

Dated 17 December 2024

**SCOTTISHPOWER ENERGY RETAIL LIMITED**  
(as the **PRODUCER**)

and

**LOW CARBON CONTRACTS COMPANY LTD**  
(as the **LCHA COUNTERPARTY**)

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**LCHA AGREEMENT**  
**RELATING TO THE WHITELEE GREEN HYDROGEN**  
**PROJECT**

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**THIS AGREEMENT** is dated 17 December 2024 (the "**Agreement Date**") and made between:

- (1) **SCOTTISHPOWER ENERGY RETAIL LIMITED**, a company incorporated under the laws of Scotland whose registered office is 320 St. Vincent Street, Glasgow, Scotland, G2 5AD and whose company number is SC190287 (the "**Producer**"); and
- (2) **LOW CARBON CONTRACTS COMPANY LTD**, a company incorporated under the laws of England and Wales whose registered office is 10 South Colonnade, London, England, E14 4PU and whose company number is 08818711 (the "**LCHA Counterparty**").

## **BACKGROUND**

- (A) This Agreement is entered into following the applicable contract allocation or negotiation process established under or by virtue of the EA 2023.
- (B) The Producer has satisfied the Eligibility Criteria.
- (C) The LCHA Counterparty is a company wholly owned by the UK Government and is entering into this Agreement solely for the purpose of implementing the provisions of the EA 2023.
- (D) This Agreement, together with the terms and conditions set out in Version: Hydrogen Allocation Round 1 of the document entitled "LCHA Standard Terms and Conditions" as at September 2024 constitute a "**LCHA**".

## **IT IS AGREED as follows:**

### **1. DEFINITIONS AND INTERPRETATION**

- 1.1 Except as expressly specified in this Agreement, words and expressions defined in the Conditions shall have the same meanings when used in this Agreement. Where a term is defined in both this Agreement and in the Conditions, the definition in this Agreement shall apply instead of the definition in the Conditions.

- 1.2 In this Agreement and its recitals:

**"Conditions"** means the terms and conditions set out in Version: Hydrogen Allocation Round 1 of the document entitled "LCHA Standard Terms and Conditions" as at September 2024 (as amended, modified, supplemented or replaced by this Agreement and as may be amended, modified, supplemented or replaced from time to time in accordance with the Conditions);

**"Electrolytic Technology"** means technology which is installed or implemented pursuant to the UKLCH Programme and which produces hydrogen via water electrolysis, where water is split into hydrogen and oxygen using electricity;

**"Eligibility Criteria"** means the eligibility criteria for hydrogen production projects set out in the Hydrogen Business Model and Net Zero Hydrogen Fund: Electrolytic Allocation Round (Application Guidance Document) (July 2022);

**"Facility"** means the Hydrogen Production Plant, the Hydrogen Transport Infrastructure, and all ancillary facilities and equipment described in Annex 1 (*Description of the Facility*), for the safe, efficient, timely and economical operation of the Hydrogen Production Plant and the Hydrogen Transport Infrastructure in a manner to satisfy fully the requirements under the LCHA;

**"HoldCo"** means (at the Agreement Date) Scottish Power Retail Holdings Limited, a company incorporated under the laws of Scotland whose registered office is 320 St. Vincent Street, Glasgow, Scotland, G2 5AD and whose company number is SC389556 and any other person who holds any direct legal, beneficial or equitable interest in the equity share capital (or other economic interests) in the Producer from time to time;

**"Hydrogen Production Plant"** means the hydrogen production plant described in Annex 1 (*Description of the Facility*), which is used (or intended to be used) to produce Hydrogen and which:

- (A) was taken into account by the Producer in determining the Initial Installed Capacity Estimate;
- (B) is (except as otherwise agreed in writing by the LCHA Counterparty) situated within the area shaded on the map provided pursuant to paragraph 3(A)(ii) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions and which has the geographical coordinates specified in Annex 1 (*Description of the Facility*); and
- (C) is described pursuant to paragraph 3(A)(i) of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions,

adjusted where the context requires to take due account of any changes to the composition of such equipment arising as a result of, or giving rise to:

- (i) any adjustment to the Installed Capacity Estimate pursuant to Condition 5 (*Adjustment to Installed Capacity Estimate: Relevant Construction Event*) or Condition 6 (*Adjustment to Installed Capacity Estimate: Permitted Reduction*); and
- (ii) the agreement or determination of the Final Installed Capacity pursuant to Condition 7 (*Final Installed Capacity*);

**"Hydrogen Transport Infrastructure"** means the hydrogen transport infrastructure described in Annex 1 (*Description of the Facility*), which is used (or intended to be used) to transport Hydrogen produced by the Hydrogen Production Plant (directly or indirectly) to an Offtaker's transport and/or storage network pursuant to the relevant Offtake Agreement;

**"Off-site"** means any land which is not On-site;

**"Off-site Fixed Hydrogen Transport Infrastructure"** means the Hydrogen Transport Infrastructure which is fixed and located Off-site;

**"Off-site Hydrogen Storage Infrastructure"** means the Hydrogen Storage Infrastructure which is located Off-site;

**"On-site"** means on the land which falls within the Site;

**"On-site Hydrogen Storage Infrastructure"** means the Hydrogen Storage Infrastructure which is located On-site;

**"Service Agent"** has the meaning given to it in clause 9 (but only if Condition 90 (*Agent for service of process*) is expressed to apply to the LCHA in this Agreement); and

**"Site"** means the land described in Annex 2 (*Description of the Site*).

## 2. AGREEMENT

### *The Producer*

- 2.1 The Producer shall, as from the Agreement Date, comply with this Agreement (including the Conditions) as the **"Producer"** and agrees that the Conditions are hereby incorporated into this Agreement as if they were clauses of this Agreement.

