accordance with this Agreement and to ensure compliance with the requirements of Part 2 of Schedule 4.

8.3.2 The Supply Customer shall not operate the Building's Heating System in any way which is or may be detrimental to the safe or efficient operation of the Heat Distribution Network

including maintaining the required water quality, control settings and adjustments so as not to adversely impact operation of the Heat Distribution Network.

- 8.3.3 If the Building's Heating System is adversely impacting, or Supplier believes that it is likely to adversely impact the Heat Distribution Network, the Heat Meter, the Volume Meter, or the Building Heat Substation Plant and Equipment, Supplier may suspend or disconnect the Heat Supply until the Supply Customer repairs or replaces the Building's Heating System in accordance with Good Industry Practice to the standard reasonably required by Supplier.
- 8.3.4 The Supply Customer must notify Supplier of any proposed significant change to the Building, the Building's Heating System or anything else that could affect the Heat Distribution Network or impact on the Heat Supply provided that such notice shall not relieve the Supply Customer of its other obligations under this Agreement.
- 8.3.5 If the Supply Customer causes (or any person present in the Building other than Supplier personnel causes) any damage to, or interrupts, discontinues or reduces the operation of the Heat Distribution Network, the Heat Meter, Volume Meter, or the Building Heat Substation Plant and Equipment, the Supply Customer shall be required to pay Supplier's costs of undertaking any necessary repairs, replacements or maintenance arising from such damage or impacts on operation.
- 8.3.6 The Supply Customer must not (and must not allow any other person present in the Building other than Supplier Related Parties to):-
- (a) tamper with or damage the Heat Distribution Network, the Heat Meter, the Volume Meter, or the Building Heat Substation Plant and Equipment (including, for example, through vandalism, misuse or interference); and
 - (b) misuse the Building's Heating System such that it causes any damage to the Heat Distribution Network, the Heat Meter, the Volume Meter, or the Building Heat Substation Plant and Equipment.
- 8.3.7 The Supply Customer must notify Supplier immediately if the Supply Customer knows or believes that:-
- (a) any part of the Heat Distribution Network, the Heat Meter, the Volume Meter, or the Building Heat Substation Plant and Equipment is damaged or destroyed; or
 - (b) anyone other than the Supply Customer or Supplier's agents has interfered with or removed the Heat Meter, the Volume Meter or the Building Heat Substation Plant and Equipment.
- 8.3.8 Supplier shall not carry out any repairs or maintenance in the Building if Supplier has good reason to believe that there is a health-and-safety risk, including any risk from dangerous materials, infestations or harassment to Supplier's staff (including any verbal or physical abuse or threat of physical abuse). In such circumstances, Supplier may suspend or disconnect the Heat Supply until Supplier is able to carry out repairs or maintenance free from such health-and-safety risk.

9. REPORTING

- 9.1 The Parties shall comply with their respective obligations set out in Schedule 6 (Reporting).
- 9.2 The relevant representatives from each Party shall meet on a quarterly basis (for the first eighteen (18) months of the Supply Period and thereafter, as agreed between the Parties) to review the operation of this Agreement and discuss any issues in respect of the operation of the Heat Distribution Network and/or the Building Heating System and/or the Heat Supply (which may include

supply demand, volume, return temperatures, carbon intensity, heat outages and continuous improvement opportunities).

10. ACCESS

10.1 The Supply Customer shall provide access to the Supplier in accordance with this Clause 10 for the Supply Period.

10.2 The Supply Customer hereby grants a licence to Supplier that will give Supplier and the Supplier's Related Parties free, safe and reasonably uninterrupted access during to Supply Period to the Building Heat Substation and those parts of the Building necessary for Supplier to (i) install and keep installed, operate and maintain the Heat Distribution Network located at or within the Building and the Building Heat Substation Plant and Equipment, and (ii) carry out its obligations and/or exercise its rights under this Agreement, including:-

10.2.1 inspecting, repairing, replacing, installing, removing, testing, maintaining, or carrying out other activities relating to the Heat Meter, Volume Meter, or Building Heat Substation;

10.2.2 suspending, disconnecting, restoring or reconnecting the Heat Supply to the Building's Heating System in the circumstances permitted under this Agreement;

10.2.3 terminating this Agreement;

10.2.4 in an Emergency, or to mitigate any danger Supplier reasonably believes exists to people or property in relation to the Heat Distribution Network and/or the Building Heat Substation Plant and Equipment; and

10.2.5 taking samples of the water from the Building's Heating System and carrying out analysis to determine if the quality is compliant with the standards in respect of which the Building's Heating System is required to be designed, installed, tested and commissioned in accordance with the requirements of Part 2 of Schedule 3,

and Supplier shall ensure that anyone attending the Building for the purposes above shall comply with Clause 10.3 set out below. Such licence shall comply with the access and permit to work requirements specified in Part 2 of Schedule 3.

10.3 Supplier shall ensure that anyone attending the Building for the purposes above will carry an ID card which includes a colour photograph, their name and contact details the Supply Customer can use to check their identity.

10.4 The Supplier shall and shall at all times comply with all reasonable directions from the Supply Customer in respect of its exercise of such access rights including adhering to any relevant Site Rules and the Supplier shall provide a minimum of ten (10) Business Days' notice where access is required under Clause 10 except where access is required in an Emergency or to carry out maintenance and/or is in accordance with the Planned Maintenance Schedule. The Supply Customer shall respond to any access requested by the Supplier (other than where access is required in an Emergency or to carry out maintenance and/or is in accordance with the Planned Maintenance Schedule) within forty eight (48) hours of receipt.

10.5 Where the Supplier requires access for planned routine maintenance, it shall arrange for such visit to occur outside of Court Operating Hours. If this is not possible, then the Supplier shall consult with the Supply Customer to arrange a visit during Court Operating Hours on a day and time which the Supply Customer is of the opinion will cause the least disruption to the operation of the Building. The Supplier shall not arrange to visit during Court Operating Hours without the prior written approval of the Supply Customer and/or in accordance with the Planned Maintenance Schedule.

10.6 In the event of an Emergency, the Supplier shall attempt to contact the Supply Customer to inform the Supply Customer of the Emergency and how they intend to deal with it including details of any access to the Building provided that any failure to make contact with the Supply Customer shall not limit the Supplier's right to access the Building in accordance with Clause 10.

