CONTRACT FOR THE SUPPLY OF PEATLAND CARBON UNITS

THIS AGREEMENT IS DATED <INSERT DATE>

Between**:**

1) **[NAME OF PARTY]**, a company incorporated in [England and Wales] (Company Number […]) whose registered office is at [……] (the **" Seller"**); and

2) **[NAME OF PARTY]** a company incorporated in [England and Wales] (Company Number […]) whose registered office is at [……] (the **" Purchaser"**); and

SUMMARY

A. The Purchaser agrees to purchase the Goods from the Seller in accordance with and subject to the provisions of this Contract.

B. The Contract Commencement Date shall be <insert date>.

C. The Contract Expiry Date will be <insert date>.

D. The Contract consists of this document and the Schedules annexed, which are deemed to be incorporated into and form part of this Contract.

E. In the case of any ambiguity, inconsistency, uncertainty or conflict arising the following order of precedence shall apply in relation to the Schedules:
   a. Schedule 1: Description of Goods
   b. Schedule 2: Terms and Conditions

F. The Contract shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

G. This Contract, which consists of this and attached two Schedules, is signed as follows:

Signed for and on behalf of The Purchaser:

Authorised Signatory:

Full Name ……………………………………………

Date ……………………………………………

Signed for and on behalf of the Seller

Authorised Signatory:

Full Name ……………………………………………

Date …………………………………………..

SCHEDULE 1: DESCRIPTION OF GOODS

1. The Purchaser agrees to purchase Eligible Pending Issuance Units (the Goods) produced by the Seller from the Peatland Project.

The Peatland Project

2. Details of the Peatland Project are set out in the following table:

Project name	<insert>
Project ID at UK Land Carbon Registry	<insert reference>
Date project was entered on UK Land Carbon Registry	<insert date>
Location	<insert grid reference>
Project Validation date	<insert date>
Date of Project Validation Certificate	<insert date>
Project Start Date	<insert date restoration complete>
Project Duration	<no of years to Project Expiry>
Project Expiry Date	<insert
Number of Eligible PIUs generated by project	<insert number>
Restoration Validation date	<date 1 year after Start Date>
Date of Restoration Validation Certificate	<insert date>
Date of first Verification	<date 5 years after Start Date>

The details in the above table are extracted from the Peatland Code application and <validated> entry at UK Land Carbon Registry.

Purchase Price

3. The purchase price for the Eligible PIUs is <£x> (excluding any applicable VAT) under this Contract. This is calculated as <£x per Eligible PIU> x <number of> PIUs in the above table.

Invoicing

4. The Seller will raise an invoice for the Purchase Price on the Supply Date.

SCHEDULE 2: TERMS AND CONDITIONS

Definitions and Interpretation

1. In these Conditions the following expressions shall have the meanings set out opposite them unless the context requires otherwise:

CO2e: one tonne of CO2 equivalent emissions savings defined in the Peatland Code.

Eligibility Requirements: means all of the following:

a) the Peatland Project is registered and managed in accordance with the Peatland Carbon Code;

b) the Seller [is the owner of the Land]/ [has management control for the length of the agreement and has an application countersigned by the owner of the Land] [delete as appropriate] and

Eligible PIUs: those PIUs which are available for sale to the Purchaser under the Peatland Code. and specifically excluding any PIUs that are required to be contributed towards the Peatland Code Buffer.

Financial Year: the annual period commencing 6th April and ending on 5th April over which Budget estimates are made by the British Government and which functions as the income-tax year.

Goods: Eligible PIUs generated by the Peatland Project as set out in Schedule 1.

Land: the land on which the Peatland Project is situated.

PCU or Peatland Carbon Unit: a tonne of CO2e emissions savings from an independently verified Peatland Code certified peatland. PCUs are guaranteed to have been achieved and can therefore be used to report against UK based emissions as soon as they are purchased.

Peatland Code: the voluntary standard for UK peatland carbon projects as defined at [Peatland Code | IUCN UK Peatland Programme (iucn-uk-peatlandprogramme.org)](iucn-uk-peatlandprogramme.org).