### *The LCHA Counterparty*

- 2.2 The LCHA Counterparty shall, as from the Agreement Date, comply with this Agreement (including the Conditions) as the **"LCHA Counterparty"** and agrees that the Conditions are hereby incorporated into this Agreement as if they were clauses of this Agreement.

### *Specific terms*

- 2.3 The Parties have agreed to amend the Conditions as set out in Annex 3 (Modification Agreement).
- 2.4 The Parties agree that, for the purposes of this LCHA, the Conditions shall be amended, modified, supplemented or replaced in accordance with the terms of this Agreement.

## 3. TECHNOLOGY TYPE

### *Facility Hydrogen Production Technology*

- 3.1 The Facility Hydrogen Production Technology is the hydrogen production technology deployed by the Facility, as detailed in Annex 1 (*Description of the Facility*).
- 3.2 The Facility Hydrogen Production Technology is Electrolytic Technology.

## 4. CONDITIONS PRECEDENT AND MILESTONE

### *Interpretation*

- 4.1 The **"Initial Target Commissioning Window"** applicable to this LCHA shall be twelve (12) months, such period commencing on 29 December 2026.
- 4.2 The **"Target Commissioning Date"** applicable to this LCHA shall be 29 December 2026.

- 4.3 The "**Longstop Period**" applicable to this LCHA shall be twelve (12) months following the final day of the Target Commissioning Window or such longer period that results from an extension in accordance with the definition of "**Longstop Date**".

***Initial Conditions Precedent***

- 4.4 The "**Applicable Connection Documents**" for the purposes of this LCHA are:
- (A) a water connection offer/agreement in relation to the Facility from a Water Licensed Operator, or any other equivalent documentation acceptable to the LCHA Counterparty which demonstrates that adequate steps have been taken to secure a water connection to the Facility; and
  - (B) (i) a commitment letter or memorandum of understanding signed by the Producer and a counterparty who has entered into an electricity connection agreement with an Electricity Transmission System Operator and/or Licensed Electricity Distributor, which evidences the commitment of the parties to ensure electrical import capacity to the Facility which will meet or exceed the Hydrogen Production Plant's nominal maximum electricity consumption requirements; and (ii) a copy of the relevant connection agreement referred to in limb (i),

as such documents are more fully described in Annex 7 (*Key Project Documents*).

- 4.5 The following shall be added as an additional Initial Condition Precedent applicable to this LCHA after paragraph 6 of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) to the Conditions:
- (A) Delivery to the LCHA Counterparty of evidence, in form and content satisfactory to the LCHA Counterparty (acting reasonably) that the Producer has submitted such applications to the relevant Competent Authorities as are necessary to secure the Applicable Planning Consents for the Facility,

as such documents are more fully described in Annex 7 (*Key Project Documents*).

- 4.6 A NZHF Grant Funding Agreement is applicable to this LCHA.

***Operational Conditions Precedent***

- 4.7 The "**LCHS Agreed Version**" applicable to this LCHA is version 3.

***Milestone***

- 4.8 The "**Initial Milestone Delivery Date**" applicable to this LCHA shall be twelve (12) months after the Agreement Date.
- 4.9 The "**Total Project Pre-Commissioning Costs**" applicable to this LCHA shall be £[REDACTED] per MW (*HHV*) (*£Base Year*) of the Installed Capacity Estimate.
- 4.10 The "**Project Commitments**" applicable to this LCHA shall be the requirements provided for in:
- (A) Part A (*General Project Commitments*) of Annex 4 (*Project Commitments*); and

- (B) the section of Part B (*Technology Specific Project Commitments*) of Annex 4 (*Project Commitments*) which is expressed to apply to the Facility Hydrogen Production Technology.

5. **INSTALLED CAPACITY ESTIMATE, REQUIRED INSTALLED CAPACITY AND INITIAL LCHA SALES CAP**

- 5.1 The "**Initial Installed Capacity Estimate**" applicable to this LCHA is 7.1 (*expressed in MW (HHV)*).
- 5.2 The "**Initial LCHA Sales Cap**" applicable to this LCHA is 839,466 (*expressed in MWh (HHV)*).

6. **CHANGES IN LAW**

- 6.1 The "**Post-Tax Real Discount Rate**" applicable to this LCHA is [REDACTED]

7. **PAYMENT CALCULATIONS**

- 7.1 The "**Base Year**" applicable to this LCHA is 2022.
- 7.2 The "**Initial Electrolytic Strike Price**" applicable to this LCHA is £188.56/MWh (*HHV*).
- 7.3 The "**Strike Price Inclusions**" applicable to this LCHA are set out in column 4 of the table in Annex 5 (*Strike Price Inclusions*).
- 7.4 The "**Total Capex Payment**" applicable to this LCHA is £[REDACTED] (£Base Year).

