

2023

(1) ASSOCIATED BRITISH PORTS

(2) MILFORD HAVEN PORT AUTHORITY

(3) NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

(4) PEMBROKESHIRE COUNTY COUNCIL

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE DEVELOPMENT OF THE
CELTIC FREEPORT**

THIS MEMORANDUM is dated

2023 and made between:

- (1) **ASSOCIATED BRITISH PORTS** of 25 Bedford Street, London, WC2E 9ES ("**ABP**").
- (2) **MILFORD HAVEN PORT AUTHORITY** of Gorsewood Drive, Hakin, Milford Haven, Pembrokeshire, SA73 3EP ("**MHPA**").
- (3) **NEATH PORT TALBOT COUNTY BOROUGH COUNCIL** of Civic Centre, Port Talbot, SA13 1PJ ("**NPTCBC**").
- (4) **PEMBROKESHIRE COUNTY COUNCIL** of County Hall, Haverfordwest, SA61 1TP ("**PCC**")

(together known as the "**Parties**" and individually as the "**Party**").

BACKGROUND:

- (A) The Parties wish, following the success of their Bid, the approval of the Celtic Freeport by the UK and Welsh Government and the establishment of a company limited by guarantee as the corporate vehicle for the Celtic Freeport, to engage in the next steps in developing the Celtic Freeport.
- (B) The Parties agree that the provisions contained in this Memorandum are intended to provide a framework for the Parties to work together to deliver the Objectives
- (C) PCC and NPTCBC enter into this Memorandum pursuant to section 24 of the Local Government and Elections (Wales) Act 2021 and section 111 of the Local Government Act 1972 and all other enabling powers.

1. Interpretation

- 1.1 Clause, Schedule and paragraph headings shall not affect the interpretation of this Memorandum.
- 1.2 The Schedules form part of this Memorandum and shall have effect as if set out in full in the body of this Memorandum. Any reference to this Memorandum includes the Schedules.
- 1.3 References to clauses and Schedules are to the clauses and Schedules of this Memorandum and references to paragraphs are to paragraphs of the Schedules.
- 1.4 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.5 A reference to any Party shall include that Party's employees, representatives and permitted assigns.
- 1.6 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
- 1.7 A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
- 1.8 A reference to writing or written includes e-mail.

1.9 Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.

1.10 Any reference to this Memorandum terminating shall, where the context requires, include a reference to this Memorandum terminating by expiry.

1.11 **Definitions**

Accountable Body means the accountable body for the Celtic Freeport with the initial roles and responsibilities as set out in Schedule 4 and as may be agreed by the Project Board;

Activities means the activities which the Parties have agreed are required to deliver elements of, or otherwise which fall within, promote or facilitate the Objective as set out in Schedule 1;

Banker means NPTCBC;

Bid means the joint bid dated xx and submitted by the Parties in response to the Freeport Programme in Wales bidding prospectus published the 1st September 2022

Budget means the budget for the implementation of this MOU, an indicative budget is set out in Schedule 6, and will be agreed by the Project Board;

Celtic Freeport means the Freeport in the geographical areas of Neath Port Talbot and Pembrokeshire and as more specifically set out in the Bid

Celtic Freeport Team means the Interim CEO; the Consultant; and Celtic Freeport Staff or such parties appointed from time to time as agreed by the Project Board;

Celtic Freeport Staff means employees from each of the Parties or other individuals as agreed by the Project Board the costs of each of those employees to be initially borne by the Party who is the employer or contracting party subject to clause 6.4 below;

CLG means Celtic Freeport Company Limited [company no 14779775] a company limited by guarantee, established as the corporate delivery vehicle for the Celtic Freeport;

Consultant means the person / company appointed by PCC (and paid

by the Banker) with the agreement of the Project Board to be the lead technical adviser in relation to the Activities for the Celtic Freeport (and an indicative role is set out at Schedule 5 paragraph 2) and the costs of this appointment being shared equally between the Parties;