Peatland Code Buffer: A shared pool of 'unclaimed carbon emission reductions' to cover unavoidable potential losses which may occur from the project over time, thus ensuring the permanence of verified Peatland Carbon Units.

Peatland Project: the peatland restoration project which is the subject of this Contract, details of which are set out at Schedule 1 Clause 2.

PIU or Pending Issuance Unit: a measure of the quantity of potential future CO2e emission reductions from a validated Peatland Code project. PIUs have not yet been achieved and therefore cannot be used to report against UK based emissions until verified.

Project Start Date: The date at which the Peatland Project restoration activities are completed.

Project Duration: The length of time over which CO2e emission reductions of the project will be claimed measured from the Project Start Date.

Project Validation: a Validation exercise undertaken on a project to determine if it conforms to the agreed requirements of the Peatland Code and if its implementation can be expected to result in the proposed CO2e emission reductions claimed. Typically (but not always) undertaken prior to restoration. If approved, a Project Validation Certificate will be issued to the project.

Restoration Validation: a Validation exercise undertaken once restoration of a peatland project has been completed. If approved a Restoration Validation Certificate will be issued to the project.

Scheme: the Peatland Carbon Code, which is managed by the IUCN

Supply Date: the date of receipt of the [Project Validation Certificate/Restoration Validation Certificate][Delete as appropriate] applicable to the Peatland Project.

The Peatland: the peatland from which the PIUs will be supplied as set out in Schedule 1 of this Contract.

UK Land Carbon Registry: the official record of Peatland Code projects including details of their validation and verification status, any validated and verified units and the owners of each unit hosted and managed by S&P Global: UK Land Carbon Registry - UK Woodland Carbon Code

Validation: The systematic, independent, and documented process for the evaluation of a peatland restoration project. Undertaken by a certification body accredited by the IUCN in conjunction with the UK Accreditation Service.

Validation Certificate: a formal written declaration attesting to the intended user that implementation of the planned peatland restoration project will result in the CO_2e emission reductions claimed within the defined level of assurance and materiality.

Verification: The ongoing assessment of a project against the standards of the Peatland Code, undertaken by a certification body accredited by the IUCN in conjunction with the UK Accreditation Service to assess against the Peatland Code. Verification assesses the carbon emission reductions that have actually occurred as well as continuing sustainable peatland management.

Vintage: The time period in which PCUs are delivered. For the Peatland Code, the delivery of carbon emission reductions is predicted and verified in five or ten-yearly blocks, for example 2027–2037, each time period is known as a vintage.

Working Day: any day other than a Saturday, a Sunday or a public holiday in England.

2. References to clauses are to the clauses of this Contract. Clause headings shall not affect the interpretation of this Contract.

3. The parties to this Contract are the Purchaser and the Seller, each a Party and together referred to as the Parties.

4. A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

5. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular and a reference to one gender shall include a reference to other genders.

6. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision.

7. A reference to a public body includes a reference to any successor of that public body.

8. Any words following the terms ‘including’, ‘include’, ‘in particular’ or ‘for example’ or any similar phrase shall be construed as illustrative and shall not limit the applicability of the clause(s).

General

9. This Contract shall commence on the Commencement Date and, subject to any earlier termination in accordance with clause 40, it shall continue to remain in force until the Expiry Date.

10. The Seller agrees to manage the Peatland in accordance with the Peatland Code for the duration of the Contract. In particular this includes, but is not limited to, the Peatland Project achieving ongoing Verification for the duration of this Contract as defined and operated under the Peatland Code. Failure to manage the Peatland in accordance with the Peatland Code will result in the termination of the Contract in accordance with clause 40.

Sale of Goods

11. The Seller agrees to sell and the Purchaser agrees to buy the Eligible PIUs generated by the Peatland Project at the Purchase Price on the Supply Date as set out in Schedule 1.

Payment

12. Payment will be made by the Purchaser within 30 days of receipt of an appropriate invoice for the sum due. The Purchaser reserves the right to withhold payment where it has reasonable grounds to believe that the Seller is in breach of the terms and conditions of this Contract.

Costs

13. The Seller is responsible for meeting all costs associated with the ongoing management of the Peatland including its validation, monitoring and verification under the Peatland Code and any administration costs in relation to disclosure of PIUs and PCUs in the UK Land Carbon Registry.