8. **NOTICES**

- 8.1 The address and email address of each Party for any notice to be given under this LCHA, and the department or officer (if any) for whose attention the notice is to be made, is:

- (A) in the case of the Producer:



- (B) in the case of the LCHA Counterparty:

Address:	10 South Colonnade Canary Wharf, London E14 4PU
Email address:	hydrogen@lowcarboncontracts.uk

For the attention of:	Head of CCUS and H2
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9. **AGENT FOR SERVICE OF PROCESS**

Condition 90 (*Agent for service of process*) shall not apply to this LCHA and there shall be no Service Agent.



## Annex 1 (Description of the Facility)

### Part A: Overview

The Facility is the Whitelee Green Hydrogen project, comprising of the following:

#### Hydrogen Production Plant

The Hydrogen Production Plant falls within the area delineated by the following grid references:

Corner Point ID	Latitude	Longitude
Northerly corner	55.696363	-4.3667680
Easterly corner	55.695364	-4.3663416
Southerly corner	55.695261	-4.3670515
Westerly corner	55.696231	-4.3675716

The Hydrogen Production Plant consists of proton exchange membrane (PEM) electrolyser stacks plus associated balance of plant equipment, for a total output of 7.1 MW H<sub>2</sub> HHV.

#### Hydrogen Transport Infrastructure

The Hydrogen Transport Infrastructure will comprise of up to 8,400kg of mobile tube trailer storage using 10 UMOE 40' hi-cube trailers or equivalent and a tube trailer loading facility.

The tube trailer loading facility falls within the area delineated by the following grid references:

Corner Point ID	Latitude	Longitude
Northerly corner	55.696231	-4.3675716
Easterly corner	55.695261	-4.3670515
Southerly corner	55.695145	-4.3679515
Westerly corner	55.696105	-4.3685029

### Part B: Facility Hydrogen Production Technology

The Facility uses PEM electrolysis.

**Annex 2**  
**(Description of the Site)**

The Site is the land falling within the area delineated by the following grid references:

<b>Corner Point ID</b>	<b>Latitude</b>	<b>Longitude</b>
Northerly corner	55.696363	-4.3667680
Easterly corner	55.695364	-4.3663416
Southerly corner	55.695145	-4.3679515
Westerly corner	55.696105	-4.3685029

The Site is the Whitelee Green Hydrogen Facility located in Moor Road, East Ayrshire G76 0QQ, 19km South South West of Glasgow, on the western boundary of the existing ScottishPower Whitelee Extension Windfarm.

**Annex 3**  
**(Modification Agreement)**

**MODIFICATION OF THE CONDITIONS**

With effect on and from the Agreement Date, the Conditions shall be amended as follows:

- (1) The definition of "Further Milestone Assessment Response Notice" shall be deleted in its entirety and replaced with the following:

**"Further Milestone Assessment Response Notice"** has the meaning given to that term in Condition 4.5(C)(ii);

- (2) A new definition of "Grid Connection Rights" shall be added as follows:

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

- (3) The definition of "Milestone Assessment Response Notice" shall be deleted in its entirety and replaced with the following:

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

- (4) The definition of "Milestone Delay Notice" shall be deleted in its entirety and replaced with the following:

**"Milestone Delay Notice"** has the meaning given to that term in Condition 4.9 (*Difficulties in achieving the Milestone Requirement*);

- (5) The definition of "Milestone Requirement Notice" shall be deleted in its entirety and replaced with the following:

**"Milestone Requirement Notice"** has the meaning given to that term in Condition 4.2 (*Milestone Requirement Notice*);

- (6) The definition of "Milestone Satisfaction Date" shall be deleted in its entirety and replaced with the following:

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

- (7) A new definition of "Primary Substation" shall be added as follows:

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

- (8) The definition of "Requested Milestone Supporting Information" shall be deleted in its entirety and replaced with the following:

**"Requested Milestone Supporting Information"** has the meaning given to that term in Condition 4.4(B) (*Milestone Requirement Notice*);

- (9) Condition 3.14 (*Operational Conditions Precedent: Construction Reporting Requirements*) shall be deleted in its entirety and replaced with the following:

***Operational Conditions Precedent: Construction Reporting Requirements***

3.14 The Producer shall keep the LCHA Counterparty fully informed as to:

- (A) the progress in relation to the Pre-Operation Activities from the Agreement Date until the Start Date;
- (B) the progress of the Producer in obtaining the Applicable Planning Consents and the Grid Connection Rights from the Agreement Date until the earlier of the Milestone Satisfaction Date and:
  - (i) in respect of the Applicable Planning Consents, the date of satisfaction of the Milestone Requirement referred to in Condition 4.1(A); and
  - (ii) in respect of the Grid Connection Rights, the date of satisfaction of the Milestone Requirement referred to in Condition 4.1(B),

and in particular (but without limitation) shall, on or prior to every 1 February, 1 May, 1 September and 1 November that fall within such period (or, if such date is a day other than a Business Day, on the next Business Day after that date):

