

**Capco** 青山發電有限公司  
Castle Peak Power Company Limited

 **港燈**  
HK Electric

 **HKLTL**

# Hong Kong Offshore LNG Terminal Project

Guidance Note for the Marine Conservation Enhancement Fund / Fisheries Enhancement Fund

September 2023

# Hong Kong Offshore LNG Terminal Project

## Guidance Note for the Marine Conservation Enhancement Fund / Fisheries Enhancement Fund

(Revision Date: September 2023)

### 1 Introduction

1.1 In accordance with Condition 4.10 (under FEP-01/558/2018) and Conditions 4.6 (under FEP-02/558/2018 and FEP-03/558/2018) of the Further Environmental Permits (FEPs) of the Hong Kong Offshore LNG Terminal (**HKOLNGT Project**), Castle Peak Power Company Limited (**CAPCO**), The Hongkong Electric Company, Ltd. (**HK Electric**) and Hong Kong LNG Terminal Limited (**HKLTL**) have prepared an Environmental Enhancement Plan (**EE Plan**) to provide information relating to the environmental enhancement initiatives for marine ecology and conservation, fisheries resources and sustainable development of the fishing industry.

1.2 CAPCO, HK Electric and HKLTL have established two funds in accordance with the EE Plan, the Marine Conservation Enhancement Fund (**MCEF**) and Fisheries Enhancement Fund (**FEF**) (each a **Fund** and together **Funds**). The Funds will separately fund initiatives proposed by third parties (e.g. Non-Governmental Organisations (NGOs), social enterprises, academia and the fishery sector) that support the objectives of each Fund.

#### 1.3 Definitions

Unless the context requires otherwise, the following words shall have the meanings set out below:

**Applicant** means the party making an Application.

**Application** means an application for funding from a Fund.

**Application Form** means the application form for funding from the Fund found on the Website.

**Application Deadline** means the latest time and date for receipt of Applications as stated on the Website.

**Chairperson** means the chairperson of a Committee.

**Committee** means any of the Steering Committee and the Management Committees, and **Committees** means all of them.

**EE Plan** means the Environmental Enhancement Plan prepared by CAPCO, HK Electric and HKLTL in accordance with Condition 4.10 (under FEP-01/558/2018) and Conditions 4.6 (under FEP-02/558/2018 and FEP-03/558/2018) of the FEPs.

**FEF** means the Fisheries Enhancement Fund.

**FEF-MC** means the management committee of the FEF.

**Fund** and **Funds** have the meaning in paragraph 1.2.

**Funded Amount** means the amount of funding provided under a Funding Agreement.

**Funding Agreement** means an agreement between CAPCO, HK Electric and HKLTL and the successful Applicant in relation to the grant of funds from the relevant Fund for the Project in substantially the form set out in the Precedent

Funding Agreement attached to this Guidance Note as Appendix 2.