Costs	means costs incurred in accordance with the Budget in the development of the Celtic Freeport including the Consultant, Interim CEO; and Other Professional Advisers
Data Protection Legislation	means the Data Protection Act 2018 and the retained UK version of the General Data Protection Regulation (Regulation (EU) 2016/679);
Delivery Programme	means the programme of works and other activities and planning designed to deliver the Vision and the Objective which shall be prepared by the Interim CEO and agreed by the Project Board identifying the timing of key activities, key interdependencies and any appropriate approval processes;
Government	means the Welsh Government and UK Government;
Government Funding	means the public funding in relation to the Celtic Freeport to be received by the Accountable Body, namely the anticipated £1 million being made available for the Celtic Freeport development costs and £26 million of capital seed funding;
Interim Chief Executive Officer (Interim CEO)	means the person/company appointed by PCC (and paid by the Banker) with the agreement of the Project Board to lead the implementation of the Celtic Freeport (and an indicative role is set out at Schedule 5 paragraph 1) and the costs of this appointment being shared equally between the Parties;
Memorandum	means this Memorandum;
Objective	means the objective identified in Schedule 1;
Outline Business Case	means the outline business case for the Celtic Freeport which is to be agreed by the Project Board and submitted to Government in advance of the Tax Site Designation;
Other Professional Advisers	means those other professional advisers such as (but not limited to) legal and tax professionals considered by the Project Board as needed to assist in the Celtic Freeport Team to be appointed by NPTCBC;
Procurement Regulations	means the Public Contracts Regulations 2015, the Utilities Contracts Regulations 2016 and the Concession Contracts

Regulations 2016; and all procurement legislation in force in England and Wales (& all regulations thereunder)

Project Board	means the Project Board established under this Memorandum, the governance details for which are set out in Schedule 2;
Tax Site Designation	means the legal designation by statutory instrument of the Celtic Freeport tax sites by His Majesty's Treasury;
Vision	means the proposals detailed in paragraph 1 of Schedule 1; and
Working Day	means any day other than a Saturday, Sunday or a public holiday.

IT IS AGREED

2. Commencement and Duration

2.1 This Memorandum shall commence on the date of this Memorandum of Understanding and shall continue until the earlier of the following events:

- (a) it is terminated earlier in accordance with this Memorandum; or
- (b) the date of any replacement agreement that Parties enter into in order to progress to any future stages of the Vision; or
- (c) the Tax Site Designation

2.2 For the avoidance of doubt, this Memorandum supersedes the memorandum of understanding dated xxx agreed between the Parties.

3. The Vision and the Objective

The Parties intend to collaborate to deliver the Vision and the Objective.

4. The Delivery Programme

4.1 The Parties will as soon as reasonably practicable establish a Delivery Programme that provides structure to the delivery of the Vision and the Objective and will take the Delivery Programme to a meeting of the Project Board for consideration and approval.

4.2 The Delivery Programme shall include (but not be limited to):

- (a) all of the Activities;
- (b) commentary on how each Activity contributes to the delivery of the Vision and the Objective and which Party shall be responsible for the completion of the Activity;
- (c) a timeline for completion of each Activity and the Delivery Programme and an estimated budget for delivering the Delivery Programme.

5. **Governance**

- 5.1 The Parties shall comply with the governance arrangements as set out in Schedule 2 (Governance).
- 5.2 The Parties agree that NPTCBC shall be the Accountable Body. The Parties agree that the Accountable Body shall accept the Government Funding on behalf of the Parties subject to any supplementary agreements which need to be in place between the Parties.

6. **The Parties' Commitments**

- 6.1 Each Party shall use reasonable endeavours to:
- (a) support delivery of the Vision and the Objective in accordance with this Memorandum;
 - (b) provide full and timely consultation on decisions pertaining to elements of the Delivery Programme that are applicable to it;
 - (c) commit to the use of resources to ensure the timely and cost-effective delivery of the Delivery Programme and the Objective and
 - (d) seek to support the delivery of the Delivery Programme and any element of the Delivery Programme in respect of which that Party has agreed to undertake obligations, in accordance with its powers and statutory functions, and available resources wherever possible
- 6.2 The Parties shall work together to identify funding sources (whether third party or otherwise in each case) to support the Delivery Programme and the Objective.
- 6.3 The Parties shall be equally responsible for the Costs and each Party shall pay their 25% cost contribution to the Banker within 14 days of demand by the Banker, supported by evidence for the costs then demanded. In the event any Value Added Tax is not recoverable, Value Added Tax liability will be met by the parties equally. The Parties hereby agree a maximum budget as of the date of this Memorandum of Agreement in the sum of £800,000 (£250,000 per party) subject to any variation that may agree by the Project Board.
- 6.4 The Parties recognise that there may be insufficient Government Funding to cover the Costs and Staff Costs The Accountable Body shall reimburse the Parties equally for Costs incurred and costs in relation to Celtic Freeport Staff ("Staff Costs") from the date of this Memorandum of Understanding when in receipt of the Government Funding or other income or funding from, for example landowners, provided such expenditure is properly incurred, agreed by the Project Board and evidenced (as may be required by the Accountable Body) and is in accordance with the Delivery Programme. For the avoidance of doubt expenditure not authorised by the Project Board shall not be capable of being repaid to Parties.
- 6.5 The Parties shall (subject to the sub-clause of this clause 6.5 and to clause 16) keep all information received pursuant to this Memorandum confidential and only ensure those individuals that need to know such information are in receipt of it. Where information is to be