- (a) provide the LCHA Counterparty with reports (in form and content reasonably satisfactory to the LCHA Counterparty) detailing the progress in relation to the Pre-Operation Activities and detailing the progress of the Producer in obtaining the Applicable Planning Consents and the Grid Connection Rights for the Facility. As a minimum, each report shall satisfy the Minimum Reporting Content Requirements and shall include, but not be limited to:
  - (aa) in respect of the Applicable Planning Consents, the expected approval date, any third party challenges, the expected date of expiry of any challenge period and details of any modifications required to be made to the Facility and/or Site as a result of the terms on which the Applicable Planning Consents are granted or the conditions to which they are subject;
  - (bb) in respect of the Grid Connection Rights, the expected date on which the Producer will obtain each of the Grid Connection Rights and details of any modifications required to be made to the

Facility and/or Site as a result of the terms on which the Grid Connection Rights are granted or the conditions to which they are subject; and

- (b) provide the LCHA Counterparty with any Supporting Information provided to the Producer's board of Directors (or an equivalent body or committee, as applicable) relating to the matters referred to in Condition 3.14(a).

- (10) Condition 4 (*Milestone Requirement*) shall be deleted in its entirety and replaced with the following:

#### 4. MILESTONE REQUIREMENT

##### ***Milestone Requirement Notice***

- 4.1 No later than the Milestone Delivery Date, the Producer shall provide to the LCHA Counterparty:

- (A) evidence, in form and content satisfactory to the LCHA Counterparty (acting reasonably), that the Applicable Planning Consents for the Facility and associated infrastructure have been obtained, with the challenge period having expired with no challenge being brought (or any challenge having been unsuccessful with no further rights of appeal);
- (B) evidence, in form and content satisfactory to the LCHA Counterparty (acting reasonably) that the Producer has the following rights for at least the full duration of the Term (together the "**Grid Connection Rights**"):
  - (i) a right to import electricity from the Electricity Distribution System, Electricity Transmission System and/or Private Electricity Network to the Facility continuously at an import capacity equal to or greater than the import capacity required for the Facility to operate at the Installed Capacity Estimate;
  - (ii) a right of access to and egress from the primary substation connected to the Electricity Distribution System, Electricity Transmission System and/or Private Electricity Network which is connected to the Facility to import electricity from the Electricity Distribution System, Electricity Transmission System and/or Private Electricity Network (the "**Primary Substation**") in order to convey electricity to all plant and equipment electrically connected to the Facility, and any other purposes ancillary to, or required to enable, such conveyance of electricity; and
  - (iii) a right of free passage of electricity in and through all electricity cables which are part of the Primary Substation; and
- (C) either:
  - (i) such invoices, payment receipts and other Supporting Information with respect to the Project as the Producer considers relevant to evidence that it and its direct shareholders have in aggregate spent ten per cent. (10%) or more of the Total Project Pre-Commissioning Costs on the Project; or

- (ii) such Information as is specified, identified or listed as the Project Commitments and such Supporting Information as the Producer considers relevant to evidence compliance with or fulfilment of the Project Commitments (and for this purpose, where the Project Commitments relate to Material Equipment, taking into consideration the need to demonstrate to the LCHA Counterparty's satisfaction that contracts, agreements and purchase orders relating to such Material Equipment constitute significant financial commitments that are real, genuine and made in good faith),

(each, a "**Milestone Requirement**" and together paragraphs (A), (B) and (C) being the "**Milestone Requirements**").

For the purposes of limb (C)(i) above:

- (iii) money spent by a direct shareholder of the Producer to acquire an interest in the Producer may be taken into account but only to the extent that the consideration paid for the acquisition exceeds the amount spent on the Project by the Producer and its direct shareholders in the period prior to the time at which such acquisition took place; and
- (iv) money spent by the Producer for the purpose of connecting the Facility to any relevant Electricity Transmission System, Electricity Distribution System, Private Electricity Network, Water Distribution System, Private Water Network or, for CCUS-Enabled Facilities only, Gas Transportation System, Private Natural Gas Network, Private Refinery Off-Gas Network or CO<sub>2</sub> T&S Network, may be taken into account, notwithstanding that assets comprised or to be comprised within any such Electricity Transmission System, Electricity Distribution System, Private Electricity Network, Water Distribution System, Private Water Network or, for CCUS-Enabled Facilities only, Gas Transportation System, Private Natural Gas Network, Private Refinery Off-Gas Network or CO<sub>2</sub> T&S Network do not form part of the Facility.

4.2 The Producer shall provide the LCHA Counterparty with a notice each time the Producer considers that it has complied with and fulfilled a Milestone Requirement (a "**Milestone Requirement Notice**"). Each Milestone Requirement Notice shall:

- (A) identify the Milestone Requirement which the Producer considers to have been complied with and fulfilled;
- (B) include the evidence, invoices, payment receipts, Information and Supporting Information required in respect of the relevant Milestone Requirement referred to in Condition 4.1; and
- (C) be delivered no later than the Milestone Delivery Date.