**Funding Cycle** means the process for granting funds to an Applicant from a Fund.

**Guidance Note** has the meaning in paragraph 2.1

**Grantor** means the Grantor as that term is defined in the Precedent Funding Agreement.

**Management Committee** means each of the MCEF-MC and FEF-MC, and **Management Committees** means both of them.

**MCEF** means the Marine Conservation Enhancement Fund.

**MCEF-MC** means the management committee of the MCEF.

**Member** means a member of a Committee.

**Project** means the study or project the subject of an Application.

**Project Leader** means the leader of a Project.

**Secretariat** means the secretariat to the Committees.

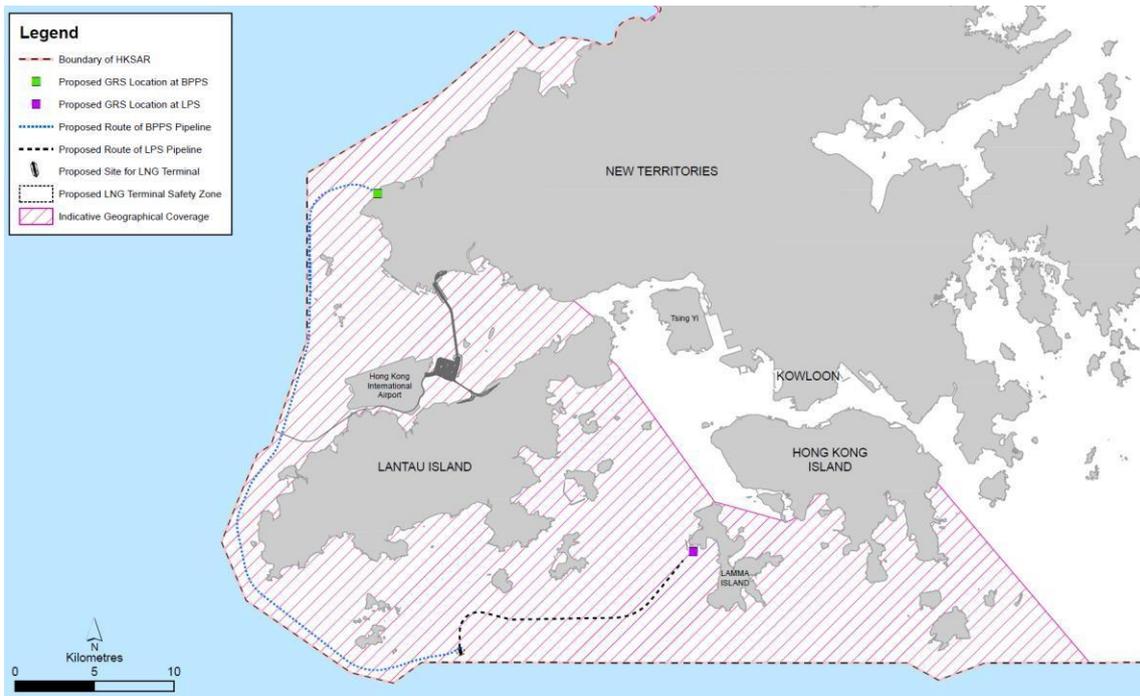
**Website** means <http://env.hkolng.com> being the dedicated website for the Funds.

## **2 Purpose of this Guidance Note for MCEF/FEF**

- 2.1 This Guidance Note for the Marine Conservation Enhancement Fund / Fisheries Enhancement Fund (**Guidance Note**) provides guidance on the process for applying for funding from the Funds.

## **3 Objective of EE Plan, MCEF and FEF**

- 3.1 The objective of the EE Plan is to contribute to the enhancement of the marine environment of western and southern Hong Kong waters for the benefit of its ecosystems function and services (including biodiversity) and the community.
- 3.2 The area of interest covered by the EE Plan is the marine environment of southern and western Hong Kong waters, including marine waters and habitats in the vicinity of the HKOLNGT Project. This specifically includes south Lantau, where the Southwest Lantau Marine Park and the proposed South Lantau Marine Park and other important marine habitats (e.g. habitats for finless porpoises) are located. The indicative geographical coverage is shown below.



**Indicative Geographical Coverage**

3.3 The objective of the MCEF is to support the following environmental initiatives within the area of interest referred to in paragraph 3.2:

- a) Marine conservation
- b) Habitat restoration and rehabilitation
- c) Education and ecotourism
- d) Any other theme(s) relevant to enhancement of marine environment.

3.4 The objective of the FEF is to support the following environmental initiatives within the area of interest referred to in paragraph 3.2:

- a) Fisheries resources enhancement
- b) Sustainable development of the fishing industry
- c) Education and fisheries-related tourism
- d) Any other theme(s) relevant to enhancement of fisheries.

#### **4 Funding to be provided by the Funds**

##### **4.1 Funding Amount**

It is envisaged that each Fund will provide total funding of HK\$50 million.

Generally, Applications for funding from:

- (i) the MCEF should not exceed HK\$2 million; and
- (ii) the FEF should not exceed HK\$3 million.

Applications for funding in excess of the above amounts may be considered by the relevant Committee in their discretion.

The amount to be allocated to Projects for each Fund shall be as follows:

- (a) Year 1 – HK\$15 million;
- (b) Year 2 – HK\$20 million; and
- (c) Year 3 – HK\$15 million.

#### 4.2 Two Funding Cycles a year

The Funds will carry out application assessment twice a year and the deadline for receipt of Applications (**Application Deadline**) will be specified on the Website (<http://env.hkollg.com>). In general, the application period for each round of the MCEF is 2 months while the FEF is open for application all year-round.

Funding may be granted in whole or in part with conditions to the grant of the fundings.

