LAUNCH

Sustainable Energy Assets as tradable securities

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D2.3 Final Draft of Standardised SEAD-End Client contract

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Contents

ABBREVIATIONS

BGB	Bürgerliches Gesetzbuch (Civil code of Germany)
DD	Due Diligence
EaaS	Energy as a Service
EE	Energy Efficiency
EPC	Energy Performance Contract
ESCO	Energy Service Company
GebG	Gebührengesetz (Austrian Stamp Duty Act)
NAI	Netherlands Arbitration Institute
RAP	Risk Assessment Protocol
SEA	Sustainable Energy Assets
SEAD	Sustainable Energy Asset Developer
SEFA	Sustainable Energy Finance Association

EXECUTIVE SUMMARY

Given the need to overcome the fragmentation of the market and shortcomings in the contracting and financing for EE projects, it became evident that a standardized contract would need to have contractual elements both static and dynamic enough to allow for standard terms and conditions to apply within a main body of a contract, on one hand, and for other elements assembled in such a fashion that the output of the dynamic sections could become a static monetary input in other sections.

Essentially, the key point in this treatment is that it allows for a multiplication and replication of contracts that are better able to support an effective scale-up of EE projects and their financing "en masse" via securitization vehicles that, in turn, are capable of aggregating bundles of projects without overexposing end clients to project risk.

First a main body of the contract was designed, setting definitions and responsibilities of the parties, as well as ensuring no transfer of assets or establishment of property for the end client (i.e.: with assets remaining in ESCOs' books and under their responsibility). Keeping this section of the contract static in every case meant that a due diligence process for securitization could be facilitated in due course.

Later, the flexible body of the contract would comprise the Schedules section, as a dynamic part of the contract with actual measures and specificities particular to each project (containing, for example: measures and technical data; a calculation baseline in a standardized way based on well-established international standards specific to the different measures; input from services; and a variable "subscription fee" from client to client).

It became apparent that this type of arrangement would allow for more flexibility identified as necessary to accommodate different technologies on a case-by-case basis with contractors and end-clients, whilst leaving the main elements of each contract static and as a safeguard for core contractual terms and conditions.

Having a flexible section of the contract, moreover, allowed for greater freedom and potential room for negotiation around inputs for the Chapter 7 "Schedules" concerning the implementation of each contract (e.g.: "Services, Equipment, Premises, Term" on measures, project, size, technical data; "Fees"; "Support Service Levels" including maintenance schedule, categories of incidents, timelines, structure, etc.; "Mandatory policies" such as Security Policy, Occupational Health and Safety Policy, Data and Privacy Policy, Business Continuity and Disaster Recovery, etc.; "The Output Plan"; "Change of Control Process"; "Accepted offer of Services").

In the final months of the LAUNCH project, the consortium consulted law firms specialized in energy, servitization and securitization to conduct a legal review of the original English service contract (under UK law) for different jurisdictions, including legal translations obtained in the process in order to prepare the service contract for its use in target markets, with the purpose of illustrating the key differences and considerations that were brought to light in the work done on the various transpositions.

The main differences gleaned from this review, and the need for adaptation that became most noticeable was in the French version of the contract, although other versions also had a few adaptations necessary (varying from one country to another), all of which were in any case both identifiable and adaptable. The review thus enabled a transposition of the base contract developed in English into workable, fit-for-purpose versions of the contract in various languages for the target markets of the project (Austria, Belgium, France, Germany, Greece, Italy, Luxembourg, the Netherlands).

1 INTRODUCTION

1.1 AIMS AND OBJECTIVES

The aim of this deliverable is to provide a summary of the work involved in the making of the final version of the standardised SEAD-End client contract, further to the education and piloting processes within the Investor Board and Stakeholder Group as well as the final legal review conducted by the subcontracted legal firms in T2.3.

The deliverable seeks to explain in greater detail the processes and highlights encountered through the legal review, done for compliance with Member State law in Austria, Belgium, France, Ireland, Germany, Greece, Italy, Luxembourg, and the Netherlands.

More specifically, it also aims to explain the rationale behind the composition of the main (static) body of the contract and of the flexible (dynamic) part of the contract and their respective purposes.