- 10.7 Any rights granted by the Supply Customer under Clause 10, do not entitle the Supplier to exclusive occupancy or possession of any part of the Building, or provide the Supplier with any form of proprietary interest over the Building.
- 10.8 The Supplier shall:-
- 10.8.1 each and every time the Supplier leaves the Building Heat Substation take all reasonable steps, including by complying with any reasonable directions from the Supply Customer in this respect, to ensure that the Building Heat Substation is appropriately secured so as to prevent interference by third parties;
- 10.8.2 in exercising its rights and complying with its obligations in this Clause 10 not do or permit anything which may be or grow to be a nuisance, annoyance, disturbance or inconvenience to the occupiers of adjoining and neighbouring premises PROVIDED THAT the performance of the Supplier's obligations under this Agreement and the installation, commissioning, maintenance and/or operation and maintenance of the Heat Distribution Network and/or the Building Heat Substation Plant and Equipment shall not in itself breach this Clause 10.8.2.
- 10.9 The Supply Customer shall provide Supplier with access to and use of areas of reasonable size at or within reasonable proximity of the Building for use as a laydown and loading areas where necessary for implementation of any Temporary Heat Solution.
- 10.10 Where a time for attendance has been agreed between the Parties in accordance with Clause 10.5 and:-
- 10.10.1 the Supply Customer does not give Supplier access at the agreed time (or agree with Supplier an alternative suitable time for attendance at least four (4) hours in advance of the originally agreed time); and
- 10.10.2 Supplier can evidence that they could not gain access (for instance a time stamped photograph of the front of the Building and a call logged that the Supply Customer was called at the agreed and confirmed time of the appointment),
- an "**Abortive Visit**" will have occurred.
- 10.11 Where Supplier makes more than one Abortive Visit to the Building in respect of the same issue, the Supply Customer shall be required to pay Supplier an Abortive Call-Out Charge for each subsequent Abortive Visit and any other direct and reasonable additional costs that Supplier incurs as a result of the failure to provide access (including any increased costs of carrying out maintenance without the appropriate access).
- 10.12 If Supplier is unable to gain access to the Building when arranged with the Supply Customer or the Supplier is otherwise entitled under this Agreement and this prevents Supplier from fixing any interruption or reduction in the Supply Customer's Heat Supply, Supplier shall be entitled to suspend or disconnect the Heat Supply to the Supply Customer, for safety reasons, until the Supply Customer has provided Supplier with access to the Building to allow Supplier to fix the problem and use reasonable endeavours to contact the Supply Customer to gain access.
- 10.13 The Parties acknowledge and agree that without prejudice to any rights of the Parties under this Agreement, title to and responsibility for the Heat Distribution Network and the Building Heat Substation Plant and Equipment shall at all times (as between the Parties) remain with Supplier and title to and responsibility for the Building's Heating System shall at all times (as between the Parties) remain with the Supply Customer, and neither Party shall in respect of equipment owned by the other Party (the "**Relevant Equipment**"):-
- 10.13.1 make any alteration to, carry out any works on, or move or remove all or any part of the Relevant Equipment;
- 10.13.2 sell or offer for sale, underlet or lend the Relevant Equipment; or

10.13.3 allow the creation of any Security in respect of the Relevant Equipment.

11. REMEDIATION PLAN PROCESS

11.1 If either Party (the "**Innocent Party**") is of the reasonable opinion that the other Party (the "**Responsible Party**") has committed any material breach(es) of this Agreement which is capable of remedy, then the Innocent Party may, acting reasonably, give a notice ("**Remediation Notice**") to the Responsible Party which shall:-

11.1.1 outline the breach(es); and

11.1.2 request the Responsible Party to produce a plan ("**Remediation Plan**") of the measures it proposes to take to remedy the relevant breach(es) and the reasonable timeline for taking such measures ("**Cure Period**");

11.2 Within 10 Business Days of receipt of a Remediation Notice, the Responsible Party shall either:-

11.2.1 submit a draft Remediation Plan; or

11.2.2 notify the Innocent Party that it disputes responsibility for the matter(s) set out in the Remediation Notice and does not intend to submit a Remediation Plan.

11.3 Where the Responsible Party notifies the Innocent Party in accordance with Clause 11.2.2 the Innocent Party may either:-

11.3.1 withdraw the Remediation Notice; or

11.3.2 refer the matter to the dispute resolution procedure under Clause 17.

11.4 Where the Responsible Party provides a draft Remediation Plan pursuant to Clause 11.2, the Innocent Party shall within five (5) Business Days of receipt of the same either:-

11.4.1 approve the draft Remediation Plan; or

11.4.2 notify the Responsible Party that it does not accept the draft Remediation Plan (providing reasonable justifications for the same).

11.5 If the Innocent Party:-

11.5.1 (acting reasonably) does not accept draft Remediation Plan, the Responsible Party shall endeavour to address all such concerns in a revised Remediation Plan, which it shall submit to the Innocent Party within twelve (12) Business Days of receipt of notice under Clause 11.4.2, following which the process under Clause 11.4 shall be repeated;

11.5.2 approves the draft Remediation Plan or fails to respond within the time period set out in Clause 11.4 then the draft Remediation Plan shall be deemed to have been agreed.

11.6 Once agreed, the Responsible Party shall start work without delay on the actions set out in the Remediation Plan and shall use reasonable endeavours to remedy the relevant breach(es) within the Cure Period.

11.7 Where the Parties are unable to agree a revised Remediation Plan submitted under Clause 11.5.1 either Party shall be entitled to refer the matter to the dispute resolution procedure under Clause 17.

12. TERMINATION

Connection Agreement termination

- 12.1 This Agreement shall terminate with immediate effect on termination or expiry of the Connection Agreement.

The Supply Customer's right to terminate

- 12.2 If any of the Supply Customer Termination Grounds occur, the Supply Customer shall be entitled to terminate this Agreement:-

12.2.1 in relation to a Supply Customer Termination Ground resulting from an Insolvency Event occurring in respect of Supplier, immediately on written notice to the Supplier; and

12.2.2 in all other cases on at least thirty (30) days' prior written notice.

- 12.3 The Supply Customer shall be entitled to terminate this Agreement on fourteen (14) days' prior notice) if the Supply Customer has complied with its obligations under Clause 14 (*Force Majeure*) and the circumstances set out in Clause 14.4 apply.

Supplier's right to terminate

- 12.4 If a Supplier Termination Ground occurs, the Supplier shall be entitled to terminate this Agreement:-

12.4.1 in relation to a Supplier Termination Ground resulting from an Insolvency Event occurring in respect of the Supply Customer, immediately on written notice to the Supply Customer; and

12.4.2 in all other cases on at least thirty (30) days' prior written notice.

- 12.5 Supplier shall be entitled to terminate this Agreement:-

12.5.1 immediately on written notice if Supplier has suspended or disconnected the Heat Supply to the Building, as set out in Clause 6 and Supplier has sent the Supply Customer a further notice and after ten (10) days the Supply Customer has not paid Supplier's Charges;

12.5.2 on five (5) days' prior notice, if the Supply Customer or anyone present in the Building other than Supplier personnel has attempted to use the Heat Supply without Supplier's permission or in a way designed to avoid paying for it (and for the avoidance of doubt the Supply Customer shall be required to pay the Charges for any such Heat Supply);

12.5.3 on ten (10) day's prior notice, if there is a problem with the Building's Heating System and/or the Building which is causing damage to or seriously affecting the Heat Distribution Network and/or the Building Heat Substation Plant and Equipment and the Supply Customer has not resolved the issue to the reasonable satisfaction of the Supplier after three (3) months' of receipt of notice from Supplier highlighting the issue; or

12.5.4 on ten (10) days' prior notice, if the Supply Customer has breached its obligation to provide a Refundable Deposit under Clause 6.

- 12.6 Supplier shall be entitled to terminate this Agreement:-

12.6.1 giving as much notice as is practicable where its rights to use the Energy Plant and Equipment and/or Heat Distribution Network (or part thereof) or to make the Heat Supply to the Building ends or is terminated; and

12.6.2 on fourteen (14) days' prior notice) if Supplier has complied with its obligations under Clause 14 (*Force Majeure*) and the provisions set out in Clause 14.4 apply.

13. CONSEQUENCES OF TERMINATING THIS AGREEMENT

- 13.1 The Supply Customer must pay all relevant Charges up to the date this Agreement expires or terminates.