#### 4.3 Duration of Funded Project

Generally, all funded Projects are expected to be completed within 3 years from commencement of the Project. Applicants that wish to conduct Projects for more than three years should make a separate Application for that part of the Project that will be conducted after the funded period has expired for consideration by the relevant Management Committee.

### 5 **Guide to Application process**

#### 5.1 Eligibility for application for funding

Applications can be made by local non-profit making organisations which are:

- (i) incorporated in Hong Kong under the *Companies Ordinance (Chapter 622 of The Laws of Hong Kong)*; or
- (ii) a body corporate registered in Hong Kong.

Applications made by individuals shall be rejected.

It is expected that Applications will be made by non-profit making environmental organisations, non-governmental organisations (NGOs), social enterprises, academic and research institutions, fisherman organisations..

In relation to the FEF fishermen organisations and non-governmental organisations for environmental initiatives are encouraged to partner in making an application to optimise efforts for sustainable development of the fishing industry.

To ensure the Project Leaders will spend reasonable time on the project management, each Project Leader shall:

- (i) in relation to the MCEF only make one (1) application at the same time; and
- (ii) be the Project Leader on no more than two (2) Projects funded by either of the Funds at any time.

## 5.2 Nature of Projects

Projects should be non-profit making in nature.

## 5.3 Application Form

- (i) Applications are to be made using the Application Form for Funding found on the Website.
- (ii) The Application Form is to be completed having regard to paragraph 6 of this Guidance Note.
- (iii) The completed Application Form and supporting documents must be received by the Secretariat no later than the latest time and date for receipt of Applications specified on the Website (**Application Deadline**).

## 5.4 The Funding Cycle

- (i) The Funding Cycle procedure is summarised in **Figure 1** of this Guidance Note and set out in more detail below.

### (ii) *Application Period*

Applications for funding from the Funds will be assessed twice a year, generally for a period of two months for MCEF and all year-round for FEF, or as otherwise determined by the Management Committee of each Fund (Application Period).

The Website shall include the following details about the Application Period:

- (a) the opening date for receipt of Applications; and
- (b) the latest time and date for receipt of Applications (**Application Deadline**).
- (iii) *Application Form*

Applications must be made using the Application Form uploaded to the Website from time to time.

Applicants should read this Guidance Note before completing the Application Form. This Guidance Note will also be available on the Website.

### (iv) *Secretariat assistance to Applicants for applying for funding from FEF*

Subject to the approval of the FEF-MC and only if requested by a proposed Applicant, the Secretariat may assist fishermen organisations to apply for funding from the FEF by providing assistance to potential Applicants proposed by fishermen

organisations. The details of any assistance will be discussed and agreed with the FEF-MC in advance.

(v) *Queries by Applicants during the Application Period*

During the Application Period, the Secretariat will respond to queries from potential Applicants.

(vi) *Applications to be received by Application Deadline*

Applications must be received by the Secretariat by the Application Deadline.

The Secretariat will:

- (a) not open any Applications until after the relevant Application Deadline;
- (b) will record the date and time of receipt of each Application; and
- (c) acknowledge receipt of all Applications within two (2) Business Days of the Application Deadline and give the Applicant an Application Number which the Applicant must use in all communications with the Secretariat.

(vii) *Changes to Applications*

If an Applicant submits a revised version of its Application before the relevant Application Deadline, the latest version of the Application received by the Secretariat will be taken to be the Application. All prior versions will be disregarded.

The Applicant shall make it clear on any revised Application if it is a revised Application.

(viii) *Receipt of Application after Application Deadline*

If an Application is received after the Application Deadline the Secretariat will inform the Applicant in writing that their Application will not be considered in the current Funding Cycle and that the Applicant may re-submit the Application during the next Application Period.

Despite the preceding sentence, a Management Committee Chairperson, may at the Chairperson's absolute discretion and without the need to provide reasons decide that an Application received after the Application Deadline can be assessed in the current Funding Cycle.