Ultimately, the contract in its various, translated forms is intended to simplify, standardise and facilitate the contracting process between financiers, developers, and end-clients.

In addition, D2.3 will also further elaborate on the use and key elements within a transfer agreement identified as a necessary piece of collateral to enable the securitization of projects contracted using the standardised SEAD agreement.

1.2 OUTLINE OF THE DELIVERABLE

Chapter 2 provides a summary of the SEAD contract features, including its rationale, structure and a detailed overview of the content in each of its sections (main and flexible parts) and their components (schedules, etc.).

Chapter 3 explains the processes undertaken in the translation and transposition of the contract into each Member State legislation, including a detailed look into the specificities of each legal system and the implications faced with the translation and transposition of the contract into each of them.

Chapter 4 describes the process behind the transfer agreement and its design for the purpose of securitization.

Finally, the document concludes by highlighting the key points, takeaways and next steps for future use of the contract that have emerged with the finalisation of the standardised SEAD agreement.

2 SUMMARY OF CONTRACT FEATURES

Designing a standardized contract for an industry with different energy saving measures is a tall order and requires careful designing. As such, the LAUNCH team decided early in the process that the contract needs to have contractual elements which would be static and others which would be dynamic. Furthermore, these elements are assembled in such a fashion that the output of the dynamic sections become a static monetary input in other sections. Whilst the main legal body needs to be static, the commercial terms, energy saving outputs and resulting subscription fees have to stay dynamic.

The static section will be marked as such in the contract (with a "do not modify" note) and, on the other hand, ESCOs will need to certify that they have not altered the contract when warranting the legal body for securitization purposes. This now reduces the workload and cost in the securitization process to simple random sample verification, instead of verifying each contract individually.

Finally, considering that in the corporate sector certain loan agreements preclude the owners of buildings to incur further debt on to their balance sheets (e.g. by undertaking energy retrofits), the off-balance sheet (under IFRS16) treatment helps minimise these potential breaches of covenants, whilst allowing for the carrying out of energy efficiency measures to reduce energy bills and ultimately reduce CO_2 consumption.

As such, the LAUNCH team had to devise a business model with accountants and auditors to allow for an off-balance sheet treatment for all of the above scenarios.

At this stage, it is important to "caveat" the findings and the enclosed LAUNCH contract and its off-balance sheet approach. Whilst all due care has been taken when drafting the contract and transposing it into different member states' legislation, no assurance can be given that individual auditors will agree to the approach taken and would not wish to requalify the contract as an "on balance sheet" item. As such, it needs to be emphasised that any end clients or 'implementers' wishing to sign up to such a contract, should seek the opinion of their own auditor beforehand as to his acceptance of this contract as an off-balance sheet item under IFRS16.

As previously mentioned, the contract is divided into a static section and a flexible one. The flexible one is comprised of the 7 schedules and the static part is covers the disclaimer, the interpretation/definitions of the terms and the 32 clauses.

The main body of the contract:

The main body of the contract covers all the definitions and responsibilities of the parties. Great care has been given from a structural point of view down to nuanced language, that under no circumstances the notion of a transfer of assets or establishment of property occurs for the end client and so that the assets remain in the balance sheet of the ESCO and their risks and rewards are the full responsibility of the ESCO.

Ultimately, the client/subscriber is actually only entitled to "the output of", for example, "the lamps"; however, everything else, starting from insurance of the assets to mandatory

maintenance and upkeep, including the entitlement of the warranty, is the responsibility of the ESCO (the service provider).

As such, the reasonable and continued provision of efficiency energy saving services is the key element of the contract, over a given contract period.

This part of the contract will remain static in every case, thus facilitating the due diligence process for securitization in due course, as described earlier.

The flexible section:

In the schedules, we find the dynamic part of the contract, as it deals with the actual measures and specificities of each project described in a tabular way. The measure and technical data are described, as these vary from installation to installation. Here, the baseline, which is calculated in a standardized way based on well-established international standards specific to the different measures, and the input from the services, result in a "subscription fee" which varies from client to client.