- 13.2 If the Supply Customer vacates the Building, the Supply Customer must give Supplier a forwarding address so that Supplier can contact the Supply Customer about any outstanding reconciliation of Charges. Supplier shall take a final Heat Meter and Volume Meter reading on the date this Agreement expires or is terminated and provide the Supply Customer with a final Heat Bill within fourteen (14) days of expiry or termination.
- 13.3 Expiry or termination of this Agreement shall, unless expressly provided otherwise in this Agreement, be without prejudice to:-
- 13.3.1 any antecedent or accrued rights, reliefs, remedies or liabilities arising out of or in connection with this Agreement prior to or as at the date of termination or expiry;
 - 13.3.2 any rights of the Parties under any provision of this Agreement which is expressed to survive expiry or termination or which is required to give effect to such termination or expiry or the consequences of such termination or expiry;
 - 13.3.3 the continuing rights and obligations of the Parties under Clauses 10 (to the extent necessary to give effect the consequences of termination or expiry), 13, 18 and 20;
 - 13.3.4 each of the Parties shall promptly return all of the other Party's property and Confidential Information, and shall make no further use of such property or information.
- 13.4 Not later than twelve (12) months after the Supply Start Date, the Parties shall meet to discuss and agree a plan (the "**Exit Plan**") setting out an exit strategy to be implemented upon termination or expiry of this Agreement. The Parties shall review the Exit Plan every five (5) years and shall meet to discuss and agree any amendments required.
- 13.5 The Exit Plan shall be prepared in accordance with this Clause 13 and shall cover any additional services and/or assistance reasonably required by the Supply Customer from the Supplier and associated costs during a reasonable period following termination or expiry, including the temporary provision of the Heat Supply by the Supplier as to minimise to the fullest extent possible any delay in or disruption to the provision of heat supplies to the Building, provided that the Supply Customer shall pay the Charges for the Heat Supply and any agreed costs incurred by the Supplier in complying with the Exit Plan.
- 13.6 Save where otherwise agreed between the Parties, following termination or expiry of this Agreement or following any period of temporary Heat Supply agreed under the Exit Plan, the Supplier shall disconnect the Heat Supply at the Connection Point in accordance with clause 24.6 of the Connection Agreement.
- 13.7 Where Supplier gives the Supply Customer notice that it requires access to the Building in accordance with Clause 13.4, the Supply Customer must give Supplier access to the Building, at a reasonable time, to suspend or disconnect the Heat Supply to the Building and/or reconfigure or remove any of Supplier's equipment. The Supply Customer must not reconnect the Heat Supply to the Building without Supplier's permission.
- 13.8 Where the Supply Customer continues to occupy the Building and uses the Heat Supply (or allows anyone else to do so) after this Agreement has terminated or expired, or after any period of temporary Heat Supply agreed under the Exit Plan, the Supply Customer shall be required to pay Supplier the Charges for the Heat Supply, taking into account any extra costs arising as a result of the Supply Customer taking the Heat Supply at the Building without a contract being in place.
14. **FORCE MAJEURE**
- 14.1 Subject to the remaining provisions of this Clause 14, neither Party to this Agreement shall in any circumstances be liable to the other for any delay or non-performance of its obligations under this Agreement to the extent that such delay or non-performance is due to a Force Majeure Event.

- 14.2 In the event that either Party is delayed or prevented from or hindered in performing its obligations under this Agreement by a Force Majeure Event, such Party shall:-
- 14.2.1 give notice in writing of such delay or prevention to the other Party as soon as reasonably possible, stating the commencement date and extent of such delay or prevention, the cause of the delay or prevention and its estimated duration;
 - 14.2.2 use all reasonable endeavours to mitigate the effects of such delay or prevention on the performance of its obligations under this Agreement; and
 - 14.2.3 resume performance of its obligations as soon as reasonably possible after the removal of the cause of the delay or prevention.
- 14.3 The affected Party shall notify the other Party as soon as practicable after the Force Majeure Event ceases or no longer causes the affected Party to be unable to comply with its obligations under this Agreement. Following such notification, this Agreement shall continue to be performed on the terms existing immediately prior to the occurrence of the Force Majeure Event unless agreed otherwise by the Parties.
- 14.4 If the Force Majeure Event continues for more than nine (9) calendar months from the date on which the affected Party served notice on the other Party in accordance with Clause 14.2.1, and the Force Majeure Event affects all or a substantial part of the Party's material obligations under this Agreement, either Party may, at any time whilst the event of Force Majeure Event continues, terminate this Agreement by notice to the other, whereupon the provisions of Clause 13 (*Consequences of Termination*) shall apply
15. **INSURANCE**
- 15.1 The Supplier shall take out and maintain (or procure the taking out and maintenance of) the insurances for which it is stated to be responsible in Schedule 5 (*Insurances*) and any other insurances as may be required by Law.
- 15.2 The Parties acknowledge and agree that as a central government department, the Supply Customer is covered by Crown Indemnity which permits the Supply Customer to self-insure against any liabilities required under this Agreement.
- 15.3 The Supplier shall not take any action or fail to take any reasonable action, or (insofar as it is reasonably within its power) permit anything to occur in relation to it, which would entitle any insurer to refuse to pay any claim under any insurance policy in which that Party is an insured, a co-insured or additional insured person.
- 15.4 The Supplier shall provide the Supply Customer on reasonable request with reasonable evidence that cover is in place and reasonable evidence that the premiums payable under all insurance policies have been paid.
- 15.5 All insurance proceeds received under any policy maintained by Supplier referred to in this Clause 15 insofar as they relate to damage to the Heat Distribution Network shall be applied to repair, reinstate and replace each part or parts of the Heat Distribution Network in respect of which the proceeds were received, as soon as is reasonably practicable.
16. **LIMIT OF LIABILITY**
- 16.1 Subject to Clause 16.3 (and save in respect of the Supply Customer's obligation to pay the Charges), the Supply Customer's liability to Supplier howsoever arising out of or in connection with this Agreement and/or the Connection Agreement (whether in contract, negligence or otherwise) shall not exceed the Supply Customer Cap on Liability.
- 16.2 Subject to Clause 16.3, Supplier's liability to the Supply Customer howsoever arising out of or in connection with this Agreement and/or the Connection Agreement (whether in contract, negligence or otherwise) shall not exceed the Supplier Cap on Liability.