disclosed to an external party it shall be done so with suitable confidentiality provisions in place and with prior agreement of all Parties. The foregoing confidentiality requirements of this clause shall not apply to any disclosure of information:

- (a) Where a Party can demonstrate that such information is already generally available and in the public domain otherwise than as a result of a breach of this clause;
- (b) Which is already lawfully in the possession of the receiving party, before it disclosure by the disclosing party;
- (c) By PCC or NPTCBC to any other department, office or agency of the Government, provided that the disclosing party informs the receiving party of any duty of confidence owed in respect of the confidential information.

7. Collaborative Working

7.1 The Parties agree that the Activities under this Memorandum shall be performed in:

- (a) good faith;
- (b) accordance with the law;
- (c) a good and workmanlike manner; and
- (d) accordance with good industry practice.

7.2 The Parties may decide to disclose (subject to procurement, data protection and confidentiality restrictions) to each other all relevant information, data, documents, reports and opinions with respect to the work carried out as part of the collaboration. Any information provided to Parties pursuant to the Vision and Objective shall be held on a confidential basis (save for the provisions identified in Clause 16)

7.3 The Parties agree that all services procured in relation to the Objective shall be procured on behalf of and for the benefit of all the Parties and the Party procuring or in receipt of such services shall ensure that all such information and materials are shared fully and promptly with the other Parties.

8. Engagement with Third Parties

8.1 The Parties acknowledge that the delivery of the Vision and the Objective will involve negotiations and interactions with various third parties. The Parties shall, at the outset of the Delivery Programme, identify appropriate third parties and decide how best to engage with them in order to enter into appropriate contractual arrangements or other Memorandums to facilitate the delivery of the Delivery Programme. The Parties shall at all times act in good faith towards one another when dealing with other third parties.

9. Banker

9.1 The Banker will be responsible for paying invoices in relation to services procured in relation to the Objective, collecting relevant contributions from each of the Parties.

10. **Branding, Marketing and Publicity**

- 10.1 Any branding or intellectual property rights developed through the collaboration resulting from this Memorandum and associated with the Objective shall be owned exclusively by the Parties and the CLG jointly. The Parties license all such rights to the other Parties and the CLG ("**Licensees**") free of charge and on a non-exclusive, worldwide basis (a) to such extent as is necessary to enable the Parties to support the Objective during the life time of this Memorandum and (b) without restriction thereafter.
- 10.2 The prior written consent of all Parties, via the Project Board, is necessary before any press announcements or publications are made relating to the collaboration or the Objective, subject to any delegated authority granted by the Project Board to the Interim Chief Executive..

11. **Variation**

- 11.1 No variation of this Memorandum shall be effective unless it is signed by all the Parties (or their authorised representatives).

12. **Compliance**

- 12.1 The Parties recognise that the PCC and NPTCBC are contracting authorities for the purposes of the Procurement Regulations. PCC and NPTCBC shall ensure that any procurements are conducted in accordance with their constitutions and, as required, the Procurement Regulations.
- 12.2 The Parties recognise that the PCC and NPTCBC are subject to the Subsidy Control Act 2022. PCC and NPTCBC shall ensure that the use of public resources in relation to the Celtic Freeport is in accordance with the Subsidy Control Act 2022.