This setup allows for great flexibility across various ESM, as it allows for the flexibility needed to accommodate the various technologies on a case-by-case basis, leaving the mechanics of the contract always static.

The contract has 7 Schedules, as follows:

- Schedule 1: "Services, Equipment, Premises, Term" describes the measures, project, size, technical data;
- Schedule 2: "Fees" is structured around the fee structure;
- Schedule 3: "Support Service Levels" addresses support services: maintenance schedule, categories of incidents, timelines, structure and so forth;
- Schedule 4: "Mandatory policies" such as: Security Policy, Occupational Health and Safety Policy, Data and Privacy Policy, Business Continuity and Disaster Recovery and any further policies that the Subscriber might reasonably require from time to time;
- Schedule 5: "The Output Plan" contains the plan for the implementation of the measure;
- Schedule 6: "Change of Control Process": this section describes the structure in case there is an adjustment to the Service levels provided and so forth;
- Schedule 7: "Accepted offer of Services": this section contains the offer of services that was accepted by the end client.

3 TRANSPOSITIONS AND TRANSLATIONS

In the final months of the LAUNCH project, the consortium consulted a number of law firms specialized in energy, servitization and securitization for a legal review of the original English service contract (under UK law) for different jurisdictions. Where necessary, legal translations were obtained in the process to prepare the service contract for its use in target markets. The purpose of this chapter is to illustrate the key differences and considerations that were brought to light in the work on the various transpositions.

3.1 FRANCE (IN FRENCH LANGUAGE)

Out of all the transpositions, the French version is the one that needed the most adaptation, as the differences between the two legal systems (UK law and French law) are significant in some respects. As such, the contract needed a redrafting of some clauses in French law.

Some minor differences persist, such as definitions specific to the French system, such as the definition of control: under French law, there is often a reference to article L.233-3 of the French "Code de Commerce" which includes other criteria for the definition of control besides the reference to a 50% stake in the share capital that is specific under UK or international agreements. However, as the purpose of this legal review was to keep all the transposed versions close to each other in form and content, these small adjustments were not integrated as they do not have an impact on the content of the contract. However, when e.g. a definition, such as for "Group Company" did not fit French law it was removed from the contract and replaced with a version that was suitable.

Where it was needed, some clauses were added, such as Clause 2.14 and 2.15, where the reference to the possibility of sub-contracting is subject to mandatory rules under French law and where, in the framework of service agreements, the supplier needs to provide evidence that it complies with the mandatory rules under French labour laws.

The following clauses were adapted, to a greater extent, to fit French law:

- Clause 8 "Charges and payments: reciprocity" is a condition for a set-off – consequently, one cannot proceed with a set-off with Group Companies – as such, that reference was deleted accordingly. In the same way, liquidity, certainty and payment are required for a set-off under article 1347-1 of the French civil code;
- Clause 13 "Term, suspension and termination": points 13.4.3 to 13.4.9 were redrafted to be in line with French insolvency proceedings - such termination events are often provided under contracts;
- Clause 18 "Force Majeure" was adapted to fit the French approach;
- Clause 27 "Notices" deals with the sending of letters by registered post, i.e.: with an "accusé de reception";
- Clause 30 "Jurisdiction" establishes the jurisdiction where the contract applies under French law, i.e.: Court of Paris; and Clause 33 "Originaux" was changed to fit French law and practices (i.e.: regarding electronic signatures).

3.2 GERMANY (IN GERMAN LANGUAGE)

The transposition into German law was less "intrusive" in the sense that few Clauses needed to be changed significantly.

Under Clause 8 "Charges and payments", a change was made: the set-off clause in 8.2 was deleted as it does not comply with German law, in particular the General Terms and Conditions Act (BGB in German), although a reference was included in the BGB which provides a legal right to set off under paragraph (par.) 387 of the BGB. As such, the mechanism under this clause is the same as in the original version.

Clause 13 "Term, suspension and termination": changes were made under 13.2.1 in order to align more closely with German law in that it already provides a suspension right under par. 273 of the BGB. Therefore, under German law there is no need to stipulate contractual suspension rights.

Under Clause 15 "Effects of expiry or termination of this agreement", a small addition was made to comply with Clause 17 under German law.