(ix) *Pre-screening*

After the Application Deadline the Secretariat will:

- (a) collate all Applications received; and
- (b) conduct pre-screening for each Application on the following matters only:
  - a. whether the Applicant is eligible to make an Application having regard to *Section 5.1*;

- b. whether all supporting documents referred to in the Application Form have been submitted;
- c. whether the Application Form is completed properly in accordance with this Guidance Note;
- d. whether the amount of funding requested satisfies the following limits:
  - i. for the MCEF – the amount of funding requested for the Project is not more than HK\$2 million;
  - ii. for the FEF – the amount of funding requested for the Project is not more than HK\$3 million;
  - iii. the annual budget amounts for each Fund have not been exceeded:
    - 1. Year 1 – HK\$15 million
    - 2. Year 2 – HK\$20 million
    - 3. Year 3 – HK\$15 million
- e. whether budget calculations for the Project are consistent throughout the Application;
- f. in relation to the MCEF ensure that the Project Leader is named as the Project Leader under only one Application during the Funding Cycle;
- g. ensure that the Project Leader is not the Project Leader on more than two Projects funded by either of the Funds at any time;
- h. whether the authorisation documents submitted by the Applicant and any recently audited accounts/certified management accounts are in order; and
- i. identify if the Applicant has failed to perform its obligations in a timely and satisfactory manner under a Funding Agreement for another Project:
  - i. generally;
  - ii. by failing to acknowledge the Grantor as having provided the Funded Amount in all publications of results, publicity materials, media briefs and other materials produced in connection with the Project; and
  - iii. which Funding Agreement was either terminated or payment of the Funded Amount was suspended.

The Secretariat will provide comments to any Applicant if there is any missing, incorrect or ambiguous information in the Application.

The Applicants will be asked to provide the missing information/clarification to the Secretariat within a reasonable time.

(x) *Checking with local funding agencies*

The Secretariat will provide a summary of Applications (with information on Project title, names of Project Leader and Applicant organisation) to local funding agencies to check whether the Applications are funded or under consideration by these funding sources. If the response received from the funding agencies shows that there is a discrepancy in the information stated in the declaration on Project funding status in the Application Form the Secretariat will immediately write to the Applicant for clarification, before informing the relevant Management Committee to seek instructions for follow-up actions.

(xi) *Assessment of Applications*

Generally, each Application will be assessed as follows:

- (a) the Management Committee will assess the Applications and meet to decide which Applications will be recommended to the Steering Committee for funding by the Fund.
- (b) the Steering Committee will meet to decide which Applications will be approved for funding by the Fund.

(xii) *After the Steering Committee Meeting*

If the Steering Committee has:

- (a) approved an Application for funding, then a Funding Agreement will be entered into by CAPCO, HK Electric and HKLTL with the successful Applicant based on the Precedent Funding Agreement:
- (b) not approved an Application for funding, the Secretariat will send a rejection letter to the unsuccessful Applicant.

(xiii) *Review of Projects*

The Project Leader of each Project will be required to submit:

- (a) a Progress Report every six (6) months starting from project commencement; and
- (b) a Completion Report within two (2) months of completion of the Project.

The Secretariat will:

- a. verify the Progress Report /Completion Report submitted by the Project Leader against the requirements as stated in the Funding Agreement as well as the balance reported in the financial statements required under the Funding Agreement; and

- b. if there is any missing, incorrect or ambiguous information in the Report the Secretariat will provide comments to the Project Leader. The Project Leader will be required to provide the additional information/clarification and response to the Secretariat's comments within a reasonable timeframe.

The Secretariat will send the Reports (including any supplementary information, clarifications and responses to comments received during the verification) and financial statements to the Management Committee for approval.

If the Reports (including the relevant financial statements) are approved by the Management Committee, then the Secretariat will arrange a payment in accordance with the Funding Agreement.

No part of the approved funding is to be applied towards payment of any works undertaken in relation to the Project before execution of a Funding Agreement.

(xiv) *Enquiries during Project*

During the term of the Project, the Secretariat will handle all enquiries from the Project Leader as follows:

- (a) if the matter requires approval by the Management Committee (e.g. change of the budget for the Project, purchase of items not in accordance with the procurement requirements, change of recipient organisation/Project Leader, invitation of tender by recipient organisation, request for a delay to the Project etc.), the Secretariat will seek the approval of the Management Committee.
- (b) the Secretariat will let the Project Leader know the Management Committee's decision.

## 5.5 Vetting Criteria

Each Application shall be assessed against the following criteria:

- (i) The Project should be within the geographic area of focus as stated in paragraph 3.2 of this Guidance Note.
- (ii) The Project should fulfil at least one of the objectives of each Fund as listed in paragraph 3.3 or paragraph 3.4 of this Guidance Note.
- (iii) The Application should demonstrate if the Project has positive impacts for ecosystems function and services (including biodiversity), the community or sustainable development of the fishing industry.
- (iv) The Project should not adversely impact the HKOLNGT Project.
- (v) The Project team has the technical and project management capability to carry out the Project and to comply with the terms of the Funding Agreement This should include information about involvement of team members in similar projects, and each such project's effectiveness.
- (vi) The Project should demonstrate clear and achievable goals.