13. **Dispute Resolution Procedure**

If any dispute arises out of, or in connection with this Memorandum, the Parties shall follow the dispute resolution procedure set out at Schedule 3 (Dispute Resolution Procedure).

14. **Termination**

- 14.1 Any Party may terminate this Memorandum by providing 30 days written notice to all Parties.
- 14.2 For the avoidance of doubt, upon termination in accordance with clause 14.1, all Parties shall still be liable for their share of the financial contributions incurred or committed upto and including the date of such termination as a result of the Activities.
- 14.3 Clauses 6.5, 10, 13, 14.2, 15, 16 and 20 shall survive termination and expiry of this Memorandum for all Parties.

15. **Data Sharing**

The Parties are independent data controllers (within the meaning of the Data Protection Legislation) and shall comply with the Data Protection Legislation. In the event that one Party processes personal data (as defined in the Data Protection Legislation) on behalf of another Party, an appropriate data processing agreement shall be entered into. In the event that there

shall be sharing of personal data by the Parties then a data sharing agreement shall be entered into.

16. **Freedom of Information & Environmental Impact Regulations**

- 16.1 The Parties acknowledge that the Freedom of Information Act 2000 (“**FOIA**”) and Environmental Impact Regulations 2004 (“**EIR**”) apply to PCC and NPTCBC (each an “**FOIA / EIR Party**” for the purposes of this clause 16 (Freedom of Information & Environmental Impact Regulations) where the FOIA / EIR Party has obligations and responsibilities under FOIA and EIR to disclose, on written request, recorded information held by it).
- 16.2 Although reasonable endeavours will be used to hold confidential any information provided as part of the collaboration, if required, the FOIA / EIR Party may have to disclose information in response to a request, unless the FOIA / EIR Party decides that one of the statutory exemptions under FOIA or EIR applies.
- 16.3 The decision as to which information will be disclosed by the FOIA / EIR Party is reserved to that FOIA / EIR Party, notwithstanding any consultation with the other Parties.
- 16.4 Each of the other Parties accepts that the release of certain information pursuant to this clause 16 (Freedom of Information & Environmental Impact Regulations) may be prejudicial to its commercial interests and as such, to assist the FOIA / EIR Party with any responses to requests made under FOIA or EIR, each of the other Parties shall mark as confidential any information which is commercially confidential in nature, though the FOIA / EIR Party shall still be the final arbiter as to whether any documents are disclosable.
- 16.5 The Parties accept that the obligations under FOIA and EIR may apply to activities on which PCC and NPTCBC work with each and all of the other Parties as part of the collaboration.
- 16.6 In certain circumstances, and in accordance with the Code of Practice issued under section 45 of FOIA, the FOIA / EIR Party may consider it appropriate to ask the other Parties for their views as to the release of any information before a decision on how to respond to a request is made. In dealing with requests for information under FOIA, the FOIA / EIR Party must comply with a strict timetable and the FOIA / EIR Party would, therefore, expect a timely response to any consultation within two Working Days.

17. **Statutory Functions**

- 17.1 Nothing in this Memorandum shall be construed as a fetter, restriction or oblige any Party to do or omit to do anything which in each case:
- (a) is incompatible with the lawful exercise of its powers; or
 - (b) is incompatible with the lawful discharge of its functions; or
 - (c) divests it of its statutory powers; or
 - (d) obliges it not to exercise its powers,

and in every instance where there is an inconsistency or conflict between statutory functions (whether powers or duties) and the provisions of this Memorandum, the Parties shall not be

obliged to comply with the terms of this Memorandum.

18. Entire Memorandum

18.1 This Memorandum constitutes the entire Memorandum between the Parties and supersedes and extinguishes all previous drafts, Memorandums, arrangements and understandings between them, whether written or oral, relating to its subject matter.

18.2 The Parties may not rely on other documents, oral Memorandums or representations as to the operation of the collaboration unless such obligations are covered in the Memorandum.

18.3 Each Party agrees that it shall have no remedies in respect of any representation or warranty (whether made innocently or negligently) that is not set out in this Memorandum. No Party shall have any claim for innocent or negligent misrepresentation based on any statement in this Memorandum.

19. No Partnership

Nothing in this Memorandum is intended to, or shall be deemed to, establish any partnership between the Parties, or authorise any Party to make or enter into any commitments for or on behalf of the other Parties, except to the extent that such commitments are set out in the Memorandum and relate exclusively to the collaborative work undertaken by the Parties under this Memorandum.