In Schedule 5, a suggestion was made that under German law these Schedules should be an integral part of the Agreement, which they are.

3.3 ITALY (IN ITALIAN LANGUAGE)

The Italian version of the contract had no conflicts with Italian law.

The current version has simplified the language used in some parts of the contract to make sure it is closer to the Italian jargon of the market and contains the references to the articles and definitions of the Italian Civil Code, where necessary (for example, the notion of Control and Group).

3.4 AUSTRIA (IN GERMAN LANGUAGE)

Between the Austrian and the German version there are no major differences besides the references to the Austrian code, which replace the ones that refer to the German one.

In the Austrian version, some additions were made due to some specific conditions of the Austrian market, such as:

- Introduction of Clause 13.3.4 regarding the Change of control ('the sale of more than 50% of a party's stock'), as it is one of the purposes of the LAUNCH contract to safeguard the service provider's property and intellectual property rights concerning the components (technical equipment, meters, software, and so forth) provided by it. Such agreements regularly contain a provision to provide for the possibility of a termination of the contract in the case of a so-called '**change of control**' event, e.g.: the sale of more than 50% of a party's stock;
- Introduction of Clause 33 "Cost and Expenses", which was triggered by a requirement particular to the laws of the Republic of Austria, pursuant to § 33 TP 5 Austrian Stamp Duty Act (**GebG**), whereby rental contracts are subject to a special fee of 1% of the

contract value (the value of a contract concluded for an indeterminate period of time is stipulated by statutory law as the total of the yearly rental fees multiplied by 3).

Besides the mentioned Clauses, the differences between the Austrian and German versions are minor.

3.5 GREECE (IN GREEK LANGUAGE)

In general, the changes were minor when referring to the Greek transposition, with only a few clauses which needed adaptation:

Under Clause 8 "Charges and payments", the reference to the percentage of interest that can be incurred is different from the UK version, i.e.: any interest rate agreed must not exceed the maximum default interest for non-banking transactions in Greece, of currently 7,25%.

Clause 12 "Limitation of liability": under Greek law, liability cannot be limited by virtue of contractual agreement in case of gross negligence and wilful misconduct. As such, the clause was updated.

Clause 13 "Term, suspension and termination" was adapted to Greek law with the proper references.

The Interpretation section was also updated, as a few definitions were not applied under Greek law, such as the definition of a Group Company, among others.

3.6 NETHERLANDS (IN DUTCH LANGUAGE)

The Interpretation section was updated, in particular the definitions of Group Company and Subsidiary among others.

In this respect, clause 8.2 needed to be adjusted as well, as Group Companies are not party to the agreement.

References to common law needed to be removed.

An additional clause was inserted in 13.4 referring to suspension of payments and bankruptcy.

Clause 29.3 was updated in accordance with the Arbitration Rules of the Netherlands Arbitration Institute (NAI).

3.7 BELGIUM (IN FRENCH AND DUTCH LANGUAGE)

Since this version is closer to French law, some of the changes or remarks that were valid under the French version applied for the Belgian version as well, e.g.: naming the court/jurisdiction under which this contract falls, i.e.: Brussels.

The Interpretation section was updated, in particular the definitions of Group, as parts of this section is irrelevant under Belgian law, which does recognise the limited liability partnership as known in the UK legal system. The definitions of control in article 1:15 of the Belgian

Companies and Associations Code are relevant for all forms of companies, including those similar to the LLP.

Clause 8.2 was updated as under Belgian law, the set-off clause will be valid only between the contracting parties, i.e. the other group companies will in principle not be bound by it.

Clause 13.4 was updated to reflect the specific proceedings foreseen under Belgian law regarding termination.

Clause 29.2 was amended to include references to the CEPANI Rules of Arbitration.

3.8 LUXEMBOURG (IN FRENCH LANGUAGE)

Since this version is also closer to French law, some of the changes or remarks that were valid under the French version applied for the Luxembourgish version as well.

As with the Belgian contract, clause 8.2 needed to be adjusted as well, as the set-off clause will only be valid between contracting parties.