- (vii) The proposed methodology / approach, duration and work plan of the Project should be well-planned, reasonable and practicable.
- (viii) The Application should demonstrate that sufficient manpower and resources are available for the Project.
- (ix) The proposed budget for the Project should be prudent, realistic and cost-effective, with full justification provided for every item of expenditure. The budget should identify where all proposed funding for the Project is coming from, including, without limitation, the information required under paragraph 5.7 (*Project subsidised by other fund(s)*) below.
- (x) The Project is original and has not already been carried out/funded by other parties.
- (xi) The funding status of the Project.
- (xii) The Applicant has not previously failed to perform its obligations in a timely and satisfactory manner under a Funding Agreement for another Project:
  - a. generally;
  - b. by failing to acknowledge the Grantor as having provided the Funded Amount in all publications of results, publicity materials, media briefs and other materials produced in connection with the Project; and
  - c. which Funding Agreement was either terminated or payment of the Funded Amount was suspended.

#### 5.6 Avoidance of conflict of interest

To avoid any conflicts of interest, members of the Committees who have any connection with an Applicant are required to declare their interest and refrain from taking part in:

- (i) the assessment, discussion and decision making of the relevant Applications;
- (ii) the review of progress of the Project including Progress Reports; or
- (iii) the review of Completion Reports submitted by the successful Applicants.

#### 5.7 Project subsidised by other fund(s)

An Applicant may apply for funding from a Fund even if the Projects is:

- (i) receiving funding from other agencies; or
- (ii) to be funded by making applications to other agencies for funding support

provided that full disclosure of the existing funding information and/or the

other applications is made in the Application. The Applicant must inform the Management Committees by sending details to the Secretariat immediately on receipt of the outcome of any decisions made by other agencies in relation to other applications for funding.

Failure by the Applicant, without reasonable justification, to comply with these requirements will be taken into account by the Management Committee in considering the Application.

#### 5.8 Withdrawal of Application

At any time before a Funding Agreement is signed, the Applicant may withdraw an Application by sending written notice to the Management Committee.

### **6 Application Form**

#### 6.1 General

The Applicant must complete the Application Form after reading:

- a. the 'Notes for Completing this Application Form for Funding' included in the Application Form; and
- b. this Guidance Note.

#### 6.2 Section A – Data Sheet

This section serves as a summary of the Application. If the Application is successful and a Funding Agreement is entered into, the information given by the Applicant in this section will be published on the Website for public access.

#### 6.3 Section B – Content of Project Proposal

This section sets out in detail the application for funding. It includes the following sections:

##### 1. *Brief Description of the Project*

The Applicant should include a description of the Project in this section.

##### 2. *Nature of the Project*

The Applicant is required to check the relevant boxes which relate to the nature of the Project.

##### 3. *Duration of the Project*

The Applicant should specify the commencement and completion date for the Project.

The commencement date of the Project shall be no earlier than 5 months after the Application Deadline, but no later than 12 months after the Application Deadline. For example, if the Application Deadline is 30

November 2020, the commencement date shall be between 1 May 2021 and 30 November 2021.

4. *Objectives and method of measuring achievement of objectives*

The Applicant should set out:

- (a) the objectives of the Project;
- (b) details of how the proposed Project is intended to achieve objectives;
- (c) details of how the effectiveness of the Project in achieving the objectives is to be evaluated. Examples of relevant performance indicators include but are not limited to:
  - outcomes that benefit habitats and species, decision-makers or stakeholders;
  - number of individuals, schools, students, companies participating in the programmes of the Projects;
  - number of volunteers recruited or trained;
  - number of local community organisations involved; and
  - Number of research papers published; media coverage on the programmes; and increase in environmental awareness (by conducting pre- and post-project questionnaire survey with participants).