- 16.3 No provision of this Agreement shall limit the liability of either Party to the other Party in respect of:-
- 16.3.1 death or personal injury resulting from the negligence of a Party or any of its officers, employees or agents;
 - 16.3.2 for any Losses resulting from the wilful default of, or fraudulent misrepresentation or fraudulent concealment by, that Party; or
 - 16.3.3 any matter where liability cannot be excluded by Law.
- 16.4 Neither Party shall have any liability to the other Party for any Losses to the extent that the Losses were caused by a breach by that other Party.
- 16.5 To the extent permitted by any applicable Law, neither Party shall be liable to the other under this Agreement for any Indirect Loss suffered by the other Party.
- 16.6 If either Party incurs any loss, for any cause arising out of or in relation to this Agreement, that Party shall take such steps as are reasonable in order to mitigate such loss.
17. **DISPUTE RESOLUTION PROCEDURE**
- 17.1 If a dispute arises out of or in connection with this Agreement or the performance, validity or enforceability of it (a "**Dispute**"), then the Parties shall follow the procedure set out in this Clause 17.
- 17.1.1 either Party shall give to the other written notice of the Dispute, setting out its nature and full particulars (a "**Dispute Notice**"), together with relevant supporting documents. On service of the Dispute Notice, then a representative of the Supplier and representative of the Supply Customer shall attempt in good faith to resolve the Dispute;
 - 17.1.2 if the representatives of the Parties are for any reason unable to resolve the Dispute within 30 days of service of the Dispute Notice, the Dispute shall be referred to the Chief Executive Officer of Supplier and Deputy Director CCMD of the Supply Customer who shall attempt in good faith to resolve it; and
 - 17.1.3 if the Chief Executive Officer of Supplier and Deputy Director CCMD of the Supply Customer are for any reason unable to resolve the Dispute within thirty (30) days of it being referred to them, the Parties agree to enter into mediation in good faith to settle the dispute in accordance with the CEDR Model Mediation Procedure. To initiate the mediation, a Party must serve notice in writing ("**ADR Notice**") to the other Party to the Dispute, referring the dispute to mediation. A copy of the ADR Notice should be sent to CEDR. Unless otherwise agreed between the Parties within fourteen (14) days of service of the ADR Notice, the mediator shall be nominated by CEDR. Unless otherwise agreed between the Parties, the mediation will start not later than thirty (30) days after the date of the ADR Notice.
- 17.2 The commencement of mediation shall not prevent the Parties commencing or continuing court proceedings in relation to the Dispute under Clause 34 which clause shall apply at all times.
- 17.3 **Scheme for Construction Contracts**
- 17.3.1 If it is determined that this Agreement is one to which the Housing Grants Construction and Regeneration Act 1996 applies, the provisions of this Clause 17 shall be supplemented and/or substituted (as appropriate) by the relevant provisions of the Scheme for Construction Contracts (England and Wales) Regulations (as amended).
18. **CONFIDENTIALITY**
- 18.1 In this Agreement, **Confidential Information** means all information of a confidential nature relating to one Party which is supplied by or on behalf of that Party (whether before or after the date of this Agreement), either in writing, orally or in any other form, directly or indirectly from or pursuant to discussions with that Party (**Disclosing Party**) or which is obtained through observations made by

the receiving Party (**Receiving Party**). Confidential Information also includes all analyses, compilations, studies and other documents whether prepared by or on behalf of a Party which contain or otherwise reflect or are derived from such information.

- 18.2 Each Receiving Party shall hold in confidence any Confidential Information, provided that the provisions of this Clause 18 shall not restrict a Receiving Party from passing such information to:-
- 18.2.1 its professional advisers and insurers, to the extent necessary, to enable it to perform (or to cause to be performed) or to enforce its rights or obligations under this Agreement provided that such disclosure is subject to the confidentiality restrictions substantially the same as those set out in this Clause 18;
 - 18.2.2 to any director, employee or affiliate of the Disclosing Party, provided that such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 18;
 - 18.2.3 to any contractor (of any tier) of the Disclosing Party, or any person professionally engaged by the Disclosing Party, provided that such person is subject to professional duties of confidentiality or such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 18;
 - 18.2.4 to any bank, other financial institution, rating agency or other person to the extent required in relation to the financing or potential financing of the Building, Works, Heat Distribution Network, the subject matter of this Agreement or the Disclosing Party's business activities, provided that such disclosure is subject to confidentiality restrictions substantially the same as those set out in this Clause 18).
- 18.3 The obligation to maintain the confidentiality of the Confidential Information does not apply to Confidential Information:
- 18.3.1 which the Disclosing Party confirms in writing is not required to be treated as Confidential Information;
 - 18.3.2 which is or lawfully comes into the public domain otherwise than through any disclosure prohibited by this Agreement;
 - 18.3.3 to the extent required to be disclosed for the proper performance of the obligations under his Agreement;
 - 18.3.4 which is disclosed to enable a determination to be made under Clause 17 (Dispute Resolution);
 - 18.3.5 the disclosure of which is required by any applicable Law (including any order of a court of competent jurisdiction), any Parliamentary obligation or the rules of any stock exchange or governmental or regulatory authority having the force of law or, if not having the force of law, compliance with which is in accordance with the general practice of persons subject to the stock exchange or government or regulatory authority concerned;
 - 18.3.6 which is already in the lawful possession of the Receiving Party prior to its disclosure by the Disclosing Party provided that any subsequent disclosure is not in breach of any restriction, condition or stipulation already applying to that Confidential Information.
- 18.4 The Supply Customer may disclose the other Party's confidential information to any Central Government Body or Parliamentary body undertaking a review of this Agreement (including the National Audit Office or the Department for Energy Security and Net Zero) and in connection with a legal challenge against the Supply Customer arising out of or in connection with this Agreement.
- 18.5 Unless otherwise required by any applicable Law or any regulatory or governmental authority, neither Party shall make or permit or procure to be made any public announcement or disclosure (whether for publication in the press, the radio, television screen or any other medium) of any Confidential

Information, without the prior written consent of the other Party (which shall not be unreasonably withheld or delayed).

- 18.6 Each Party shall only use Confidential Information for the purposes of performing its obligations and exercising its rights under this Agreement.

19. **FREEDOM OF INFORMATION AND ENVIRONMENTAL INFORMATION**

- 19.1 Supplier acknowledges that the Supply Customer may be required, under the FOIA and/or the EIR (collectively, the "**Information Acts**") to respond to requests for information relating to or arising out of the negotiations concerning this Agreement, provisions of this Agreement and/or the subject matter of this Agreement (collectively, "**Information**").

- 19.2 If the Supply Customer receives a Request For Information under the Information Acts in relation to Information that the Supplier is holding on its behalf and which the Supply Customer does not hold itself, the Supply Customer shall refer to the Supplier such Request for Information that it receives as soon as practicable and in any event within five (5) Business Days of receiving a Request for Information and Supplier shall:-

19.2.1 provide all necessary assistance and cooperation (including procuring any Information required from any of its sub-contractors) as reasonably requested by the Supply Customer to enable it to comply with its obligations under the Information Acts;

19.2.2 transfer to the Supply Customer such Requests for Information that it receives as soon as practicable and in any event within two (2) Working Days of receiving such Request for Information;

19.2.3 provide the Supply Customer with a copy of all such Information in its possession, or power in the form that the Supply Customer reasonably requires within five (5) Working Days (or such other period as the Supply Customer may acting reasonably specify) of the Supply Customer's request; and

19.2.4 provide all necessary assistance as reasonably requested by the Supply Customer in connection with any such Information to enable the Supply Customer to respond to the Request for Information within the time for compliance set out in section 10 of the FOIA or regulation 5 of the EIR.

- 19.3 Following notification in accordance with Clause 19.2 and up until such time as the Supplier has provided the Supply Customer with all the Information specified in Clause 19.2.3, the Supplier may make representations to the Supply Customer as to whether or not and/or on what basis Information requested should be disclosed and whether further information should reasonably be provided in order to identify and locate the information requested, and the Supply Customer shall consider such representations provided that the Supply Customer shall be responsible for determining in its absolute discretion and notwithstanding any other provision in the Agreement or any other agreement whether any Information sought in a request for Information made to it is exempt from disclosure in accordance with the provisions of the Information Acts.

- 19.4 Where the Supply Customer receives a Request for Information in relation to Information that the Supply Customer holds which relates to the Supplier or this Agreement, the Customer shall notify the Supplier as soon as reasonably practicable and in any event prior to the disclosure of such and shall allow the Supplier to make representations to the Supply Customer as to whether or not and/or on what basis information requested should be disclosed, and the Supply Customer shall consider such representations provided always that the Supply Customer shall be responsible for determining at its absolute discretion whether any Information sought in a request for Information made to it is exempt from disclosure in accordance with the provisions of the Information Acts.