Clause 23.1 was amended to exclude the judge's right to interpret the present agreement with reference to pre-contractual documents, negotiations etc. It was thus necessary to specify this explicitly.

4 TRANSFER AGREEMENT

4.1 SCOPE AND USAGE OF A TRANSFER AGREEMENT IN SECURITIZATION

The LAUNCH Securitization Model in Figure 1 below outlines the structure and process steps involved in the financial engineering of SEA project opportunities to securities. The main challenges to successfully creating SEA-backed securities are the lack of standardization and lack of generally accepted benchmarks and criteria in the various steps involved in the Securitization.

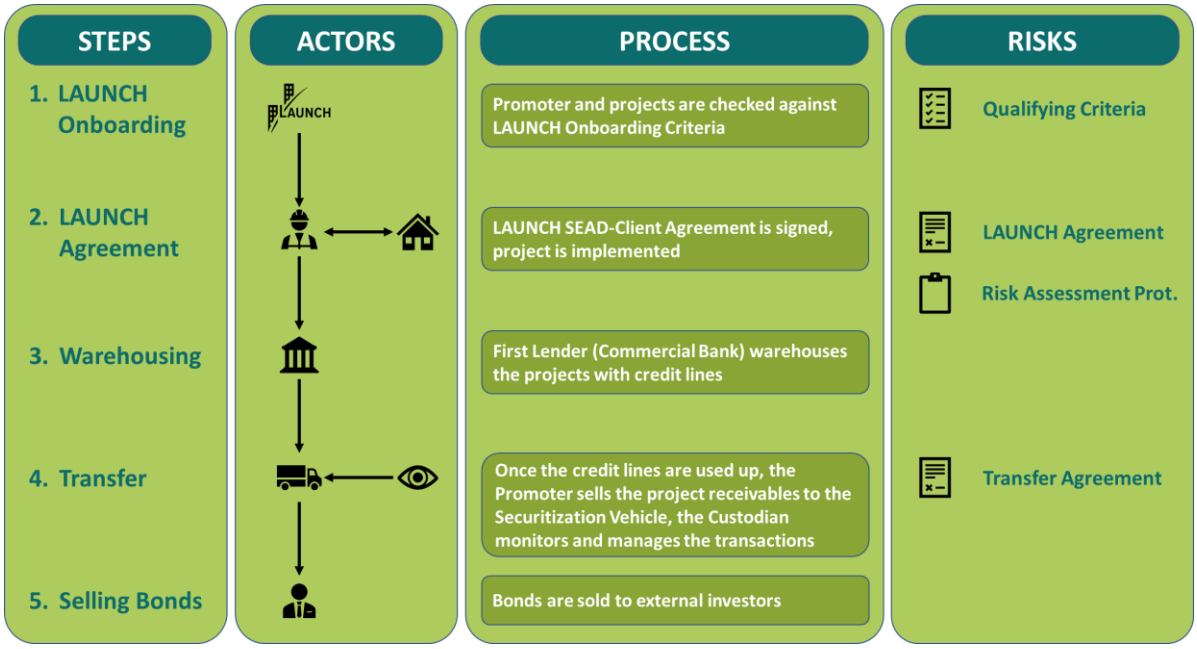

Figure 1: The LAUNCH Securitization Process

One of the main challenges addressed in the LAUNCH securitization model is the small scale of investment characteristic of energy efficiency measures compared to the relatively large investment threshold required by investors. While the average energy efficiency measure costs in the range of € 15 - 100K, investors typically look to fund measures with at least € 50 M. Co-mingling assets from various service providers can increase the value of groups of measures to make them more attractive for investment, and helps to reduce credit risk by diversifying it over a larger group of counterparties. However, the implications of increased due diligence and unique legal obligations tied to each measure can prove too costly to allow groups of assets to be feasible. The standardization of quality and an overarching legal contractual framework is therefore needed to expedite due diligence and legal obligations.