20. Governing Law and Jurisdiction

20.1 Clause 6.3, 6.4, 6.5, 10.1, 14, 15, 16, 17, 18, this Clause 20, and clause 21 of this Memorandum of Understanding are intended by the Parties to be legally binding. The provisions set out in the remaining paragraphs of this Memorandum are not intended by the Parties to be legally binding

20.2 This Memorandum and any dispute or claim arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the laws of England and Wales.

20.3 Each Party irrevocably agrees that, subject to clause 13 (Dispute Resolution Procedure), the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim arising out of or in connection with this Memorandum or its subject matter or formation (including non-contractual disputes or claims).

21. Third Party Rights

A person or entity which is not a Party to this Memorandum shall not have any rights under the Contracts (Rights of Third Parties Act) 1999 to enforce any term of this Memorandum.

22. Counterparts

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

SCHEDULE 1

The Vision

- (1) The Parties wish to engage in developing the Celtic Freeport in a collaborative and fair way to implement and deliver the proposals set out in the Bid. (hereinafter referred to as “the **Vision**”)
- (2) The Parties wish to work together to progress the implementation of the Bid to include the development of the Outline Business Case and tax sites, to include
 - Development of decision making systems and management mechanism though to full business case approval and beyond into operational phase as a Freeport Company;
 - Development of governance procedures for the deployment of monies accrued from retained business rates and distributed via a pooling mechanism between PCC and the NPTCBC;
 - Detailed planning discussions with owners of tax sites and development of a mechanism for managing these relationships;
 - Managing the distribution of seed capital from the government.
 - Development of a detailed project plan, as required by Government, identifying how key objectives will be achieved, with the outcome that the Celtic Freeport becomes a sustainable operational body.
 - Organisation of a dedicated core Celtic Freeport resource team within each Local Authority to manage this process. Others resources will be on a commissioned basis.
 - A programme of ongoing lobbying as to the purpose of the Celtic Freeport and the wider benefits which will accrue to the region

(“the **Objective**”)

- (3) To achieve the Vision and the Objective the Parties shall
 - (a) enter into this Memorandum signalling a wish to work collaboratively in developing the Celtic Freeport;
 - (b) Identify and agree the appointment of the Consultant;
 - (c) Identify and agree the appointment of the Interim CEO;
 - (d) Identify and agree the appointment of Other Professional Advisers as the Parties require to assist in the Objective;
 - (e) Develop the CLG, its governance arrangements and identify appropriate Directors;
 - (f) Identify Celtic Freeport Team and the utilise the Celtic Freeport Team in furtherance of the Objective;
 - (g) Develop the role and underpinning principles of the Accountable Body;

- (h) Develop proposals for the business model for the Celtic Freeport;
 - (i) Undertake preparation for the designation of tax sites;
 - (j) Finalise the Outline Business Case;
 - (k) Undertake engagement with potential tax site landowners;
 - (l) Finalisation of tax site boundaries;
 - (m) Undertake preparation of agreements in relation to tax site delivery with relevant landowners; heads of terms for TSDAs; number of agreements; structure of agreements issue pack to landowners and agree agreements;
 - (n) Engage with other relevant collaborations and regional initiatives
- (hereinafter referred to as “the **Activities**”)

SCHEDULE 2

Governance

The Parties agree to collaborate through a Project Board (the "**Project Board**"), and shall adopt the following governance framework in respect of the Project Board:

1. Project Board Members

- a. Each Party shall nominate one (1) representative as their appointee member ("**Appointee Member**")
- b. Each Appointee Member may appoint an alternate to attend specific meetings of the Project Board. Such alternate shall have appropriate experience, knowledge and authority pertaining to the matters to be discussed at such meetings.

Other representatives of the Parties shall be entitled to attend meetings of the Project Board as and when required taking into account the commitment by the Parties to deliver the Vision and the Objective but shall have no voting status.

- c. Each Party shall ensure their Appointee Member has sufficient authority to make decisions at Project Board meetings which will be binding on the relevant Party. In the event that an appointee member does not have the relevant authority in respect of any decision, the decision of the Project Board will not be binding upon the relevant Party until such time as the decision has been considered and approved by the relevant Party in accordance with its requirements, such consideration and approval to be dealt with promptly by the relevant Party.
- d. The S151 Local Government Act 1972 Officers of both PCC and NPT shall be invited to attend meetings of the Project Board (in an observing capacity only).