Repayment on Termination

14. Where the Contract is terminated in accordance with clause 40, the Seller will be liable to repay all payments made by the Purchaser to the Seller under this contract after the date on which the cause for termination arose. If any sum becomes repayable under the Contract, it shall be treated as a debt owing by the Seller to the Purchaser until such time as the outstanding amount is repaid. A recovery order will be issued to the Seller specifying the amount to be repaid and the date by which repayment must be made.

15. If the Seller fails to make a repayment required under clause 15 within 60 days of the date of the relevant recovery order, the Purchaser reserves the right to charge interest on the outstanding debt at a daily rate equivalent to the Bank of England base rate plus 1%.

16. Where any sum is repayable under clause 14 and the Seller has failed to repay the outstanding amount within the period specified in the recovery order, the Purchaser reserves the right, at its absolute discretion, to deduct the outstanding debt from future payments due to the Seller under this Contract and/or any other agreement or contract the Purchaser may have with the Seller.

Eligibility Requirements

17. The Seller, having demonstrated that they meet the Eligibility Requirements through the Peatland Code application and validation process, is required to continue to meet the Eligibility Requirements for the duration of this Contract.

Novation

18. The Purchaser will consider a request by the Seller to novate the Seller's rights and obligations under this Contract to a Third Party. Before agreeing to a novation, the Purchaser will require evidence to its satisfaction from the Seller that the Third Party meets the Eligibility Requirements, and will continue to manage the Peatland in accordance with the terms and conditions of this Contract. In the event that adequate evidence is not provided to the satisfaction of the Purchaser, the Purchaser may not consent to the novation and this may result in the Purchaser terminating the Contract in accordance with clause 40. For the avoidance of doubt, the circumstances where a novation will not be agreed include (without limitation) where the Peatland is sold as multiple separate lots to different Third Parties and where, in the Purchaser's opinion, this is likely to result in the Peatland as a whole not being managed in accordance with the terms and conditions of this Contract, including compliance with the Eligibility Requirements.

Assignment of Rights

19. The Seller may assign to a single third party (the Assignee) the right to receive payment of the Purchase Price or any part thereof due to the Seller. Any assignment under this clause, shall be subject to:

a) the prior written agreement of the Purchaser;
b) the prior transfer of the ownership of the corresponding PIUs from the Seller to the Assignee - this transfer of ownership being reflected in the UK Land Carbon Registry;

20. If the Seller enters into any assignment in connection with the Contract it shall:

a) comply with all relevant continuing Peatland Code guidance;
b) remain responsible to the Purchaser for the performance of its obligations under the Contract;
c) be responsible for the acts and/or omissions of its assignee as though they are its own;
d) impose obligations on its assignees in the same terms as those imposed on it pursuant to the Contract and shall procure that the assignee complies with such terms;
e) ensure that its assignee retains all records relating to the Goods for at least six years from the date of their creation and make them available to the Purchaser on request. If any assignee does not allow the Purchaser access to the records then the Purchaser shall have no obligation to pay any claim or invoice made by the Seller.

Access to Documents and Information

21. The Seller shall, upon request, supply any documents, information, data, reports or written or verbal explanations which may be required by the Purchaser in connection with this Contract, including for the purposes of discussing, monitoring or evaluating the fulfilment of the terms and conditions.

22. The Seller shall ensure that its employees and representatives will make themselves available to the Purchaser for the purposes of reasonable consultation and advice relating to the contract and, at the expense of the Seller, attend meetings with representatives of the Purchaser as may be reasonably necessary for the performance of the Contract.

Site Visits

23. The Purchaser (or its authorised representatives) shall be entitled to inspect the Peatland at reasonable times and on reasonable notice, throughout the duration of the Contract for the purpose of ensuring that the Terms and Conditions of this Contract have been complied with.

Data and Information

24. The parties shall comply with all relevant UK data protection legislation in delivering their obligations under the Contract.

25. The Seller acknowledges that the Purchaser is subject to the requirements of the Data Protection Act 2018 and General Data Protection Regulation 2016/679, the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR), collectively referred to as the "Information Regulations".