- 4.3 A Milestone Requirement Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, the Milestone Requirement Notice.
- 4.4 The LCHA Counterparty shall, no later than the Milestone Assessment Response Notice Deadline, give a notice to the Producer (a "**Milestone Assessment Response Notice**"). A Milestone Assessment Response Notice shall specify whether the LCHA Counterparty considers that:
- (A) the Producer has or has not complied with and fulfilled the Milestone Requirement to which the Milestone Requirement Notice relates; or
  - (B) it has not been provided with sufficient Supporting Information to determine whether the Producer has complied with and fulfilled the Milestone Requirement to which the Milestone Requirement Notice relates and, if so, details of the additional Supporting Information which the LCHA Counterparty requires to determine whether the Producer has complied with and fulfilled the Milestone Requirement (the "**Requested Milestone Supporting Information**").
- 4.5 If the LCHA Counterparty states in a Milestone Assessment Response Notice that:
- (A) the Producer has complied with and fulfilled the Milestone Requirement, then the Milestone Requirement will be deemed to have been complied with and fulfilled for the purposes of the LCHA;
  - (B) the Producer has not complied with and fulfilled the Milestone Requirement, then the Milestone Requirement will be deemed not to have been complied with and fulfilled for the purposes of the LCHA unless and until a resolution or determination to the contrary is made pursuant to the Dispute Resolution Procedure; or
  - (C) the Producer has not provided the LCHA Counterparty with sufficient Supporting Information to determine whether the Producer has complied with and fulfilled the Milestone Requirement:
    - (i) the Producer shall provide the Requested Milestone Supporting Information as soon as reasonably practicable, and in any event no later than ten (10) Business Days after receipt of a Milestone Assessment Response Notice, or such longer period as is specified by the LCHA Counterparty; and
    - (ii) upon receipt of the Requested Milestone Supporting Information, the LCHA Counterparty shall as soon as reasonably practicable, and in any event no later than twenty (20) Business Days after receipt of such Requested Milestone Supporting Information, give a further Milestone Assessment Response Notice to the Producer (a "**Further Milestone Assessment Response Notice**"). A Further Milestone Assessment Response Notice shall specify

whether the LCHA Counterparty considers that the Producer has or has not complied with and fulfilled the Milestone Requirement.

- 4.6 Nothing in this Condition 4 (*Milestone Requirement*) shall require the LCHA Counterparty to specify in any Milestone Assessment Response Notice or Further Milestone Assessment Response Notice that the LCHA Counterparty accepts that the relevant Milestone Requirement has been complied with and fulfilled unless the LCHA Counterparty is satisfied of the same.

***Waiver of Milestone Requirement***

- 4.7 The LCHA Counterparty may agree by notice to the Producer to waive the fulfilment of any Milestone Requirement.
- 4.8 Conditions 66 (*No waiver*) and 67 (*Consents*) shall apply to any waiver given by the LCHA Counterparty pursuant to Condition 4.7.

***Difficulties in achieving the Milestone Requirement***

- 4.9 The Producer shall give the LCHA Counterparty a written notice (a "**Milestone Delay Notice**") promptly upon the Producer becoming aware of any fact, matter or circumstance which will or is reasonably likely to prevent the Producer fulfilling any of the Milestone Requirements by the Milestone Delivery Date.
- 4.10 A Milestone Delay Notice shall be accompanied by a Directors' Certificate in relation to the information contained in, and enclosed with, such notice.

***Effectiveness of a Milestone Requirement Notice***

- 4.11 If the Producer gives a Milestone Requirement Notice to the LCHA Counterparty and such notice is ineffective, this shall not, subject to Part 9 (*Termination*), preclude the Producer from giving a further Milestone Requirement Notice to the LCHA Counterparty.
- 4.12 Without limitation, a Milestone Requirement Notice shall be deemed to be ineffective if:
- (A) it does not include the information specified in Conditions 4.1(A), 4.1(B) or 4.1(C) (as relevant);
  - (B) it is not accompanied by a Directors' Certificate in accordance with Condition 4.3 ; or
  - (C) the LCHA Counterparty states in the Milestone Assessment Response Notice that the Producer has not complied with and fulfilled the Milestone Requirement to which the Milestone Requirement Notice relates.

***Risk related to obtaining Applicable Planning Consents and Grid Connection Rights***

- 4.13 The Producer shall be fully responsible for obtaining the Applicable Planning Consents and the Grid Connection Rights at its own cost and risk, and shall not



be entitled to any costs, waivers or other relief under this LCHA to the extent that it does not obtain the Applicable Planning Consents and/or the Grid Connection Rights by the Milestone Delivery Date or to the extent that any modifications are required to the Facility or the Site as a result of the terms on which the Applicable Planning Consents and/or the Grid Connection Rights are granted or the conditions to which they are subject.

- (11) Condition 52.7 shall be deleted in its entirety and replaced with the following:

52.7 If the LCHA Counterparty issues a Prolonged FM Termination Notice in accordance with Condition 52.6, the LCHA shall terminate on the Prolonged FM Termination Date even if (as the context requires):

- (A) the Milestone Requirements have been complied with and fulfilled (such that the Milestone Satisfaction Date has occurred) prior to such date; or
- (B) the Prolonged FM Event is no longer continuing as at such date.

