

Template LEGAL OPINION

This is a sample legal opinion for the purpose of paragraph (A) of Part A (Initial Conditions Precedent) of Schedule 1 (Conditions Precedent) to the Contract for Difference Standard Terms and Conditions. It is issued by the CfD Counterparty as guidance. It is not a binding form and is merely an illustration of a form of opinion that is currently likely to be acceptable to the CfD Counterparty. This form of legal opinion is drafted on the basis that the Generator is a company, incorporated in England and Wales.

[Generator's Unique Reference Number]

To: Low Carbon Contracts Company Ltd
Fleetbank House
2-6 Salisbury Square
London
EC4Y 8JX
(as the "**CfD Counterparty**").

[Date]

Dear Sirs,

Contract for Difference relating to [name of Project]

Introduction

1. We refer to the Contract for Difference (the "**Contract for Difference**") dated [], 20[] and made between (1) [Generator] (the "**Generator**") and (2) the CfD Counterparty. Unless otherwise defined in this letter, terms and expressions defined in the Contract for Difference have the same meanings when used in this letter.
2. This letter is provided pursuant to paragraph (A) of Part A (*Initial Conditions Precedent*) of Schedule 1 (*Conditions Precedent*) to the Conditions forming part of the Contract for Difference.
3. We have acted as English legal advisers to the Generator in connection with the Contract for Difference. This letter may be relied upon only by the Generator and the CfD Counterparty and may be used only in connection with the Contract for Difference.

4. The provision of this opinion is not to be taken as implying that we owe any duty of care to anyone other than our client in relation to the content of the Contract for Difference or the commercial and financial implications of the Contract for Difference. The provision of this opinion does not create or give rise to any client relationship between this firm and the CfD Counterparty.
5. This letter sets out our opinion on certain matters of English law as at today's date and as currently applied by the English courts. We express no opinion on European Union law as it affects or would be applied in any jurisdiction other than England and Wales. We have not made any investigation of, and do not express any opinion on, any other law.
6. This letter is to be governed by and construed in accordance with English law.
7. For the purposes of this letter, we have examined:
 - (A) an executed copy of the Contract for Difference including version [], 20[] of the Contract for Difference Standard Terms and Conditions incorporated into the Contract for Difference;
 - (B) a copy of the Certificate of Incorporation, [*the Certificate[s] of Change of Name,*] Memorandum and Articles of Association (together with the resolutions and agreements filed under section 30 of the Companies Act 2006 and its predecessors) of the Generator, certified as true, complete and up to date by [*name of certifying director or secretary*];
 - (C) a copy of the minutes of a meeting of the Board of Directors of the Generator held on [], 20[], certified as true, complete and up to date by [*name of certifying director or secretary*]; and
8. For the purposes of this letter, we have carried out:
 - (A) a search at the Registrar of Companies in respect of the Generator on [], 20[] []; and
 - (B) a [*telephone*] search at the Central Registry of Winding-Up Petitions in respect of the Generator on [], 20[]],

together the "**Searches**".
9. We have made all due enquiry [*details can be given*] and are satisfied that:-
 - (A) the resolutions passed and authorisations given at the meeting referred to in paragraph 7(C) have not subsequently been amended, revoked, rescinded or superseded;
 - (B) no proposal for a voluntary arrangement has been made, and no moratorium has been obtained, in relation to the Generator under Part I of the Insolvency Act 1986;
 - (C) the Generator has not given any notice in relation to or passed any winding-up resolution;

- (D) no application has been made or petition presented to a court, and no order has been made by a court, for the winding up or administration of the Generator, and no step has been taken to strike off or dissolve the Generator;
- (E) no liquidator, administrator, receiver, administrative receiver, trustee in bankruptcy or similar officer has been appointed in relation to the Generator or any of its assets or revenues, and no notice has been given or filed in relation to the appointment of such an officer;
- (F) no insolvency proceedings or analogous procedures have been commenced in any jurisdiction outside England and Wales in relation to the Generator or any of its assets or revenues; and
- (G) any restrictions on borrowing in the Articles of Association of the Generator will not be contravened by entry into and performance by the Generator of the Contract for Difference.

Assumptions

10. For the purposes of this letter, we have assumed each of the following:

- (A)
 - (i) the information disclosed by the Searches was complete, up to date and accurate as at the date each was conducted and has not since then been altered or added to; and
 - (ii) the Searches did not fail to disclose any information which they should have disclosed relevant for the purposes of this opinion;
- (B) the minutes referred to in paragraph 7(C) truly record the proceedings of a duly convened, constituted and conducted meeting of the Board of Directors of the Generator; and
- (C) the directors of the Generator have acted in good faith in relation to the approval of and entry into the Contract for Difference.

Opinion

11. Based on and subject to the foregoing, and subject to the reservations set out below, we are of the opinion that the Generator:

- (A) is duly formed and validly existing under the laws of England; and
- (B) has the power to enter into and perform, and has taken all necessary action to authorise its entry into and performance of, the Contract for Difference.

Reservations

12. Our reservations are as follows:

- (A) we express no opinion in this letter as to the validity, binding effect or enforceability of the rights or obligations of the Generator under the Contract for Difference; and

- (B) the Searches are not conclusive as to whether or not insolvency proceedings have been commenced in relation to the Generator or any of its assets. For example, information required to be filed with the Registrar of Companies or the Central Registry of Winding up Petitions is not in all cases required to be filed immediately (and may not be filed at all or on time); once filed, the information may not be made publicly available immediately (or at all); information filed with a District Registry or County Court may not, and in the case of administrations will not, become publicly available at the Central Registry; and the Searches may not reveal whether insolvency proceedings or analogous procedures have been commenced in jurisdictions outside England and Wales.

Yours faithfully,