26. The Seller agrees to provide all necessary assistance and cooperation which is reasonably requested by the Purchaser for the purposes of complying with its obligations under the Information Regulations. If the Seller is required to supply information pursuant to an Information Regulations request, the Seller shall supply all such information which is within the Seller's possession or control within five Working Days (or such other period as the Purchaser shall reasonably require).

27. If the Seller receives an Information Regulations request from a member of the public, the Seller shall not respond to the request but shall forward the request to the Purchaser within two Working Days of receipt.

28. The Purchaser shall determine in its absolute discretion whether any information is exempt from disclosure in accordance with the provisions in the Information Regulations.

Liability and Indemnity

29. Neither Party limits its liability for:

a) death or personal injury caused by its negligence;
b) fraud or fraudulent misrepresentation;
c) any breach of any obligations implied by section 12 of the Sale of Goods Act 1979 or section 2 of the Supply of Goods and Services Act 1982;
d) any liability to the extent it cannot be limited or excluded by Law.

30. Subject to clause 31, the Seller shall indemnify the Purchaser and keep the Purchaser indemnified fully against all claims, proceedings, demands, charges, actions, damages, costs, breach of statutory duty, expenses and any other liabilities which may arise out of the supply, or the late or purported supply, of the Goods or the performance or non-performance by the Seller of its obligations under the Contract, including in respect of any death or personal injury, loss of or damage to property, financial loss arising from any advice given or omitted to be given by the Seller, or any other loss which is caused directly by any act or omission of the Seller.

31. Subject to clause 29 the Seller's aggregate liability in respect of the Contract shall not exceed <insert sum>.

32. The Seller shall not be responsible for any injury, loss, damage, cost or expense if and to the extent that it is caused by the negligence or wilful misconduct of the Purchaser or by breach by the Purchaser of its obligations under the Contract.

33. Unless otherwise specified by the Purchaser, the Seller shall, with effect from the Commencement Date for such period as necessary to enable the Seller to comply with its obligations herein, take out and maintain with a reputable insurance company a policy or policies of insurance providing an adequate level of cover in respect of all risks which may be incurred by the Seller, arising out of the Seller's performance of its obligations under the Contract, including death or personal injury, loss of or damage to property or any other loss. Such insurance shall be maintained for the duration of the Contract Period and for a minimum of [number] years following the end of the Contract.

34. The Purchaser may recover from the Seller the following losses incurred by the Purchaser to the extent they arise as a result of a Default by the Seller:

a) any additional operational and/or administrative costs and expenses incurred by the Purchaser, including costs relating to time spent by or on behalf of the Purchaser in dealing with the consequences of the Default;
b) any wasted expenditure or charges;
c) any compensation or interest paid to a third party by the Purchaser; and
d) any fine or penalty incurred by the Purchaser pursuant to Law and any costs incurred by the Purchaser in defending any proceedings which result in such fine or penalty.

35. Subject to clause 29 neither Party shall be liable to the other for any:

a) loss of profits, turnover, business opportunities or damage to goodwill (in each case whether direct or indirect);
b) indirect, special or consequential loss.

Warranty

36. The Seller warrants and represents on the Commencement Date and for the Contract Period that:

a) the Seller has full capacity and authority and all necessary consents to enter into and perform the Contract;
b) in entering into the Contract the Seller has not committed any fraud;
c) as at the Commencement Date, all information contained in the application or other documentation or submission made by the Seller to the Purchaser remains true, accurate and not misleading, save as may have been specifically disclosed in writing to the Purchaser prior to execution of the Contract and in addition, that the Seller will advise the Purchaser of any fact, matter or circumstance of which the Seller may become aware which would render such information to be false or misleading;
d) no claim is being asserted and no litigation, arbitration or administrative proceeding is presently in progress or, to the best of the Seller's knowledge and belief, pending or threatened against the Seller or any of the Seller's assets which will or might have an adverse effect on its ability to perform its obligations under the Contract;
e) the Seller is not subject to any contractual obligation, compliance with which is likely to have a material adverse effect on its ability to perform his obligations under the Contract.