- 19.5 The Supplier acknowledges that the Supply Customer may be required under the Information Acts to disclose Information that constitutes Confidential Information and, where this is the case, the provisions of Clause 18 (*Confidentiality*) shall apply.

19.6 In no event shall the Supplier respond directly to a Request for Information unless it has first attempted to notify the Supply Customer of the Request for Information.

19.7 The Supplier acknowledges that (notwithstanding the provisions of Clause 18) the Supply Customer may, acting in accordance with the Secretary of State for Constitutional Affairs Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the Freedom of Information Act 2000 (the "**Code**"), be obliged under the FOIA, or the EIR to disclose information concerning the Supplier or the Heat Supply:-

(a) in certain circumstances without consulting the other Party; or

(b) following consultation with the other Party and having taken its views into account;

provided always that where this Clause 19.7 applies the Supply Customer shall, in accordance with any recommendations of the Code, take reasonable steps, where appropriate, to give the Supplier advanced notice, or failing that, to draw the disclosure to its attention after any such disclosure.

19.8 The Supplier shall ensure that all Information held on behalf of the Supply Customer is retained for disclosure and shall permit the Supply Customer to inspect such records as requested from time to time.

20. **DATA PROTECTION**

20.1 For the purpose of this Clause 20.1, "Controller", "Personal Data", "Processing", and "Processor" shall have the meanings given to them in the Data Protection Legislation and the terms "Process" and "Processed" shall be construed accordingly.

20.2 The Parties each acknowledge and agree that they may need to Process Personal Data (in their respective capacities as Controllers) in order to (as appropriate): (a) administer and provide the services under this Agreement (including the Heat Supply); (b) request and receive the services under this Agreement; (c) compile, dispatch and manage the payment of invoices; (d) manage the Agreement and resolve any disputes relating to it; (e) respond and/or raise general queries relating to the services under this Agreement; and (f) comply with their respective obligations at Law.

20.3 Each Party shall Process Personal Data for the purposes set out in Clause 20.2 in accordance with Data Protection Legislation. The Parties acknowledge that they may be required to share Personal Data with their Affiliates and other relevant parties, in order to carry out the activities listed in Clause 20.2, and in doing so each Party will ensure that the sharing and use of this Personal Data complies with applicable Data Protection Legislation.

21. **VARIATION**

Either Party shall be entitled to request an amendment, change, revision or variation to this Agreement provided that no variation of this Agreement shall be effective unless it is in writing and signed by both Parties.

22. **NOTICES**

22.1 Subject to Clause 22.5, a notice given to a Party under or in connection with this Agreement shall be in writing and sent to the Party at the address below (or at such other address notified in writing by the relevant Party).

Supplier: FAO: Managing Director, Address: C/O Pinsent Masons LLP, 1 Park Row, Leeds, United Kingdom, LS1 5AB, Email: Accounts@1Energy.Uk

Supply Customer: **REDACTED UNDER FOIA 40 PERSONAL INFORMATION**

- 22.2 This Clause 22 sets out the delivery methods for sending a notice to a Party under this Agreement and, for each delivery method, the date and time when the notice is deemed to have been received or given (provided that all other requirements of this Clause 22 have been satisfied):-
- 22.2.1 if delivered by hand, on signature of a delivery receipt;
- 22.2.2 if sent by pre-paid first class post or other next working day delivery service providing proof of delivery at the time recorded by the delivery service; or
- 22.2.3 if sent by email, at the time of transmission.
- 22.3 If deemed receipt under Clause 22.2 would occur outside business hours in the place of receipt, it shall be deferred until business hours resume. In this Clause 22.3, business hours means 9.00am to 5.00pm during Business Days.
- 22.4 This Clause 22 does not apply to the service of any proceedings or other documents in any legal action or, where applicable, any adjudication or other method of dispute resolution.
- 22.5 A notice given by Supplier to the Supply Customer to either disconnect or suspend the Heat Supply or to terminate this Agreement shall be sent by letter (by hand, first class post, recorded delivery or special delivery) to the Chief Finance Officer at the address at the start of this Agreement.
23. **ASSIGNMENT AND OTHER DEALINGS**
- 23.1 Supplier shall not be entitled to assign, novate or transfer its rights and/or obligations under this Agreement, other than by way of security or to an entity that simultaneously accepts a transfer of the whole of Supplier's legal and beneficial title to and interest in the Heat Distribution Network and all of its rights and obligations under the Connection Agreement and which is capable of performing any of the functions performed by the Supplier ("**Permitted Transfer**").
- 23.2 The Supplier shall provide three (3) months prior written notice to the Supply Customer of any proposed Permitted Transfer.
- 23.3 The Supply Customer shall not be entitled to assign, novate or transfer its rights and/or obligations under this Agreement without Supplier's consent, unless such novation, is to an Approved Supply Customer Transferee.
- 23.4 Either Party may subcontract any of its obligations under this Agreement to any third party (including any Affiliate of such Party), provided that such Party shall remain liable in accordance with this Agreement for the acts and omissions of any such subcontractor.
- 23.5 Where the Supply Customer enters into a lease or tenancy agreement with a tenant in relation to the whole of the Building (a "**Tenant**"), the Supply Customer may request that the Supplier enters into a direct supply agreement with the Tenant on the same terms as this Agreement, pursuant to which the Tenant will pay the Charges for the Heat Supply to the Building during the term of their tenancy agreement or lease ("**Direct Supply Agreement**").
- 23.6 Supplier shall be entitled to refuse to enter into the Direct Supply Agreement where the Tenant, in Supplier's reasonable opinion, has insufficient financial standing and fails to provide Sufficient Security.
- 23.7 Subject to Clause 23.8 following entry by the Supplier and the Tenant into the Direct Supply Agreement:-
- 23.7.1 this Agreement shall be suspended from the date of entry into the Direct Supply Agreement; and
- 23.7.2 the Tenant shall be responsible for the Heat supplied to the Building,

provided that, where the Heat Supply to the Tenant has been suspended or terminated in accordance with the terms of the Direct Supply Agreement, the suspension of this Agreement shall end, and the Supply Customer shall be liable for payment of the Charges from the date of suspension or termination of the Direct Supply Agreement.

23.8 Notwithstanding any Direct Supply Agreement entered into between the Supplier and a Tenant the Supply Customer shall:-

23.8.1 remain liable for the Deferred Connection Fee and/or Deferred Secondary Side Works Fee (as applicable) and shall continue to make payments in relation to the outstanding Deferred Connection Fee and/or Deferred Secondary Side Works Fee (as applicable) in accordance with the terms of this Agreement; and

23.8.2 be liable for any charges that are due and payable under the terms of the Direct Supply Agreement which have not been paid by the Tenant in accordance with the terms of the Direct Supply Agreement and shall pay such overdue charges to the Supplier within twenty (20) Business Days of written demand.

24. **WAIVER**

24.1 No failure or delay by a Party to exercise any right or remedy provided under this 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.

25. **RIGHTS AND REMEDIES**

25.1 Except as expressly provided in this Agreement, the rights and remedies of the Parties provided under this Agreement are in addition to, and not exclusive of, any of its rights or remedies provided by law.