For the various steps in the Securitization Process the LAUNCH consortium develops and promotes various standardized tools, including the present Standardized Client Agreement, and the Risk Assessment Protocol (RAP)[1]. In order to ensure a smooth sale between the warehousing facility and the securitization vehicle, a Transfer Agreement needs to be put in place. Contrary to the client agreement and the RAP, a transfer agreement is a purely

[1] LAUNCH D3.3 – available here: www.launch2020.eu

commercial agreement and thus cannot be standardised in a similar fashion. However, key elements of such an agreement can be identified and chapter 4.2 provides a short discussion of those, serving as a guideline for setting up a bespoke agreement.

4.2 KEY ELEMENTS OF A TRANSFER AGREEMENT TO BE CONSIDERED

Below some of the key characteristics of a Transfer Agreement (or: Receivables Purchase Agreement) are briefly discussed:

1. Object of the agreement

The purpose of the transfer agreement is to arrange for the actual and definitive sale of (some of the/a portion of) the future receivables that will exist in the future further to the execution of the EPC.

It is thus of utmost importance to check that the applicable laws and regulations and the EPC make it possible to sell these future receivables.

2. Purchased receivables and variation of future receivables

The purchased receivables are those for which buyer actually pays a (discounted) purchase price. To be clear, they are the payments that are expected by the purchaser so that he can be repaid from his investment (the purchase price) plus a certain interest (the discount rate).

If under the EPC there is a possibility that the purchased receivables are in fact, when invoiced, of an amount that is lower than the nominal amount of the purchased receivable (underperformance of the EPC), then the agreement should include a clause clearly establishing that the seller owes an indemnity to the purchaser for the difference.

It is important to identify in a manner as broad as possible any mechanism (decrease of invoice, credit note, ….) that would have as a consequence a decrease of the amount payable by final client and to assimilate any such mechanism to a decrease of the nominal value of the receivable for which seller must indemnify purchaser.

The mechanism works as if the seller has issued a guarantee on the actual nominal amount of the purchased receivables. This guarantee is similar, but not necessarily strictly identical, to the performance guarantee provided to the client by seller, although from the seller's point of view, the two guarantees have the same effect.

3. No recourse

We assume here that the purpose of the sale of the receivables is to achieve that the transaction is off-balance for the ESCO, which implies that once the receivables are purchased, except in the case where there is a guaranteed recourse as described above, there is no recourse of purchaser against seller in case the client is in default.

It is therefore important, when drafting the transfer agreement and when dealing with risks, to differentiate between the consequences of a default with the client or with the seller.

Should the agreement fail to do so and should seller still be submitted to the default risk of the client, the expected accounting treatment of the transfer could be jeopardised.

4. Purchased receivables vs assigned receivables

The assigned receivables are the receivables that are assigned to the purchaser and thus collected by the purchaser.

What is assigned to the purchaser but was not purchased by the purchaser must be paid to the seller after collection.

It is important however that any amount to be payable by purchaser to seller be compensated with any amount due by seller to purchaser.

Example: the purchaser purchased 10 annual receivables of 100€.

If the annual performance fee to be paid by the client is 120€ plus a 20€ maintenance fee, and if both these receivables are assigned, purchase will collect 140€ then pay 40€ to seller.

If the annual performance fee to be paid by the client is 80€ plus a 20€ maintenance fee, and if both these receivables are assigned, purchase will collect 100€ then pay 0€ to seller.

5. Disputes between client and seller

If an invoice cannot be issued because there is a dispute between seller and client, or if an invoice is disputed by client, the non-invoiced or disputed amount will be deemed a variation of the purchased receivable for the time of the dispute.

The purpose here is to put the risk of dispute in the underlying contract on the seller.

The mechanism should of course provide for the fact that if the seller has indemnified purchaser for a disputed invoice and then the dispute is solved (either amicably or though the dispute resolution process described in the EPC) and the expected invoice issued, then the indemnification will be repaid to seller (also if the client ends up in default and does not pay the invoice, see above).

6. Flow of information

It is important that purchaser is included in the exchange of information between client and seller.

7. Seller's operational responsibilities and limitations to autonomy

Aside the information flow, seller is still the operational counterpart of the transaction, so his input is key to allow for the invoices to be actually issued.

The contract should refer to the EPC to confirm that seller remains responsible for all its obligations under the EPC.

Besides, seller commits to issue the invoice and assign them to purchaser.