Prevention of Corruption and Fraud

37. The Seller shall act in accordance with the provisions of the Bribery Act 2010.

38. The Seller shall take all reasonable steps, in accordance with Good Industry Practice, to prevent fraud in connection with the receipt of money from the Purchaser.

39. The Seller shall notify the Purchaser immediately, at any time during the term, if it has reason to suspect that fraud has occurred, is occurring or is likely to occur.

Termination

40. Without prejudice to any other right or remedy it might have, the Purchaser may terminate the Contract by written notice to the Seller with immediate effect if the Contract is found to be unlawful state aid, or the Seller:

i. (without prejudice to clause 40 (iv), is in material breach of any obligation under the Contract, which is not capable of remedy, including failing to meet any of the Eligibility Requirements;
ii. is in material breach of any obligation which is capable of remedy, and that breach is not remedied within 30 days of the Seller receiving notice specifying the breach and requiring it to be remedied;
iii. undergoes a change of control within the meaning of section 416 of the Income and Corporation Taxes Act 1988;
iv. breaches any of the provisions of clauses 24 to 28 (Data and Information); 36 (Warranty); and 37 to 39 (Prevention of Corruption and Fraud);
v. becomes insolvent, or if an order is made or a resolution is passed for the winding up of the Seller (other than voluntarily for the purpose of solvent amalgamation or reconstruction), or if an administrator or administrative receiver is appointed in respect of the whole or any part of the Seller’s assets or business, or if the Seller makes any composition with its creditors or takes or suffers any similar or analogous action (to any of the actions detailed in this clause 40 (v)) in consequence of debt in any jurisdiction;
vi. fails to comply with legal obligations in the fields of environmental, social or labour law.

41. The Seller shall notify the Purchaser as soon as practicable of any change of control as referred to in clause 40(iii) or any potential such change of control.

42. The Purchaser reserves the right to terminate the Contract on written notice to the Seller in any one or more of the following situations:

a) The Seller breaches, or there is anticipatory breach of, the terms of the Contract and that breach is not, in the opinion of the Purchaser, capable of remedy;
b) There is a material change in management of the Peatland that results in the Peatland no longer being managed in accordance with the Peatland Code;
c) The Seller provides the Purchaser with any materially misleading or inaccurate information;
d) The Purchaser determines (acting reasonably) that the Seller or any directors or employees of the Seller has acted dishonestly, unprofessionally or negligently at any time during the term of this Contract and to the detriment of the Purchaser, or has taken any actions which unfairly bring or are likely to unfairly bring the Purchaser (including its name or reputation) into disrepute;
e) The Seller transfers, assigns or novates to any third party, or encumbers in any way, his rights or obligations under this Contract without the written consent of Purchaser;
f) The Seller ceases to operate for any reason (including through winding up, dissolution, insolvency, bankruptcy, receivership, administration, liquidation) or is unable to pay its debts as they fall due;
g) The Contract is found to be unlawful State Aid
h) h. As otherwise specified in this Contract.

Consequences of Expiry or Termination

43. Expiry or termination of the Contract shall not affect any rights, remedies, obligations or liabilities of the parties that have accrued up to the date of expiry or termination which existed at or before the date of expiry or termination.

44. Expiry or termination of the Agreement shall not affect the continuing rights and obligations of the parties under clauses 14-16 (*Repayment on Breach of Contract*), 21-22 (*Access to Documents and Information*), 23 (*Site Visits*), 24-28 (*Data and Information*), 29-35 (*Liability, Indemnity and Insurance*), 37-39 (*Prevention of Corruption and Fraud*), 40-42 (*Termination*), 43-44 (*Consequences of Expiry or Termination*), 45 (*Severability*), 55 (*Waiver*), 56-58 (*Notices and Correspondence*), 59 (*Dispute Resolution*), 61 (*Third Party Rights*), 62 (*Governing Law*) or any other provision in the Contract which is expressly stated to survive expiry or termination of the Contract or which is required to give effect to such termination or expiry or the consequences of such termination or expiry.

Severability

45. If any term, condition or provision of the Contract is held to be invalid, unlawful or unenforceable to any extent, such term, condition or provision will not affect the validity, legality and enforceability of the other provisions of or any other documents referred to in the Contract.