2. Chair, Decision Making and Secretariat

- a. The Chair for the Project Board shall be agreed by the Appointee Members at the first meeting of the Project Board.
- b. Any decision making shall be unanimous. For the avoidance of doubt where a determination is not unanimous it shall be determined in accordance with the Dispute Resolution clause.
- c. NPTCBC shall undertake the administrative support. The secretariat function shall include:
 - i. the setting up of meetings and hiring of venues;
 - ii. all notifications to Parties and Project Board members;
 - iii. preparing the agenda and minutes for each meeting,

and such other secretarial functions as are appropriate to the proper functioning of the Project Board.

3. Agenda and Minutes

- a. The secretariat shall circulate the agenda for each meeting at least 2 working days before the date of the meeting, together with copies of all supporting documentation relating to the agenda items.
- b. The secretariat shall circulate a first draft of each set of meeting minutes within 5 Working Days following the date of the meeting. Each Appointee Member (or attending alternate) shall notify any errata to the secretariat within 3 days of receipt and the secretariat will issue a final set of minutes within 10 Working Days of the meeting.

4. Meetings

The Project Board will initially meet every two weeks and or as required by any of the appointee member

5. Governance

- a. In accordance with the main provisions of this Memorandum, the key activities of the Project Board are:
 - i. to appoint a Consultant and Interim CEO;
 - ii. to agree the authority of the Interim CEO (and associated delegations required) ;
 - iii. to consider and approve the Delivery Programme prepared by the Interim CEO;
 - iv. to consider and agree a governance structure for the CLG and the board membership of the CLG
 - v. to consider and approve the appointment of Other Professional Advisers;
 - vi. to consider recommendations of the Interim CEO and Consultant, and the Parties about how to deliver the Vision and the Objective and to make decisions on such matters;
 - vii. receipt of regular updates on the progress of the Delivery Programme;
 - viii. to agree the Budget covering anticipated income and expenditure to achieve the Objective and to subsequently monitor budget in connection with the Delivery Programme and the Objective;
 - ix. to consider and agree the approach to the use of Government Funding to reimburse the Costs and Staff Costs incurred by the Parties;
 - x. to provide written approval before any press announcements or publications are made relating to the Objective;
 - xi. oversee the development of the Outline Business Case, approve it, and submit it to Government; and
 - xii. to consider any other matters and make any decisions which are reasonably necessary for the Vision and Objective from time to time.

- b. The Project Board may establish sub-groups where this is considered appropriate in connection with specific elements of the Delivery Programme and will facilitate the progress of the same.

SCHEDULE 3

Dispute Resolution Procedure

1. If any dispute arises out of, or in connection with this Memorandum, the Parties shall follow the procedure set out below.
2. The initiating Party shall give to the other Parties written notice of the dispute, setting out its nature and full particulars, together with relevant supporting documents. On receipt of this written notice, the other Parties shall attempt in good faith to resolve the dispute at meeting of the Project Board.
3. If the Parties are unable to resolve the dispute within 30 days of receipt of the written notice as detailed in paragraph 1 above, the Parties shall attempt to settle the dispute by reference of the dispute to, in the case of ABP, their Chief Commercial Officer, MHPA, their Chief Executive Officer and in the case of PCC and NPTCBC to the Chief Executives.
4. If the Parties are unable to resolve the dispute within 30 days of reference of the dispute in accordance with paragraph 3 above, then the dispute shall be referred to a mediator for resolution. The Parties will attempt to agree upon the appointment of a mediator, upon receipt, by any of them, of a written notice to concur with such appointment. Should the Parties fail to agree within 14 days, a Party, upon giving written notice, may apply to the President or Deputy President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a mediator.
5. If the Parties are unable to resolve the dispute within 30 days of reference of the dispute under paragraph 4 above, then the Parties may undertake such measures to resolve the dispute as are lawfully available to them.

Schedule 4

Accountable Body

The Accountable Body will be accountable to the Government for the expenditure and management of centrally funded public money provided for the development of the Celtic Freeport and will perform the following functions:

- (1) Receive Government Funding on behalf of the Parties.
- (2) Ensure that Government Funding is used appropriately in accordance with the law, good financial management and any applicable grant conditions.
- (3) Establish and maintain financial systems to account for all Government Funding received and disbursed.
- (4) Establish a mechanism for the reimbursement of Costs equally between the Parties out of the Government Funding.
- (5) Ensure that all required information on expenditure, activities and outcomes are properly recorded and reported.
- (6) Ensure that good governance is embedded in the decision-making arrangements.

Schedule 5

Interim CEO and Consultant Indicative Roles

1. Interim CEO

- 1) Overall responsibility to the Project Board to produce Delivery Programme, deliver the Outline Business Case and set-up on a day-to-day basis in accordance with the Vision and the Objective
- 2) Lead on Governance to the Project Board
- 3) Key point of contact and face of Celtic Freeport to Government
- 4) Convene regular working group meetings
- 5) Develop Outline Business Case
- 6) Manage external advisers/ Other Professional Appointments
- 7) Overall accountability for project Budget to Outline Business Case conclusion
- 8) Devise and lead negotiations on tax site agreements
- 9) Develop how the Celtic Freeport's relationship will function with other regional bodies
- 10) Handle any external commercial enquiries and triage appropriately
- 11) Develop post Outline Business Case resource plan and budget

2. Consultant

Component	Description
1. Outline Business Case (OBC)	<ul style="list-style-type: none"> } Leading on the development of all OBC documentation, produced to be compliant with Government guidance. } Supporting the further development of the bid-stage narrative and detailed components of: <ul style="list-style-type: none"> o the strategic rationale, and o tax and customs sites offer. } Financial analysis, including: <ul style="list-style-type: none"> o building a tax and business rates model (working with promoters and end-users to develop realistic time scales for development at each of the tax sites), o additionality analysis, o Freeport governance and operating costs, and o further work around seed capital funding requirements. } Economic modelling, narrative and analysis. } Developing and maintaining a Freeport risk register.

	<ul style="list-style-type: none"> } Developing and maintaining a Freeport Implementation Plan. } Coordinating and guiding technical inputs from others, e.g. around decarbonisation, skills and innovation strategies. } Supporting the development of the Freeport governance arrangements. } Support to the Freeport Board, working-level officer group and Project Director. } Support in engagement with the UK and Welsh Governments and in agreeing the scope of the OBC, responding to feedback on draft submissions until the point of final approval.
<p>2. Tax site designation and Tax Site Delivery Agreements</p>	<ul style="list-style-type: none"> } Progressing the crucial Tax Site Delivery Agreements, including: <ul style="list-style-type: none"> o setting out what is required in these, from whom, when, and why, o financial analysis to underpin the commitments being made by the parties to these agreements, o supporting delivery plans/timetables. } The extent to which we are involved in liaison/negotiation with promoters and end-users, the local authorities and others who will be party to or impacted by the agreements, will depend on the nature of the agreements, and may be more appropriately undertaken by legal advisors. } Supporting the liaison with DLUHC, HMT and the Welsh Government on the formal designation (through legislation) of tax sites.

Schedule 6

Indicative Budget

The below is the indicative budget for the Costs up to submission of the Outline Business Case and is subject to agreement by the Project Board.

Category	Run Rate	Estimate
Bid Director	£20k pcm	£120k
Other Staff	£20k pcm	£120k
Accountable Body	£5k	£30k
Legal		£!50-200K
Accounting / set - up		£20k
Contingency		£100k
Business Case Advice (OBC)		£200k
Tax Site Advice		£100-150k
Total		£540-720K

Execution

Executed as a Deed by

ASSOCIATED BRITISH PORTS

By a DIRECTOR

In the presence of:

Witness Name:

Witness Signature

Witness Address

Executed as a Deed by

MILFORD HAVEN PORT AUTHORITY

By a DIRECTOR

In the presence of:

Witness Name:

Witness Signature

Witness Address

THE COMMON SEAL OF

NEATH PORT TALBOT COUNTY

BOROUGH COUNCIL

Was hereunto affixed

In the presence of:

THE COMMON SEAL OF
PEMBROKESHIRE COUNTY
COUNCIL

Was hereunto affixed

In the presence of:

.....