- (12) Paragraph 5 of Part A (*Initial Conditions Precedent*) of Annex 1 (*Conditions Precedent*) shall be deleted in its entirety and replaced with the following:

5. **KEY PROJECT DOCUMENTS**

Delivery to the LCHA Counterparty of evidence, in form and content satisfactory to the LCHA Counterparty (acting reasonably), that the following documents have been entered into or obtained by the Producer:

- (A) the Applicable Connection Documents; and
- (B) if applicable, the NZHF Grant Funding Agreement signed by the Secretary of State and the Producer.

- (13) The form of Milestone Requirement Notice set out in Annex 14 (*Pro Forma Notices*) shall be deleted in its entirety and replaced with the following:

**Milestone Requirement Notice**

To: [●] (the "LCHA Counterparty")

[Address]

From: [●] (the "Producer")

[Unique reference number: [●]]

Dated: [●]

**LCHA – MILESTONE REQUIREMENT NOTICE**

Dear Sir/Madam,

1. We refer to the agreement dated [●] between you as the LCHA Counterparty and us as the Producer in relation to the [●] Project (the "**Agreement**"). Terms and expressions defined in or incorporated into the Agreement have the same meaning when used in this notice.
2. We further refer you to Condition 4.2.
3. This is a Milestone Requirement Notice.
4. ***[We enclose [(by way of upload(s) to the LCHA Counterparty data room on the dates set out in Appendix 1 to this notice)] invoices, payment receipts and other Supporting Information with respect to the Project [which are listed in Appendix 1 to this notice] which we consider to be relevant to evidence expenditure by us and our direct shareholders of ten per cent. (10%) or more of the Total Project Pre-Commissioning Costs, being £[●].]/[We enclose [(by way of upload(s) to the LCHA Counterparty data room on the dates set out in Appendix 1 to this notice)] information as is specified, identified or listed as the Project Commitments and the following Supporting Information [which are listed in Appendix 1 to this notice] which we consider to be relevant to evidence compliance or fulfilment of the Project Commitments: [●].]***
5. ***[We enclose [(by way of upload(s) to the LCHA Counterparty data room on the dates set out in Appendix 1 to this notice)] evidence that the Applicable Planning Consents for the Facility and associated infrastructure have been obtained, with the challenge period having expired [with no challenge being brought]/ [with any challenge having been unsuccessful with no further rights of appeal]].***
6. ***[We enclose [(by way of upload(s) to the LCHA Counterparty data room on the dates set out in Appendix 1 to this notice)] evidence that the Grid Connection Rights have been obtained].***
7. We enclose a Directors' Certificate certifying that the information contained in, and enclosed with, this notice is true, complete and accurate in all material respects and is not misleading.

Yours faithfully,

.....  
For and on behalf of  
the **Producer**

**Annex 4**  
**(Project Commitments)**

**Part A: General Project Commitments**

Delivery to the LCHA Counterparty of the following:

- (A) a copy of a resolution of the Producer's board of directors (or an equivalent management committee or body) to:
  - (i) undertake the Project;
  - (ii) approve the total financial commitments required to commission the Project (the "**Total Project Spend**"); and
  - (iii) approve a timetable for undertaking the Project which demonstrates that the Facility can reasonably be expected to be Commissioned no later than the Longstop Date;
- (B) a Directors' Certificate certifying that:
  - (i) the Producer has, or will have, sufficient financial resources to meet the Total Project Spend;
  - (ii) any contract entered into and provided as Supporting Information pursuant to the Milestone Requirement Notice, in the reasonable opinion of the Producer by reference to the facts and circumstances then existing, is:
    - (a) legal, valid and binding; and
    - (b) entered into with one or more counterparties who are each able to perform their obligations under such contract;
  - (iii) the Producer has a leasehold or freehold interest in the Site and, if applicable, the site on which any Off-site Hydrogen Storage Infrastructure is located, or in each case a contract to obtain the same;
  - (iv) the Producer has either:
    - (a) a leasehold or freehold interest in the land on which the Off-site Fixed Hydrogen Transport Infrastructure is located; or
    - (b) an easement over such land as is necessary to develop, construct, test, complete, commission, operate and maintain the Off-site Fixed Hydrogen Transport Infrastructure,

or in each case a contract to obtain the same;
  - (v) the (i) Site; and, if applicable, (ii) the site on which the Off-site Hydrogen Storage Infrastructure is located; and/or (ii) the site on which the Off-site Fixed Hydrogen Transport Infrastructure is located, is not subject to any

covenants, restrictions, agreements, planning obligations, estate contracts, options, rights of way or other encumbrances which materially inhibit the use of such site(s) for the purposes of the Project;

- (vi) there are available to the Site and, if applicable, the site on which the Off-site Hydrogen Storage Infrastructure is located, such rights, easements and services as are necessary to undertake the Project and operate the Facility;
- (vii) the Producer has identified all necessary consents to undertake the Project (the "**Necessary Consents**"); and
- (viii) there is a credible strategy in place to obtain the Necessary Consents and the Necessary Consents are not subject to any condition for which there does not exist a plan to satisfy that condition, such that the Producer is not aware of any necessary consents which cannot be obtained or complied with,

((iii) to (vii), together the "**Facility Requirements**"); and

- (C) Supporting Information evidencing (i) that the Producer has, or will have, sufficient financial resources to meet the Total Project Spend and (ii) the Facility Requirements.