26. **NO PARTNERSHIP OR AGENCY**

26.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between the Parties, constitute any Party being the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party. Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

27. **APPROVAL OF MARKETING MATERIAL**

27.1 All media releases, public announcements and public disclosures by the Parties in relation to or in connection with this Agreement or their subject matter, including promotional material (but not including any site specific marketing materials relating specifically to clients, any announcement intended solely for internal distribution or any disclosure required by legal, accounting or regulatory requirements), shall be co-ordinated with and approved in the first instance by the Parties prior to release. Such approval shall not be unreasonably withheld or delayed and shall be deemed to have been given by any Party which fails to notify the other Parties of its refusal to grant approval within ten (10) Business Days.

27.2 For the avoidance of doubt, nothing in this Clause 27 shall restrict the Supply Customer's right to publicise or make any announcement about the Building or the Supplier's right publicise or make any announcement about the Heat Distribution Network or Energy Plant and Equipment provided that no reference is made to this Agreement, or the subject matter of this Agreement, or to the involvement of the other Party, including any references to any applications for Grant Funding (as defined in the Connection Agreement) being made by the Supply Customer, otherwise than in accordance with this Clause 27.

28. **SEVERANCE**

28.1 If any provision or part-provision of this Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed deleted, but that shall not affect the validity and enforceability of the rest of this Agreement.

28.2 If any provision or part-provision of this Agreement is deemed deleted under Clause 28.1, the Parties shall negotiate in good faith to agree a replacement provision that, to the greatest extent possible, achieves the intended commercial result of the original provision.

29. **FURTHER ASSURANCE**

29.1 Other than the Crown, each Party agrees at its cost (unless and to the extent otherwise specifically provided in this Agreement) to do, or to procure that another person shall do, all things and execute all deeds, instruments, transfers or other documents as may be necessary or desirable to give full effect to the provisions of this Agreement and the transactions contemplated by it.

30. **ENTIRE AGREEMENT**

30.1 Save for the Connection Agreement, this Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.

31. **THIRD PARTY RIGHTS**

31.1 This Agreement does not give rise to any rights under the Contracts (Rights of Third parties) Act 1999 to enforce any terms of this Agreement.

32. **COUNTERPARTS**

32.1 This Agreement may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Agreement.

33. **GOVERNING LAW**

33.1 Without prejudice to Clause 17 (*Dispute Resolution Procedure*), this Agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the Law of England and Wales.

34. **JURISDICTION**

34.1 Each Party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this Agreement or its subject matter or formation.

SIGNED BY or on behalf of the Parties on the date which first appears in the Agreement.

Signed by **BRADFORD ENERGY LIMITED** by:

.....

Signature of

Signed on behalf of **THE LORD CHANCELLOR**
by:

.....

Signature of

SCHEDULE 1

Heat charges and Indexation

1. Heat supply charges calculation

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

2. Initial charge rates

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

3. Annual price review and indexation

The “**Indexation Date**” shall be the Business Day falling closest (whether before or after) to 14 February, and if there are two Business Days (one being before 14th February and one being after 14th February) which are equally close to this date, then the Indexation Date shall be the final Business Day prior to 14th February.

The Standing Charge Rate, Variable Charge Rate, Volume Charge Rate, the Abortive Call-Out Charge and the Reconnection Charge shall be reviewed annually on the Indexation Date and adjusted in accordance with the table in this paragraph 3, with any change taking effect from the start of the immediately following Supply Year (i.e. 1st April following the Indexation Date) and applying for the full duration of such Supply Year. In relation to an Indexation Date, such immediately following Supply Year is the “Supply Year New”.

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

4. Delivered Price

For the purposes of calculating under paragraph 3 above the Delivered Price (£/kWh) for each Fuel source included in the Heat Supply Mix, the table below shall apply.

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

5. Value Added Tax

VAT shall be added to all Charges at the prevailing rate applicable to each of the Charges.

6. Change in law

Supplier may notify the Supply Customer where it considers (acting reasonably) that a Change in Law has occurred which:

- a. increases the Delivered Price of a Fuel;
- b. requires capital investment in the Energy System (or any part thereof);
- c. increases the cost to Supplier of owning, operating and maintaining the Energy System;
- d. increases the cost to Supplier (in its capacity as Network Operator under the Connection Agreement) of delivering the Works (as defined under the Connection Agreement) and/or supplying heat to customers connected to the Energy System; and/or
- e. substantially interferes with, restricts or prevents, Supplier’s ability to perform any obligations or exercise any right under this Agreement or the Connection Agreement;

a “**Relevant Change in Law**”.

In respect of a Relevant Change in Law of the nature described in limbs (a) to (e), Supplier shall be entitled to increase the Supply Customer's Charges by an amount (the "**Supply Customer Charges Increase**") calculated as follows:

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

Increases to the Charges or the inclusion of a new charge under this paragraph 6 shall be notified by Supplier (a "**CiL Charges Increase Notice**") following the Relevant Change in Law and shall take effect when and as specified by Supplier in such notice (for the avoidance of doubt, such changes are independent of changes made to the Charges under paragraphs 3 to 5 above).

As soon as reasonably practicable following Supplier's notice that a Relevant Change in Law has occurred and/or following the CiL Charges Increase Notice (as applicable) the Parties shall, acting reasonably and in good faith, agree any amendments to this Agreement required to (i) give effect to any increase in the Supply Customer's Charges and/or (ii) enable Supplier to perform its obligations and exercise its rights in compliance with the Law following the occurrence of the Relevant Change in Law of the nature described in limb (f) above.

7. Other Charges

In addition to the Charges specified in paragraph 1 above, the Charges set out in the table below (together with their initial amount as at the date of this Agreement) are payable in respect of the Billing Period in which each occurrence of liability for such Charges is incurred by the Supply Customer in accordance with this Agreement. Subject to paragraph 7, these initial amounts are valid from the start of the first Supply Year to the end of the first Supply Year:

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

The amounts of Abortive Call-Out Charge, the Debt-Processing Charge and the Reconnection Charge (each an '**Other Charge**' and together, the '**Other Charges**') shall be reviewed annually on the Indexation Date and adjusted in accordance with the formula below, with any change taking effect from the start of the Supply Year New and apply for the full duration of such Supply Year:

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

8. Definitions and Interpretation

In this Schedule, the following terms have the following meanings:

Change in Law	means the occurrence after the date of this Agreement of: <ul style="list-style-type: none">(a) any decision or direction of a Regulatory Body;(b) any amendments, replacement or variation of any Industry Documents;(c) the enactment, commencement, modification or repeal of any Law;(d) the change in the interpretation, application or enforcement of any Law;(e) any applicable judgement of a relevant court of law which changes a binding precedent; or(f) the imposition of a requirement by a Regulatory Body for an additional Authorisation or change to an existing Authorisation that was not required prior to the date of this Agreement
CiL Charges Increase Notice	has the meaning given in paragraph 6
Commodity Cost	means the wholesale cost of purchasing Fuel

CPI	means the Consumer Price Index as published by the Office of National Statistics from time to time
Delivered Price	has the meaning given in paragraph 4 of this Schedule
Efficiency Factor	means the efficiency factor for a generation technology which will use Fuel to generate heat, as set out in paragraph 5 of this Schedule
Energy System	means: <ul style="list-style-type: none"> (a) the Energy Plant and Equipment and associated buildings within which it is housed; (b) any Temporary Heat Solution; and (c) the pipe network and ancillary equipment, which the Supplier uses to provide the heat to the Supply Customer's Connection Point and to each other customer connected to the Energy System
Fuel	means any: <ul style="list-style-type: none"> (a) direct input used in the generation, extraction or upgrading of heat by the Energy Plant and Equipment or any Temporary Heat Solution, including: electricity, gas, hydrogen; and /or (b) waste heat purchased for use in the Heat Distribution Network, including heat extracted from water, heat extracted from wastewater, waste heat, geothermal heat, industrial heat
Heat Supply Mix	means the mix of Fuels (and the proportionate use of such Fuels) which the Supplier expects as at each Indexation Date to use in producing heat for customers (including the Supply Customer) for the Supply Year New
Indexation Date	has the meaning given in paragraph 3 of this Schedule
Industry Documents	means any agreement, licence or instrument of appointment regulating the generation, transmission, distribution, transportation, shipping, supply or trading of any Fuel or of heat (or any documents created pursuant to any of the foregoing) which applies to all or most businesses operating district heat networks which are similar to the Heat Distribution Network
Non-Commodity Cost	means any costs (excluding the Commodity Cost) charged or collected by the supplier in relation to the supply of Fuel to the Energy Plant and Equipment and/or Temporary Heat Solution, including any standing charge, taxes (excluding VAT), levies, industry charges or supplier charges
Standing Charge Rate	a £/kW/day charge levied by the Supplier based on the Connection Capacity. The initial rate is set as shown in paragraph 2 of this Schedule, and will be revised for each Supply Year in accordance with paragraph 3 of this Schedule
Supply Year	has the meaning given to it in Clause 1 of this Agreement
Supply Year New	has the meaning give in paragraph 3 of this Schedule
Variable Charge Rate	a £/kWh charge levied by Supplier for the heat supplied to the Customer as determined pursuant to Clause 5. The initial rate is set as shown in paragraph 2 of this Schedule.

	The Variable Charge Rate is revised for each Supply Year in accordance with paragraph 3 of this Schedule
Volume Charge Rate	a £/m3 charge levied by Supplier on the Volume of water passing through the Volume Meter. The initial rate is set as shown in paragraph 2 of this Schedule, and revised for each Supply Year in accordance with paragraph 3 of this Schedule

Interpretation

Save where expressly provided otherwise, in this Schedule references to a CPI value at a certain date (the "Reference Date") are to the CPI value published by the Office of National Statistics most recently prior to such Reference Date.

SCHEDULE 2

STANDARDS OF SERVICE

Item	Standard	Service level	Service Failure	Service Failure Payment (compensation)
1	Annual Heat Supply availability (%)	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
2	Planned interruptions	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
		REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
3	Unplanned interruptions	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
4	Multiple unplanned supply interruptions in a year	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
5	Heat Meter repair or replacement	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
6	Investigation of Faults	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
7	Responding substantially to a complaint	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS
8	Carbon Intensity	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS	REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

SCHEDULE 3

BUILDING HEATING SYSTEM, BUILDING HEAT SUBSTATION, VOLUME METER AND HEAT METER EXCLUSIONS

1. In relation to Supplier's obligation to maintain, repair or replace the Volume Meter, Heat Meter or Building Heat Substation Plant and Equipment Supplier shall be obliged to comply with Clause 8.1 but will not be liable for the following:-
2. The costs of repairing the Building Heat Substation Plant and Equipment, Volume Meter or Heat Meter if the repair is needed because of damage caused by the Supply Customer. In these circumstances Supplier shall be entitled to recover any direct and reasonable costs in fulfilling carrying out the repair from the Supply Customer.
3. Any defect or deficiency or damage to or fault or repair or replacement of any part of the Building's Heating System or any failure to properly operate or maintain the Building's Heating System including from poor water quality.
4. Any loss or damage to property caused as a result of the Building's Heating System breaking or failing, including any cleaning needed, or any damage to the Supply Customer's belongings, fixtures or furniture, unless the loss or damage is caused by Supplier.
5. Repairing faults or damage caused by subsidence (movement of the ground beneath the Building), structural repairs, accident, fire, lightning, explosion, flood, storm or freezing weather conditions (unless in each such case caused or contributed to Supplier).
6. Supplier is unable to gain access to the relevant part of the Building Heat Substation, Volume Meter or the Heat Meter and any costs incurred to gain access to the Building Heat Substation, Volume Meter or Heat Meter where such access has been obstructed by the Supply Customer or anyone else.
7. Replacement of any appliances within the Building unless the loss or damage is caused or contributed to by Supplier.
8. Upgrades that the Supply Customer's landlord may want to have carried out to improve or that the Supply Customer may want to have carried out to improve the Building's Heating System.
9. Replacing or repairing parts which do not affect how the Building Heat Substation Plant and Equipment, Volume Meter, Heat Meter works or performs.
10. Resetting the Building Heat Substation Plant and Equipment, controls such as thermostats or programmers following changes due to Winter Periods or Summer Periods.
11. Interruptions to gas, electricity, water or telecommunications utilities needed to operate the Heat Distribution Network or the Building's Heating System.
12. The costs of repairing damage or breakdowns caused by changes to or problems with any other energy, gas, water or telecommunications supply services unless and to the extent that such damage is caused or contributed to by Supplier.
13. Replacing any batteries in any controls that operate the Building's Heating System.
14. Repairing damage caused to the Heat Meter, Volume Meter or Building Heat Substation Plant and Equipment by sludge or limescale within the Building's Heating System, unless the sludge or limescale is Supplier's fault. Unless Supplier's fault, Supplier shall be entitled to recover any direct and reasonable costs in fulfilling Supplier's obligations under Clause 8.1 from the Supply Customer.
15. The water treatment of any water circuits in the Building's Heating System except where Supplier has drained the Building's Heating System in order to comply with Supplier's obligations under this

Agreement. In these circumstances Supplier shall be entitled to recover any direct and reasonable costs in fulfilling Supplier's obligations under Clause 8.1 from the Supply Customer.

16. Interruptions to Heat Supply whilst Supplier repairs or replaces any part of the Building Heat Substation Plant and Equipment, Heat Meter or Volume Meter.
17. Anyone (other than Supplier) interfering with any part of the Building Heat Substation Plant and Equipment, Heat Meter or Volume Meter.
18. Dealing with any Emergency (unless caused by Supplier).
19. A Force Majeure Event under Clause 14 of this Agreement.

SCHEDULE 4

OPERATIONAL OBLIGATIONS

Part 1 – Supplier Obligations

1. Building Heating System performance requirements

Supplier shall operate with a weather compensated heat network temperature, which shall vary the temperature offered from Supplier to the Supply Customer.

The following table provides the PHE minimum common secondary flow temperature offered from Supplier to the Supply Customer, and the Building Heating System maximum return temperature that Supply Customer shall provide to the Supplier, at differing ambient air temperatures.

The average expected ambient temperature shall be calculated on a daily basis by the Supplier, based on local weather forecast for the time period of 08:00 to 17:00. The PHE minimum common secondary flow temperature shall be adjusted at midnight daily.

Average expected ambient temperature	LTHN PHE minimum common secondary flow temperature	LTHN PHE maximum secondary return temperature
-<3 °C	75 °C	50 °C
-3 °C	75 °C	50 °C
-2 °C	72.5 °C	47.5 °C
-1 °C	70 °C	45 °C
0 °C	67.5 °C	42.5 °C
1 °C	65 °C	40 °C
2 °C	62.5 °C	37.5 °C
3 °C	60 °C	35 °C
>3 °C	60 °C	35 °C

Table 1: LTHN system weather compensation performance requirements for both operating parties

2. Twin plate PHE with hot water calorifier arrangement

The following table provides the temperature and connection flow rate capacity offering from for Supplier to the Supply Customer. The sensors referenced are shown in Figure 1 in schedule 3 of the Connection Agreement.