Force Majeure

46. Subject to the clauses 47 to 52, the Seller or the Purchaser (the **Affected Party**) may claim relief from liability for failure to meet its obligations under the Contract for as long as and only to the extent that the performance of those obligations is directly affected by a Force Majeure Event. If the Affected Party is the Seller, any failure or delay by the Seller in performing its obligations under the Contract which results from a failure or delay by an agent, supplier (for example a Peatland Code Verifier) or Assignee shall be regarded as due to a Force Majeure Event only if that agent, supplier or Assignee is itself impeded by a Force Majeure Event from complying with an obligation to the Seller.

47. A **Force Majeure Event** means any event outside the reasonable control of either Party affecting its performance of its obligations under the Contract arising from acts, events, omissions, happenings or non-happenings beyond its reasonable control and which are not attributable to any wilful act, neglect or failure to take reasonable preventative action by that Party, including acts of God, riots, war or armed conflict, acts of terrorism, acts of government, local government or regulatory bodies, for flood, storm or earthquake, or disaster, or an epizootic or plant disease affecting all or part of the Peatland, but excluding any industrial dispute relating to the Seller or its staff or any other failure in the Seller's supply chain.

48. The Affected Party shall within 15 working days issue the party that is not the Affected Party (the **Non-Affected Party**) with a Force Majeure Notice, which shall include details of the Force Majeure Event, its effect on the obligations of the Affected Party and any action the Affected Party proposes to take to mitigate its effect.

49. If the Seller is the Affected Party, the Purchaser will consider the facts on a case-by-case basis in deciding whether or not the Seller is relieved of all or part of his obligations under the Contract and whether any payments made by the Purchaser under this Contract should be repaid.

50. If the Seller is the Affected Party, it shall not be entitled to claim relief to the extent that the consequences of the relevant Force Majeure Event are capable of being mitigated, but the Seller has failed to do so or should have been foreseen and prevented or avoided by a prudent provider of goods similar to the Goods, operating to the standards required by the Contract.

51. Subject to clause 53, as soon as practicable after the Affected Party issues the Force Majeure Notice, and at regular intervals thereafter, the Parties shall consult in good faith and use reasonable endeavours to agree any steps to be taken and an appropriate timetable in which those steps should be taken, to enable continued provision of the Goods affected by the Force Majeure Event.

52. Following the occurrence of a Force Majeure Event and during its subsistence the Parties shall at all times use their respective reasonable endeavours to prevent and mitigate the effects of the Force Majeure Event.

53. The Affected Party shall notify the Non-Affected 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 the Contract.

54. Relief from liability for the Affected Party shall end as soon as the Force Majeure Event no longer causes the Affected Party to be unable to comply with its obligations under the Contract and shall not be dependent on the serving of notice under clause 63.

Waiver

55. No failure or delay by either party to exercise any right or remedy under the Contract shall be construed as a waiver of any other right or remedy.

Notices and Correspondence

56. All notices in relation to the Contract shall be in writing and shall be deemed to have been duly given if personally delivered, electronically mailed, or mailed (first class postage prepaid) using the contact details set out in clause 68 below (or any updated contact details which are subsequently notified by one party to the other). It is the Seller's responsibility to notify the Purchaser of any change to its contact details.

57. If personally delivered or if e-mailed, all such notices shall be deemed to have been given when received (except that if received on a non-Working Day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day), and if mailed all such notices shall be deemed to have been given and received on the second Working Day following such mailing.

58. All notices and correspondence to the Purchaser under this Contract should be sent to: <include Purchaser's registered address>

Dispute Resolution

59. Any dispute arising between the parties or any complaint or appeal by the Seller concerning the Purchaser's actions in connection with the Contract shall be resolved according to <need a decent dispute resolution process in here including provision for independent arbitration and judgment as a last resort>

No partnership or agency

60. The Contract shall not create any partnership or joint venture between the Purchaser and the Seller, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

Third Party Rights

61. This Contract does not give rise to any rights under the Contracts (Rights of Third Parties Act 1999) to enforce any term of this Contract.

Governing Law

62.The Contract shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts