

Agri-Environment Climate Scheme – Contract

In relation to your Approved Application under the Scheme, the Scottish Ministers, acting in accordance with their functions and powers under the Regulations, offer to award to you the Grant, on the following terms and conditions set out in this Agreement:-

Acceptance of this Offer will have certain legal consequences and you are advised to take independent legal advice before signing.

1 Definitions and Interpretation

1.1 In the Agreement, the words and expressions set out in Schedule Part 1 shall have the meanings ascribed to them in that part of the Schedule.

1.2 The Schedule forms part of the Agreement.

1.3 NatureScot is the operating name of Scottish Natural Heritage.

2 The Grant

2.1 The Parties agree that the Agreement is entered into under the terms of the Regulations.

2.2 Subject to the terms of the Agreement and the Regulations, the Scottish Ministers agree to make available the Grant to you in accordance with the Schedule of Works.

2.3 If the Standard Payment Rates are modified during the Period, the amount of the Grant may be recalculated and varied at the discretion of the Scottish Ministers.

2.3.1 Where the Scottish Ministers intend to recalculate and vary the Standard Payment Rates, the Scottish Ministers will notify you in writing of the proposed amendments.

2.3.2 If you do not accept the proposed amendments, you must write to the Scottish Ministers within 28 days of the date of the notice provided by them in terms of Clause 2.3.1 and the Agreement will terminate from the date of the Scottish Ministers' notice.

2.3.3 If the Agreement terminates in accordance with Clause 2.3.2, reimbursement of Grant previously received under the Agreement will not be required.

2.4 If, during the Period, (i) the Property can be re-measured more accurately to a better degree of precision by the Scottish Ministers or their representatives and (ii) the result of the re-measurement decreases any area approved in the Agreement; the Grant may be recalculated and the Scottish Ministers shall be entitled to recover any overpayment of Grant in accordance with the terms of the Agreement and the Regulations taking into account the appropriate reductions and exclusions permitted under the Regulations or any other Legal Requirement.

2.5 In no event shall the Scottish Ministers be obliged to release more than the amount of the Grant.

3 The Approved Activities

3.1 The Grant will be used towards the cost of carrying out, and (if applicable) maintaining, the Approved Activities.

3.2 You must carry out and (if applicable) maintain the Approved Activities so that:-

- 3.2.1 you comply with the Scheme Guidance;
- 3.2.2 you comply with the terms of the Agreement;
- 3.2.3 you meet the requirements of the Scheme;
- 3.2.4 you accord with the periods set out in the Schedule of Works and/or the Specific Undertakings;
- 3.2.5 you comply with the Specific Undertakings; and
- 3.2.6 you comply with the requirements set out in the Supporting Documentation and on the Map(s).

3.3 You must notify the Scottish Ministers in writing (or by e-mail) as soon as possible if the Approved Activities fall behind the periods set out in the Schedule of Works and/or the Specific Undertakings or if you cannot complete any of the Approved Activities.

3.4 If you can no longer meet the requirements set out in the Scheme Guidance and the Agreement you can submit a written request to the Scottish Ministers seeking to vary the Agreement, which the Scottish Ministers will either approve or refuse in accordance with the Scheme Guidance.

3.5 You acknowledge by your acceptance of this offer that you have read the Scheme Guidance and that you undertake to comply with the requirements set out in the Scheme Guidance and to ensure that you make yourself aware of changes to the Scheme Guidance published from time to time.

4 Inspections, Monitoring & Reporting

4.1 You must permit the Scottish Ministers and their authorised representatives access to the Property and any other land or premises required by the Scottish Ministers.

4.2 Access by the Scottish Ministers will be at any reasonable hour (and without notice being given) for the purpose of inspecting the Property, any other land or premises and your livestock, any relevant crops, trees, woodland, machinery, equipment, documents and records and for carrying out any inquiries, checks, examinations, measurements or tests or for taking samples and recording their findings, in order

(i) to verify that the information given in your Application for Aid is correct;

(ii) to verify that the Approved Activities are being carried out in accordance with the Agreement; and

(iii) to carry out any other inspection required in terms of the Regulations; all as permitted by the Regulations.

4.3 You must provide such assistance to the Scottish Ministers, or their representatives, as is reasonably required by them in order to carry out an inspection, including:-

- 4.3.1 reproduction of documents, records and information, whether held electronically or in hard copy, in an easily readable format; and
- 4.3.2 where the inspection includes an inspection and counting of livestock, the collection, penning and securing of that livestock and presenting livestock for inspection in a safe and secure manner.

4.4 You must provide the Scottish Ministers, on request, with such information, explanations and documents as the Scottish Ministers may reasonably require, including access to computers and electronic systems holding such documents and information, so that the Scottish Ministers can ensure that the Grant is being properly used in accordance with the terms of the Agreement and for monitoring and evaluation purposes.

4.5 During any inspection, the Scottish Ministers or their representatives, are entitled to seize and retain any document or record if they reasonably believe that it may be required as evidence in any proceedings which may be taken against you under the Regulations.

4.6 You must keep all invoices, accounts and other relevant documents required by the Scottish Ministers in terms of the Scheme Guidance. Where the Grant is to be used to purchase heritable property, you must keep such documents for a period of 10 years, and, in all other circumstances, for a period of 6 years, from the last date of payment of the Grant.

5 Conditions for Payment

5.1 Conditions Which Must be Complied With Prior to Completion of the Agreement

The obligations of the Scottish Ministers under the Agreement, shall not come into effect until the Scottish Ministers have notified you that they have received all of the Completion Documents (if any).

5.2 Conditions Which Must be Complied With Prior to Payment of any Instalment of the Grant

The Scottish Ministers are not obliged to make available to you any instalment of the Grant until they (i) have received the relevant Claim completed in accordance with Clause 6 below; and (ii) are satisfied that the following conditions have been met:-

5.2.1 you have (i) complied with the terms of the Agreement; (ii) have met the Eligibility Conditions and Requirements applicable to the Approved Activities; and (iii) have complied with all relevant Legal Requirements;

5.2.2 no Default has occurred which is continuing;

5.2.3 you have provided all information and documentation required in terms of the Scheme Guidance to verify the Claim;

5.2.4 if selected for inspection by the Scottish Ministers, that the inspection has taken place and that the Scottish Ministers have confirmed that there are no issues arising from that inspection that remain outstanding.

5.3 Each of the conditions specified in Clause 5.1 and 5.2 are for the benefit of the Scottish Ministers and they may waive the conditions or any part of it as they see fit.

6 Payment

6.1 The Grant can be claimed by you in accordance with (i) the Schedule of Works; (ii) the Specific Undertakings; and (iii) the terms of the Agreement.

6.2 You must ensure that, before submitting a Claim, all the conditions detailed in Clause 5.2 (other than 5.2.4) have been satisfied or will be satisfied by submission of the Claim with the required supporting information.

6.3 If you are a grazing committee, payment of the Grant will be made to the Clerk of the grazing committee who shall distribute it accordingly.

7 Warranties

You warrant (i) on the date of the Agreement; (ii) on the date of submission of each Claim; and (iii) on the date of payment of each instalment of the Grant; that:-

7.1 Powers and Authority you have full power and authority to enter into and perform your obligations contained in the Agreement;

7.2 Information

7.2.1 you have checked that you continue to comply with all of the Eligibility Conditions and Requirements;

7.2.2 all information provided by you to the Scottish Ministers in relation to your Application for Aid was true in all material respects as at the date on which it was provided. All statements of belief and opinion contained in that information were honestly held and made in good faith, having made all investigations that would be reasonable to ascertain the information;

7.2.3 to the best of your knowledge and belief, you have not failed to disclose to the Scottish Ministers any information which, if disclosed, could adversely affect the decision of a person considering whether or not to provide a grant on the terms of the Agreement and nothing has

occurred since the date that any information was provided which renders the information untrue or misleading in any material respect;

7.3 Non-Conflict the entry into and the exercise of your rights and the performance of

your obligations under the Agreement do not and will not conflict with:

7.3.1 any Legal Requirement with which you are obliged to comply;

7.3.2 if you are not an individual, your rules of constitution in effect from time to time; or

7.3.3 any document which is binding upon you or any of your assets;

7.4 No Default

7.4.1 no Default is outstanding or could be expected to result from you entering into the Agreement;

7.4.2 no other event is outstanding which constitutes a default under any other document which is binding on you and which relates to the Approved Activities;

7.5 Litigation no judgment, order or decree has been given in any legal proceedings which has had or could be expected to have an adverse effect on your assets, financial condition or business and no such proceedings are presently in process, pending or threatened which might adversely affect your assets, financial condition or business or your ability to perform your obligations under the Agreement;

7.6 Public Funding

7.6.1 you have not claimed payment under any other funding mechanism administered by the Scottish Government Rural Payments and Inspections Division or under any other statutory provision (except where it is specifically authorised under the terms of the Scheme) for any of the same purposes as the carrying out of any Approved Activities;

7.6.2 except with the prior written consent of the Scottish Ministers, no grant assistance from another public body or bodies (other than you) is being sought or has been approved in relation to the Approved Activities;

7.6.3 the carrying out of the Approved Activities will not frustrate the assistance given or to be given out of money provided by or under any statutory provision ;

7.6.4 any used machinery purchased with the Grant has not been the subject of grant aid from any previous Scottish Government funding scheme;

7.7 The Property

7.7.1 the Property is Eligible Land;

7.7.2 you meet the occupancy requirements for the Property set out in the Scheme Guidance;

7.7.3 there are no legal or other restrictions affecting the Property which prevent the carrying out and (if applicable) maintenance of the Approved Activities;

8 General Undertakings

You undertake that during the Period, you shall immediately:-

8.1 Notification of Default or Withdrawal notify the Scottish Ministers, in writing, (or by e-mail):-

8.1.1 if a Default or any change in circumstance happens which would make anything in the Agreement or the Application for Aid incorrect;

8.1.2 if you wish to withdraw from the Scheme and terminate the Agreement; and/or

8.1.3 if you are no longer able to comply with the Scheme Guidance or the terms of the Agreement, including the Specific Undertakings;

8.2 General Information

8.2.1 supply to the Scottish Ministers in writing (or by e-mail) details of any legal proceedings or dispute with any governmental or other authority or any other dispute of any kind which might adversely affect your assets, financial condition or business;

8.2.2 provide information, documents and records requested by the Scottish Ministers;

8.3 Statutory Compliance

8.3.1 comply with all Legal Requirements relating to the Approve Activities and immediately upon becoming aware give to the Scottish Ministers a copy of any notice concerning compliance with Legal Requirements;

8.3.2 before carrying out the Approved Activities, obtain all necessary permissions and consents in order to carry out the Approved Activities including any planning permissions, building warrants and road construction consents;

8.3.3 where appropriate, comply with any relevant British Standards Institution British Standard or equivalent European Union Standard relative to the Approved Activities;

8.4 Restrictions in Relation to Capital Items

8.4.1 if any part of the Grant has been paid for capital items, within a period of 5 years from the date of the final payment:-

8.4.1.1 not make any modification or change that will substantially affect the nature, usage or location of the capital item purchased;

8.4.1.2 not sell, exchange, give away or otherwise dispose of the capital item purchased; without the prior written approval of the Scottish Ministers.

8.4.2 if any part of the Grant has been paid for capital items which are to be purchased through a hire or lease purchase arrangement, have full ownership of the capital item:-

8.4.2.1 by the fifth anniversary of the date of the Agreement; and

8.4.2.2 before submitting the final Claim; and provide the Scottish Ministers with evidence of ownership having transferred to you;

8.5 Public Funding notify the Scottish Ministers if grant assistance from another public body or bodies (other than you) is being sought or has been approved in relation to the Approved Activities;

8.6 Insurance

8.6.1 keep the Property and all buildings, equipment, livestock and other assets which relate to the Approved Activities (including vehicles) insured, with a reputable insurance company and for the full reinstatement value, against loss by fire, storm, theft, impact and all comprehensive perils, and against any additional perils which the Scottish Ministers may require (the "**Insurances**");

8.6.2 subject to the terms of Clause 11.4.8, apply any insurance monies which are paid or payable to you in respect of the Insurances in making good the loss or damage;

8.7 Grazing Committees if you are a grazing committee, ensure that your successors in office of the grazing committee are bound by the terms of the Agreement;

9 Publicity

9.1 You must acknowledge in all publicity materials and publications relating to the Approved Activities that financial assistance has been received from the Scottish Government.

9.2 The Scottish Ministers shall be entitled to publicise the detail of the award of the Grant, including your name, the amount of the Grant and the name of the Scheme, by any means that the Scottish Ministers deem appropriate.

9.3 You must erect and maintain any poster or plaque required in terms of the Scheme Guidance.

10 Public Access

You must allow access to the Property by virtue of any public rights of way over the Property and comply with your obligations as a land manager in relation to the right of responsible access secured by the Land Reform (Scotland) Act 2003 and the Scottish Outdoor Access Code.

11 Default

11.1 If a Default occurs, the Scottish Ministers may at any time during the Period re-assess, vary, make a deduction from, withhold or require immediate repayment of the Grant or any part of it.

11.2 If the Scottish Ministers intend to exercise their rights under Clause

11.1, they shall first give notice to you of their intention to do so and allow you a reasonable period of time, in which to make representations, which the

Scottish Ministers are obliged to give due consideration to, before exercising their rights under Clause 11.1.

11.3 A certificate by the Scottish Ministers setting out the amount of the Grant due to be repaid will, in the absence of manifest error, be conclusive evidence of the sum to be repaid.

11.4 Each of the following events shall be a Default:-

11.4.1 Non-Payment

Your failure

- (i) to make any repayment required in terms of the Agreement; or
- (ii) to pay any other monies due under the Agreement; within 14 days of the due date.

11.4.2 Breach of Other Obligations

Your failure to comply with the provisions of the Agreement (other than non-payment referred to in Clause 11.4.1) within a reasonable period of time as the Scottish Ministers may stipulate, having regard to the circumstances.

11.4.3 Misrepresentation

Without prejudice to any criminal prosecution that may be initiated, if anything in the Application for Aid, the Agreement, or any information, documents or records submitted in support proves to be misleading or false in any respect (whether such statement is made intentionally, recklessly or negligently).

11.4.4 Unenforceability

The Agreement is (i) terminated; (ii) frustrated; or declared void or unenforceable by any court of competent jurisdiction; or is claimed to be void or unenforceable by you.

11.4.5 Insolvency Proceedings

You are sequestrated, become apparently insolvent or enter into a trust deed for the benefit of your creditors or being a company you go into liquidation, whether voluntary or compulsory (other than a voluntary liquidation of a solvent company for the purposes of amalgamation or reconstruction) or appoint a receiver or have a receiver appointed or have an administration order made.

11.4.6 Litigation

Any legal proceedings are initiated which, if adversely determined (the likelihood of which shall be within the absolute discretion of the Scottish Ministers), would have an adverse effect on your ability to comply with your obligations under the Agreement.

11.4.7 Unlawfulness

It is or becomes unlawful for you to perform any of your obligations under the Agreement.

11.4.8 Damage

If the Property or any of the assets in respect of which the Grant has been paid are destroyed and (i) no insurance proceeds are available; or (ii) the Scottish Ministers agree that the Property or assets cannot be reinstated in terms of Clause 8.6.2.

11.4.9 Termination

You terminate the Agreement other than by reason of an event of Force Majeure.

11.4.10 Change of Occupation

11.4.10.1 If there is a change in occupation of the Property or any part of it and within 3 months of that change occurring, you, and/or your successor in occupation of the Property (as the case may be), have not provided to the Scottish Ministers such information and documentation as is required in terms of the Scheme Guidance.

11.4.10.2 The Scottish Ministers do not approve the identity of your successor in occupation in terms of Clause 16 below;

11.4.11 Cessation of Business

You cease or threaten to cease to carry on all or a substantial part of your business which in the Scottish Minister's opinion might have an adverse effect on your ability to comply with your obligations under the Agreement.

11.4.12 Recovery under the Regulations

Any of the events of recovery set out in the Regulations have occurred.

11.5 You will be responsible for paying all costs incurred by the Scottish Ministers in enforcement of the Agreement against you in the event of a Default including, but not limited to, all fees of agents, solicitors, surveyors and accountants employed by the Scottish Ministers.

12 Early Termination or amendment

12.1 You acknowledge that, the terms of the Agreement may be amended by the Scottish Ministers to accord with the legal framework of any future Scottish Rural Development Programme and/or other Scottish Government rural support mechanisms, or any modifications thereof.

12.2 Where the Scottish Ministers intend to amend the Agreement in accordance with Clause 12.1, the Scottish Ministers will notify you in writing of the proposed amendments.

12.3 If you do not accept the proposed amendments, you must notify the Scottish Ministers in writing within 28 days of the date of the notice provided in terms of Clause 12.2 and the Agreement will terminate from the date of the Scottish Ministers' notice.

12.4 In the event that the Agreement terminates reimbursement of aid previously received under the contract will not be required.

13 Penalty

Unless otherwise stated in the Agreement, if you (i) terminate this Agreement, otherwise than by reason of Force Majeure; or (ii) behave recklessly with regard to your obligations under the Agreement; you may be prohibited from applying for any other assistance under the Scheme, or any other scheme operated by the Rural Payments and Inspections Division, for up to 2 years from the date of termination.

14 Overpayments

14.1 If the Scottish Ministers have made an overpayment in respect of the Grant in contemplation of the Agreement:-

14.1.1 you will be obliged to repay such overpayment; or

14.1.2 at their option, the Scottish Ministers may deduct the amount of such overpayment from the next payment or payments of the Grant.

14.2 Unless the overpayment was made as a result of an error by the Scottish Ministers, you will be obliged to pay (or the Scottish Minister will be entitled to deduct from the Grant in accordance with Clause 14.1.2) interest at the Interest Rate from the date of the demand to the date of payment.

14.3 A certificate by the Scottish Ministers setting out the amount of the overpayment will, in the absence of manifest error, be conclusive evidence of the sum to be repaid.

15 Interest

15.1 Except where otherwise specified in the Agreement, if you fail to pay any amount due under the Agreement, interest will be payable on the outstanding amount from, unless otherwise specified, the date of demand for payment up to the date of actual payment at the Interest Rate.

15.2 A certificate by the Scottish Ministers as to the applicable Interest Rate at the relevant date shall be conclusive except for manifest error.

16 Assignment

16.1 You must not assign, transfer, hold on trust or otherwise dispose of any of your rights and/or obligations under the Agreement, other than to a successor in occupation of your interest in the Property (or the relevant part of it) who has:-

16.1.1 had their identity and business plan approved by the Scottish Ministers in advance;

16.1.2 agreed to assume the rights and obligations under the Agreement; and

16.1.3 where required by the Scottish Ministers, agreed to grant a standard security over the Property in the form required by the Scottish Ministers; and

16.2 The Scottish Ministers are entitled to assign their rights and/or obligations under the Agreement.

17 Data Protection & Freedom of Information

17.1 The data you provide to the Scottish Ministers or NatureScot pursuant to the Application for Aid and the Agreement is subject to the provisions of the Freedom of Information (Scotland) Act 2002 (FOISA), the UK General Data

Protection Regulation and the Data Protection Act 2018 (DPA) and the Environmental Information (Scotland) Regulations 2004 (EI(S)R).

17.2 The Scottish Ministers shall be entitled to share relevant data, including historical data, that is held about you and your business with other organisations for legitimate purposes and when required to do so in terms of any Legal Requirement.

17.3 The Scottish Ministers shall be entitled to release relevant data under FOISA and EI(S)R unless a relevant exemption or exception applies.

17.4 The Scottish Ministers shall be entitled to release information held about you, including your identity, the amount of the Grant and information provided as part of your Application for Aid.

18 Statutory Consents

Nothing in the Agreement shall be deemed to constitute the consent of the Scottish Ministers in relation to the carrying out of the Approved Activities in terms of any Legal Requirements.

19 Notices

Any notice or other communication under or in connection with the Agreement shall be (i) by e-mail or (ii) in writing delivered personally or by post:-

19.1 to you at your address set out in the Agreement, or such other address as was given by you as part of the business registration process; and

19.2 to the Scottish Ministers at the relevant contact details set out in the Scheme Guidance, this Agreement or the Covering letter that accompanies this Agreement.

20 Set Off

The Scottish Ministers shall be entitled to set any payment or payments of the Grant off against any other sum owed to the Scottish Ministers.

21 Additional Contractual Provisions

21.1 The Agreement will be governed and construed in accordance with the Laws of Scotland and will subsist for the Period.

21.2 This letter is intended to form part of a contract between the Parties which, when concluded, shall be binding upon them.

21.3 You will indemnify and keep indemnified the Scottish Ministers against any loss, claim, liability, cost or expense suffered or incurred by the Scottish Ministers as a result of any of the warranties proving to be untrue.

22 Timing

We expect you to return one copy of the signed contract to your case officer within **28 calendar days of the date of this offer**. If you do not return the contract **within six weeks** of the date of this Offer then **it may be withdrawn**.

SCHEDULE PART 1 DEFINITIONS AND INTERPRETATION

Section 1 – Definitions

In this Agreement:-

"Agreement" means this Offer and the contract to follow on it;

"Application for Aid" means your application under the Scheme in respect of the Property;

"Approved Activities" means the activities set out in the Schedule of Works, the Supporting Documentation and the Map(s);

"Claim" means a claim for payment of the Grant;

"Completion

Documents" means the documents, if any, detailed in the Annex to Schedule Part 2 (if one is annexed);

"Default" shall have the meaning ascribed to it in Clause 11;

"Eligibility Conditions and Requirements" means the relevant eligibility conditions and requirements specified in the Scheme Guidance and the Regulations;

"Eligible Land" has the meaning set out in the Scheme Guidance in relation to eligibility and occupancy of land;

"Force Majeure" includes (i) the death or long term professional incapacity of you (or any one of you); (ii) expropriation of a large part of the Property; (iii) a severe natural disaster seriously affecting the Property; (iv) the accidental destruction of livestock or buildings on the Property; (v) an epizootic disease affecting all or part of your livestock.

"Grant" means the sum of money you are applying for in Pounds Sterling and set out in the Schedule of Works;

"Interest Rate" means 1 percentage point above the rate set as the London Interbank Offered Rate (LIBOR) on a day to day basis;

"Legal Requirement" means any requirement in respect of or affecting the Property or its use under all United Kingdom regulations and directives (including retained EU law), common law statute, statutory provision (including any subordinate legislation), instrument, rule or regulation, public or local policy or order made by, or any requirement of any competent statutory, public or local authority or the decision of any court of competent jurisdiction;

"Map(s)" means the map(s) forming Schedule Part 4;

"Parties" means the Scottish Ministers and you and "Party" refers to either as the context requires;

"Period" means from the date of signing of this Agreement until such date when all sums and obligations due by you in terms of the Agreement have been repaid and/or complied with; unless it is terminated earlier in accordance with its terms;

"Property" means all land and buildings identified on the Map(s);

"Regulations" means The Rural Development (Scotland) Regulations 2015;

"Schedule" means this schedule annexed to the foregoing Offer and comprising the following Parts:-

1 Definitions and Interpretation

2 Specific Undertakings

- 3 A - Schedule of Works
- 3 B - Supporting Documentation
- 4 Map(s)

"Schedule of Works" means the schedule of works set out in Part 3A of this Schedule as varied by the Scottish Ministers from time to time in terms of the Agreement;

"Scheme" has the meaning ascribed in the Specific Undertakings;

"Scheme Guidance" means the guidance and requirements published from time to time on the website of the Scottish Government in respect of the Scheme;

"Scheme Year" means 1st January to 31st December in each year during the Period;

"Scottish Ministers" means the Scottish Ministers acting through the Scottish Government Rural Payments and Inspections Division;

"Specific Undertakings" means the schedule forming Part 2 of the Schedule;

"Standard Payment Rates" means the fixed pre-defined unit costs in respect of the relevant Scheme published by the Scottish Ministers on their website from time to time;

"Supporting Documentation" means the documentation contained in Schedule Part 3B (if any)

"VAT" means Value Added Tax in terms of the Value Added Tax Act 1994;

Section 2 – Interpretation

Save to the extent that the context or the express provisions of the Agreement otherwise requires, in the Agreement:-

1 any term defined in this Offer or in any of the Parts of the Schedule shall, unless the context requires otherwise, have the same meaning throughout the Agreement;

2 words importing any gender shall include all other genders;

3 words importing the singular number only shall include the plural number and vice versa;

4 obligations contained in the Agreement undertaken by more than one person shall be binding jointly and severally on them and their respective executors and representatives whomsoever without the necessity of discussing them in their order;

5 words importing individuals include corporations and vice versa;

6 references to the Agreement or to any other document shall be construed as reference to the Agreement or to that other document as modified, amended, varied, supplemented, assigned, novated or replaced from time to time;

7 any reference to a Clause, Schedule or Part of the Schedule is to the relevant Clause, Schedule or Part of the Schedule of or to this Offer;

8 reference to any statute or statutory provision (including any subordinate legislation) includes any statute or statutory provision which amends, extends, consolidates or replaces the same, or which has been amended, extended, consolidated or replaced by the same, and shall include any orders, legislation, instruments or other subordinate legislation made under the relevant statute or statutory provision;

9 any phrase introduced by the words "including", "include", "in particular" or any similar expression shall be construed as illustrative only and shall not be construed as limiting the generality of any preceding words; and

10 the headings in the Agreement are included for convenience only and are to be ignored in construing the Agreement.

SCHEDULE PART 2 SPECIFIC UNDERTAKINGS AGRI-ENVIRONMENT CLIMATE SCHEME

In this Schedule the following words and phrases shall have the following meanings:-

"Claim Form" means:- (a) in respect of payment of the Grant for Management Options, the Single Application Form, together with all information required as part of the Single Application Form submission procedure and the Regulations; and/or (b) in respect of payment of Grant for eligible capital costs incurred, the appropriate completed claim form made available through the Scheme Guidance; together with all supporting evidence required under the Agreement;

"Management Diary" means the management diary which may be issued to you by the Scottish Ministers in accordance with the Scheme Guidance;

"Management Options" means the management options relating to the Scheme and set out in the Scheme Guidance;

"Scheme" means the Agri-Environment Climate Scheme administered by or on behalf of the Scottish Ministers; and

"Slurry Storage Facility" means the slurry storage facility funded by the Grant.

In addition to the obligations set out elsewhere in this Agreement, you are also obliged to comply with the following obligations:-

1 Payment Provisions

You must check any pre-printed information on your relevant Claim Form and submit it to the Scottish Ministers by:-

1.1 the Single Application Form deadline in each relevant Scheme Year, in respect of any Management Options; and/or

1.2 the end of the relevant Scheme Year in which the costs are scheduled to be incurred, in respect of eligible capital costs.

2 Management Diary

If required in terms of the Scheme Guidance to maintain a Management Diary, you will:-

2.1 maintain the Management Diary for the required period of the Management Options and/or capital items;

2.2 confirm, by signing the declaration contained in the Management Diary, that you have met the management requirements set out in the Management Diary; and

2.3 at the request of the Scottish Ministers, make the Management Diary available for inspection in accordance with the provisions of Clause 4 of the Agreement.

3 Cross Compliance

In relation to Management Options only, you must comply with the requirements of cross compliance set out in the Scheme Guidance.

4 Slurry Storage

If this Agreement relates to a Slurry Storage Facility, during the Period you undertake:-

4.1 to either:-

4.1.1 only keep the number of livestock that will permit a continuous capacity of six months storage within the Slurry Storage Facility; or

4.1.2 where the number of livestock kept by you is increased having the effect of reducing the capacity in the Slurry Storage Facility to be less than six months, to carry out such works as are required to increase the capacity in the Slurry Storage Facility so as to ensure a continuous capacity of six months storage within the Slurry Storage Facility, all at your own expense.

4.2 to carry out basic maintenance of steading buildings so as to minimise the production of dirty water including, as a minimum requirement, the maintenance or, if missing or broken, the reinstatement of gutters and downpipes to all steading buildings so as to prevent clean water run-off from mixing with dirty water resulting in increased waste being treated as slurry within the Slurry Storage Facility.

5 Additional Conditions

In carrying out the Approved Activities, you undertake to:-