Metric	Sensor reference	Requirement	Tolerance	Comment
PHE minimum common secondary flow temperature, up to the agreed primary design flow rate	T10	As specified within Table 1	+/- 3 °C for a period of up to 15 minutes	Tolerance required to allow for DHN temperature fluctuations and enable/disable of the assist PHE. Note, the Supply Customer shall be able to reduce the secondary flow temperature to lower than the minimum secondary flow temperature the Supplier could otherwise provide.
Peak load, maximum design primary flow rate	HM01flow rate	10.4 l/s	N/A	The design primary flow rate will be calculated using the agreed connection capacity, Building Heating System secondary temperatures and PDHN design flow and return temperature.

Table 2: Building Heating System performance requirements for both operating parties

Part 2 – Supply Customer Obligations

Building performance requirements

Twin plate PHE

The following table details the Building level performance that Supply Customer shall provide to the Supplier. The sensors referenced are shown in Figure 1 in schedule 3 of the Connection Agreement.

Metric	Sensor reference	Requirement	Tolerance	Comment
PHE annual minimum volume weighted temperature differential	HM02 flow rate, flow temperature and return temperature	25 °C		The Building Heating System must deliver a minimum volume weighted temperature differential over a 12-month period of 25 °C.
PHE monthly minimum volume weighted temperature differential	HM02 flow rate, flow temperature and return temperature	25 °C	- 3 °C for any given month	The Building Heating System must deliver a minimum volume weighted temperature differential over a 1-month period of 22 °C.
PHE minimum temperature differential	HM02 flow temperature and return temperature	15 °C		The Building Heating System must deliver a temperature differential of 15 °C at all times. If this is not achieved, the Building Heating System PHE minimum common secondary flow temperature cannot be guaranteed.

Table 3: Building Heating System performance requirements for both operating parties

Access and Permit to Work

The Supply Customer is to allow access (in accordance with the access protocols agreed between the Parties) for personnel, tools, replacement parts, to the Building Heat Plant Room following completion of the Connection, for installation of equipment, removal of equipment, commissioning, maintenance, and any other operational purposes.

Where hot works are required, the Supply Customer shall issue a permit to work in advance of the works commencing.

Substation and services requirements

The Supplier will require the following from the Supply Customer

- All fire alarms, intruder alarms, emergency lighting and other elements required to meet current Building Regulations shall be provided within the plant room by the Supply Customer.

Secondary circuit water quality requirements

LTHN system water quality served by twin plate heat exchangers

The Supply Customer shall ensure the Building Heating System water quality meets the requirements outlined in Table 5 at all times, prior to connection to the Supplier PHEs and during ongoing operation.

Parameter	Unit	Limit
Visual	-	Clear with no suspended or settled solids, or gassing
Odour	-	No strong sulphurous or ammoniacal smell
pH	-	7.5 – 10
Conductivity	µS/cm	< 250
Oil and Grease	mg/l	Not present
Chloride measured at 80°C	mg/l	<100 for Mains / Softened Fill
Sulphate	mg/l	<100 (monitor for changes)
Iron Total	mg/l	<3.0
Iron Dissolved	mg/l	<6.0
Copper Total	mg/l	<1.0
Copper Dissolved	mg/l	<1.0
Aluminium Total	mg/l	<1.0
Total Hardness	mg/l	<50
Total Alkalinity	mg/l	>250<1250
Suspended Solids	mg/l	<10
Settled Solids	mg/l	<45

Inhibitor(s)	-	Inhibitor(s) upper and low limits will be defined by the Supply Customer's water treatment specialist, based on the Supply Customer's inhibitor selection and approach.
Ammonia	mg/l	<10
TVC @ 22°C	cfu/ml	<10,000 cfu/ml and no increasing trend
Pseudomonas	cfu/100 ml	<1,000 cfu/100ml at 30°C and no increasing trend
NRB	cfu/ml	Absent
SRB (21 Days)	cfu/ml	Absent

Table 4: Secondary Side Water Quality Minimum Requirements

The PHE includes strainers on the secondary side return connection to each plate. The Supplier will be responsible for undertaking an annual clean of each strainer.

If the above water quality requirements are not met, it is likely that these strainers will become blocked and Heat Supply to the Building may be reduced.

To maintain the Building Heating System water quality within the above parameters, the following are strongly recommended:

- Building Heating System has an in-line air and dirt separator, installed on the return connection prior to the substation, as indicatively shown in Figure 2 in schedule 4 of the Connection Agreement.
- Building Heating System has a combined dosing pot and side stream filtration unit able to capture fine particulates of debris, which is recommend to be installed located across the network pumps, otherwise a pumped system on the network return after dirt separator prior to the substation, as indicatively shown in Figure 2 in schedule 4 of the Connection Agreement.
- Building Heating System has a vacuum degasser to minimise oxygen content and ongoing corrosion, installed on the network return after dirt separator prior to the substation, as indicatively shown in Figure 2 in schedule 4 of the Connection Agreement.
- Pressurisation unit top up has a water softener in hard water areas
- Pressurisation unit has water meter linked to BMS to enable leak detection and prevent ongoing filling with oxygenated water if/when leaks occur.

The Supplier will require that the Supply Customer demonstrate that the water quality of the Building Heating System is within the parameters in Table 4 prior to connecting up the Supplier PHEs to the Supply Customer's system to provide heat.

The Supplier also requires that the Supply Customer submits 6-monthly water sample results to demonstrate adherence with the parameters in Table 4 in operation.

BCWS water quality served by hot water calorifiers

For PHEs with hot water calorifiers, the mains water supply shall be softened to remove hardness or otherwise physically treated with a suitably selected physical water conditioning system that passes the German DVGW W512 standard, to prevent scaling of the plate heat exchanger and other elements within the PHE.

SCHEDULE 5

INSURANCE

REDACTED UNDER FOIA 43 COMMERCIAL INTERESTS

SCHEDULE 6

REPORTING

1. WORKS PERIOD REPORTING

- 1.1 The Works Period is the period from the date of this Agreement to the Supply Start Date.
- 1.2 During the Works Period a monthly steering meeting will be held between the Supplier and the Supply Customer. In advance on this meeting, a report will be issued covering the following information:
 - 1.2.1 Progress of works in last reporting period including ongoing delta T improvements achieved
 - 1.2.2 Review of project spend and forecast spend
 - 1.2.3 Planned activity for next reporting period
 - 1.2.4 Health and safety update
 - 1.2.5 Review of risk register

2. SUPPLY PERIOD REPORTING

- 2.1 The Supplier will provide the following reports during the Supply Period:
 - 2.1.1 Monthly heat meter consumption report and bill, which will include meter readings
 - 2.1.2 Access at any time to metering data via a portal, including meter readings, flow rates, and flow and return temperatures
 - 2.1.3 Quarterly report against Standards of Service set out in Schedule 2
 - 2.1.4 Annual carbon reporting

3. GRANT FUNDING REQUIREMENTS

- 3.1 The Supplier shall provide such additional information as is reasonably requested by the Supply Customer to allow the Supply Customer to comply with its Public Sector Decarbonisation Scheme reporting requirements.