Finally, seller should commit to not terminate the EPC without the agreement of purchaser.

8. Right of purchaser to replace seller

If relevant, depending on the specifics of the EPC, the agreement may enter into the details of the potential replacement of Seller under the EPC.

9. Relations with client

By default, the sole legal relationship between the client and purchaser is that purchaser is the assignee of the receivables, which should probably be notified to the client.

However, to the extent purchaser would want to benefit from certain rights (such as replacing the seller in case of underperformance or simply receiving information related to the contract that may be confidential) on which the client should agree, it may be necessary to involve the client in the contractual process.

It may be preferable to have such specific agreements either included in the EPC or in a distinct three-party agreement between seller, purchaser and the client, this to avoid that the participation of client in the transfer agreement might lead to the whole transaction being interpreted as a financing arrangement involving the client, which could jeopardize the accounting treatment if such accounting treatment is important.

10. Termination

The consequences of the termination of the contract should be very well described, especially considering the fact that after termination, the default situation is that purchaser remains with the purchased and assigned receivables, while not being any more in a contract with seller.

Therefore, termination of the contract by Seller should be practically excluded.

It is difficult to establish a single remedy in the case of termination, therefor the consequences of a termination should be largely open and at the choice of purchaser.

Possible consequences can be reselling the receivable to seller (although there are indication that such an option might have accounting consequences on the way the initial sale will be looked at by seller's accountants/auditors).

If the agreement is terminated without a resale of the receivables, then purchaser should still be entitled to the assignment of the purchased receivables, which may be complicated to organise if we are not in a case where the seller was replaced and is still the counterpart of the EPC.

Bottomline: when considering a termination and its consequences, it is important to consider the situation of the EPC and to consider all scenarios.

11. Indemnification in case of termination

Indemnification of purchaser by seller for the not yet issued invoices should take into account the breakup costs of any financing arranged by purchaser.

The right of purchaser to an indemnity payable by seller may be influenced by the EPC.

For instance, if the EPC is terminated as well, the indemnity to be paid by seller should be influenced by the indemnity that would be payable by client under the EPC. The indemnity under the transfer agreement should be limited to what exceed the amount of the indemnity payable by the client under the EPC (whether or not the client ends up actually paying that indemnity: that is the credit risk the purchaser has agreed to take on the client).

5 CONCLUSIONS

The LAUNCH project consortium focused on devising a business model with accountants and auditors geared towards enabling an off-balance sheet treatment for all possible scenarios of EE project contracting arrangements. The cornerstone of this business model is the present standardised contract divided into a static and a flexible section, with the static section being included in the Disclaimer, the Interpretation/definitions of the terms and Chapter 32 "Clauses", and a flexible one included under Chapter 7 "Schedules".

A key point in the static element of contracts arose in that ESCOs would need to certify that they have not altered the contract when warranting the legal body for securitization purposes. This has been identified as a key advantage of contract "static-ness", by reducing workload and cost in the securitization process thanks to simple random sample verification that may apply to such contracts. Another relevant point arising from this analysis was that off-balance sheet (under IFRS16) treatment could help minimise potential breaches of contract from the side of the clients, whilst enabling energy efficiency measures to reduce energy bills and CO_2 levels.

The proposed as-a-service business model requires several other components to be designed and adjusted – from new customer sales material to changes in the risk assessment. Ultimately though, they're all representing the individual gears in what is supposed to eventually function as the "securitization engine". Another key component to that process is the transfer agreement discussed in chapter 4 above.

Looking ahead, the LAUNCH collateral will be further integrated through the PROPEL H2020 initiative in 2022 and 2023. Ultimately, the key collateral will be made digitally available to members of the newly created Sustainable Energy Finance Association (SEFA). This process will include additional transpositions and translations, allowing for further future roll-out of the contract to other potential markets across Europe, as well as the development of an independent third-party authorisation of contract signatures on the SEFA platform. Ultimately, SEFA could act as the mediator on contract disputes going forward, avoiding costly arbitration or court proceedings to all counterparties involved.

6 ANNEX – UK SAMPLE CONTRACT – FINAL VERSION