## **Part B: Technology Specific Project Commitments**

### **1. ELECTROLYTIC TECHNOLOGY**

Delivery to the LCHA Counterparty of Supporting Information evidencing any one of the following:

- (A) entry by the Producer into an engineering, procurement and construction contract for the Facility, providing for the supply and installation of the Material Equipment;
- (B) entry by the Producer into an agreement for the supply of the Material Equipment;
- (C) entry by the Producer into: (i) a framework agreement for the supply of the Material Equipment; and (ii) a binding purchase order for the Material Equipment.

For the purpose of this Part B, the following definition shall apply to this LCHA:

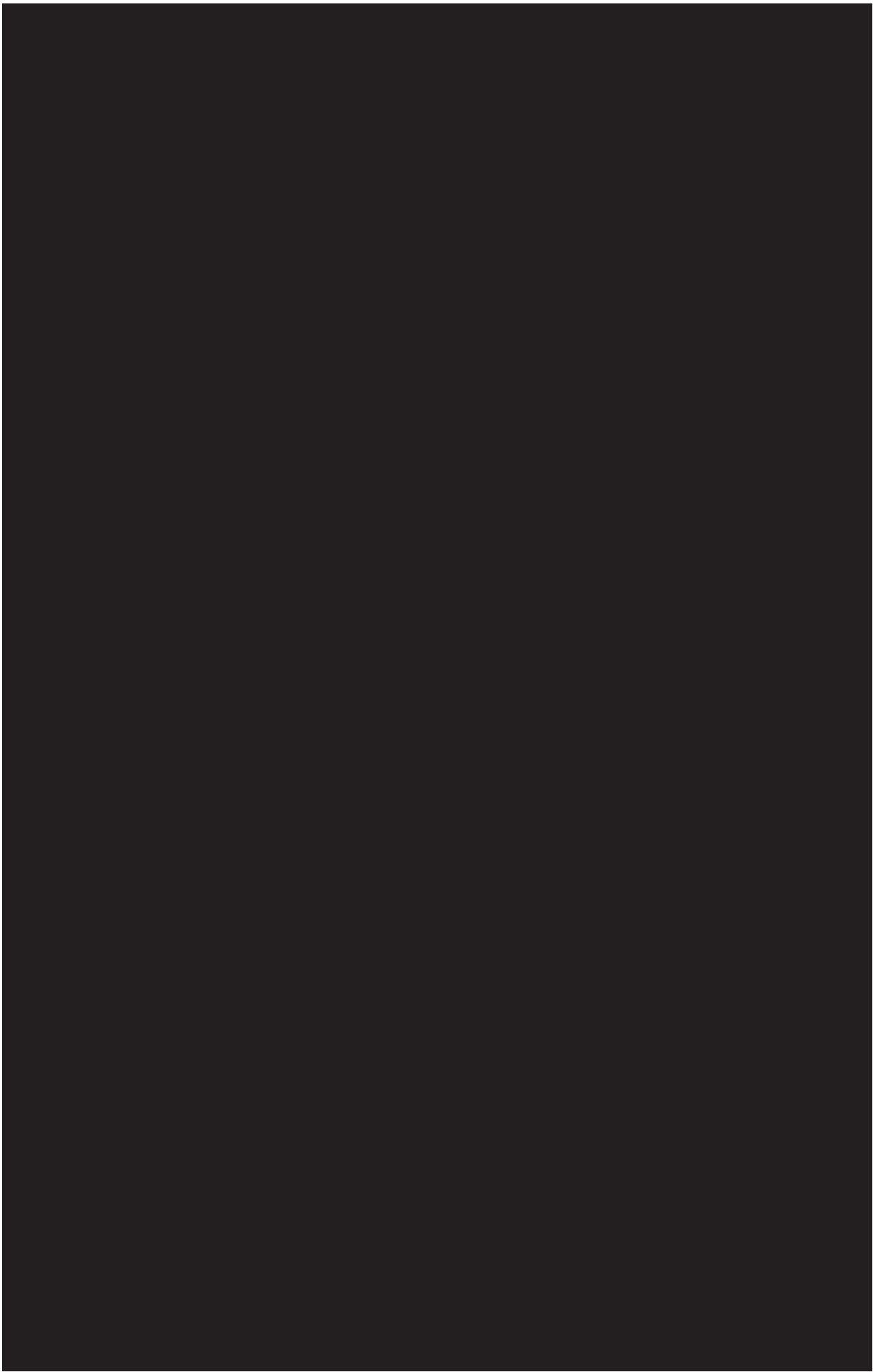
**"Material Equipment"** means such equipment in respect of the Project which, acting in accordance with a Reasonable and Prudent Standard, the Producer could reasonably be expected to have ordered and/or concluded a supply agreement in respect of, to enable the Facility to be Commissioned at the start of the Target Commissioning Window, and in any event, such equipment shall include:

- (i) Electrolyser(s), which in turn shall include:
  - (a) an electrolyser stack;
  - (b) a dryer;

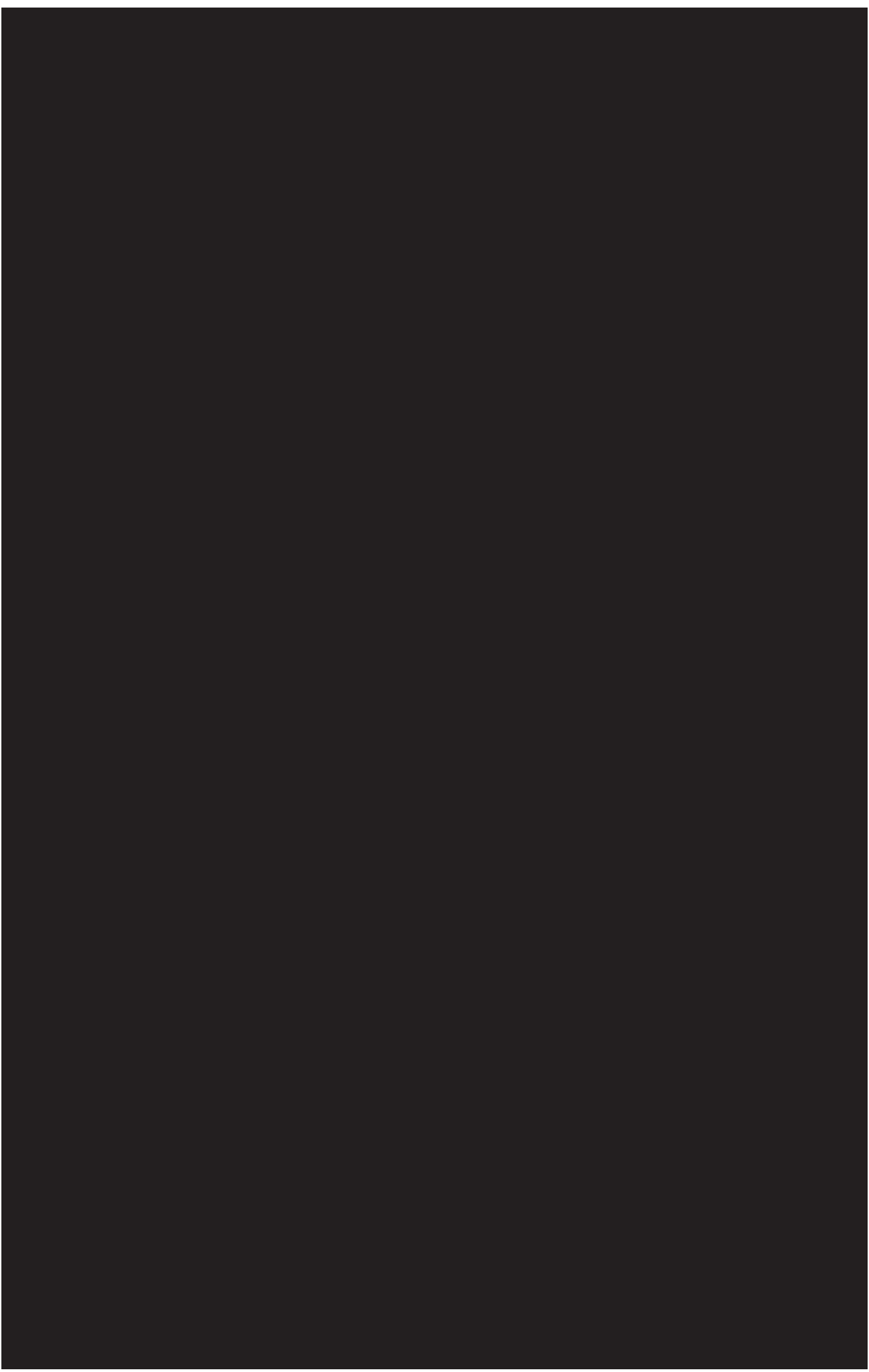
- (c) a deoxidiser;
  - (d) a gas separator;
  - (e) a water purifier; and
  - (f) a purge gas system;
- (ii) an electrical transformer; and
  - (iii) a hydrogen compressor (if applicable).

**Annex 5**  
**(Strike Price Inclusions)**











**Annex 6**  
**(Redacted Terms)**



**Annex 7**  
**(Key Project Documents)**



EXECUTION PAGE

THE PRODUCER

SIGNED BY

\_\_\_\_\_

.....  
Print Name

for and on behalf of **SCOTTISHPOWER  
ENERGY RETAIL LIMITED**

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) (Signature of named signatory)

SIGNED BY

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Print Name

for and on behalf of **SCOTTISHPOWER  
ENERGY RETAIL LIMITED**

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) (Signature of named signatory)

The LCHA COUNTERPARTY

SIGNED BY

\_\_\_\_\_

.....  
Print Name

for and on behalf of **LOW CARBON  
CONTRACTS COMPANY LTD**

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) (Signature of named signatory)