5. *Details of the Project and Project Work Plan*

The Applicant shall provide sufficient details of the Project for assessment by Assessors and the Management Committee. Additional pages and documents may be attached, if necessary. This section also includes a table which needs to be completed by filling in the following information:

- Activity / Task for the Project (including Planning, Recruitment)
- Date (start and end)
- Details of activity/task (including work methodology, labour and equipment resourcing details, Project staff attendance monitoring system and if applicable, Project staff recruitment plan, target group, target district and anticipated number of participants).

The information provided under this section will be included in the Funding Agreement.

6. *Project team*

- (a) The table included in this section requires the Applicant to insert details of each key member of the Project team, their qualifications and number of years experience.

The curriculum vitae of the Project Leader and each key member of the Project team proposed in the Application must be provided. Each curriculum vitae should:

- detail that persons experience in undertaking similar projects; and
- not be more than 2 pages.

- (b) Details of any sub-contractors/sub-consultants that will be engaged by the Applicant to assist the Application with the Project

The Applicant should complete the table in this section to provide the name of the organisation, contact details, duties and a letter from sub-contractor/sub-consultant agreeing to engagement for Project.

This table will be included in the Funding Agreement.

#### 7. *Budget of the Project*

The Applicant is required to include details of the proposed budget for the Project by providing a table in the format included in the Application Form. This table will be included in the Funding Agreement.

Major budget items will not be approved unless they are supported by justifications and quotes. These should be provided with the Application.

**Appendix 1** of this Guidance Note shows the existing level of funding support of expenses. Funding support may be considered, but not limited to, the following expenses:

- (a) Hire of transport;
- (b) Contingency – may be included in the budget, but will require full justification and only be approved on an as-needed basis;
- (c) Meal allowance and travelling expenses on public transport for volunteers;
- (d) Capital items such as computers, cameras, furniture – each item will need to be justified and shall only be approved on an as needed basis;
- (e) Hire of temporary/casual works on a one-off basis;
- (f) Procurement of postage, stationery, etc.;
- (g) Printing works including publicity materials;
- (h) Light refreshments for ceremonies;
- (i) Procurement of services such as production of design and artwork;
- (j) Premium for public liability insurance;
- (k) A modest amount for contest/participation prizes. Cash or cashable items must not be given;
- (l) Admission fee and hire of package tour; and
- (m) Auditing fee for the preparation of financial statements.

Items that will **NOT** be supported include, but are not limited to the following expenses:

- (a) daily or routine operating costs of the Applicant such as the salaries of existing staff, general administrative or office costs;
- (b) Renovation fees;
- (c) Major equipment – such as spectrophotometer unless full justification is provided and be approved on an 'as-needed' basis;
- (d) Uniforms (including, but not limited to, items such as caps, T-shirts, badges);
- (e) Souvenirs for participants, except certificates of attendance;
- (f) Form-based or school-based visits;
- (g) Reprinting of existing leaflets or education material;
- (h) Overseas travel – except for bringing experts to Hong Kong;
- (i) Payments to individuals as reward for their participation in the Project; and

(j) Honoraria for speakers who are staff employed for Project.

8. *Recommended funding and reimbursement schedule for the Project (in HK dollars)*

Normally funding is provided as follows:

- (a) not more than 30% of the funding at the commencement of the Project
- (b) not less than 30% of funding at the end of the Project
- (c) if the Project is more than 6 months in duration then progress payments will be made every 6 months on approval by the Management Committee of the half yearly Progress Report.

The Applicant is to provide a proposed payment schedule in this part of the Application Form having regard to the above philosophy. If the actual reimbursement schedule is different to the above requirements, the Applicant shall provide justification for the proposed reimbursement schedule. The agreed payment schedule shall be included in the Funding Agreement.

9. *Details of other sources of funds for the Project (both confirmed and being applied,) if applicable*

In Section A of the Application Form, the Applicant is asked if the Project receives funding from other sources. If the answer to this question is 'Yes' then the Applicant is to provide details of the other sources of funds for the Project (both confirmed and being applied), if applicable.

The Applicant is required to provide evidence of the grant of other sources of funds for the Project that have been confirmed.

10. *Experience and track record of Applicant in organising related projects*

The Applicant is to include details of any other related or similar projects that the Applicant has undertaken. This may be the same or different to the information provided in relation to the Project team under paragraph 6a of Section B of the Application Form.

11. *Details of any similar projects to the Project undertaken in the past or at present?*

The Applicant is to insert details of any other projects that have been undertaken in the past or which are currently being undertaken which are similar to the Project the subject of the Application.

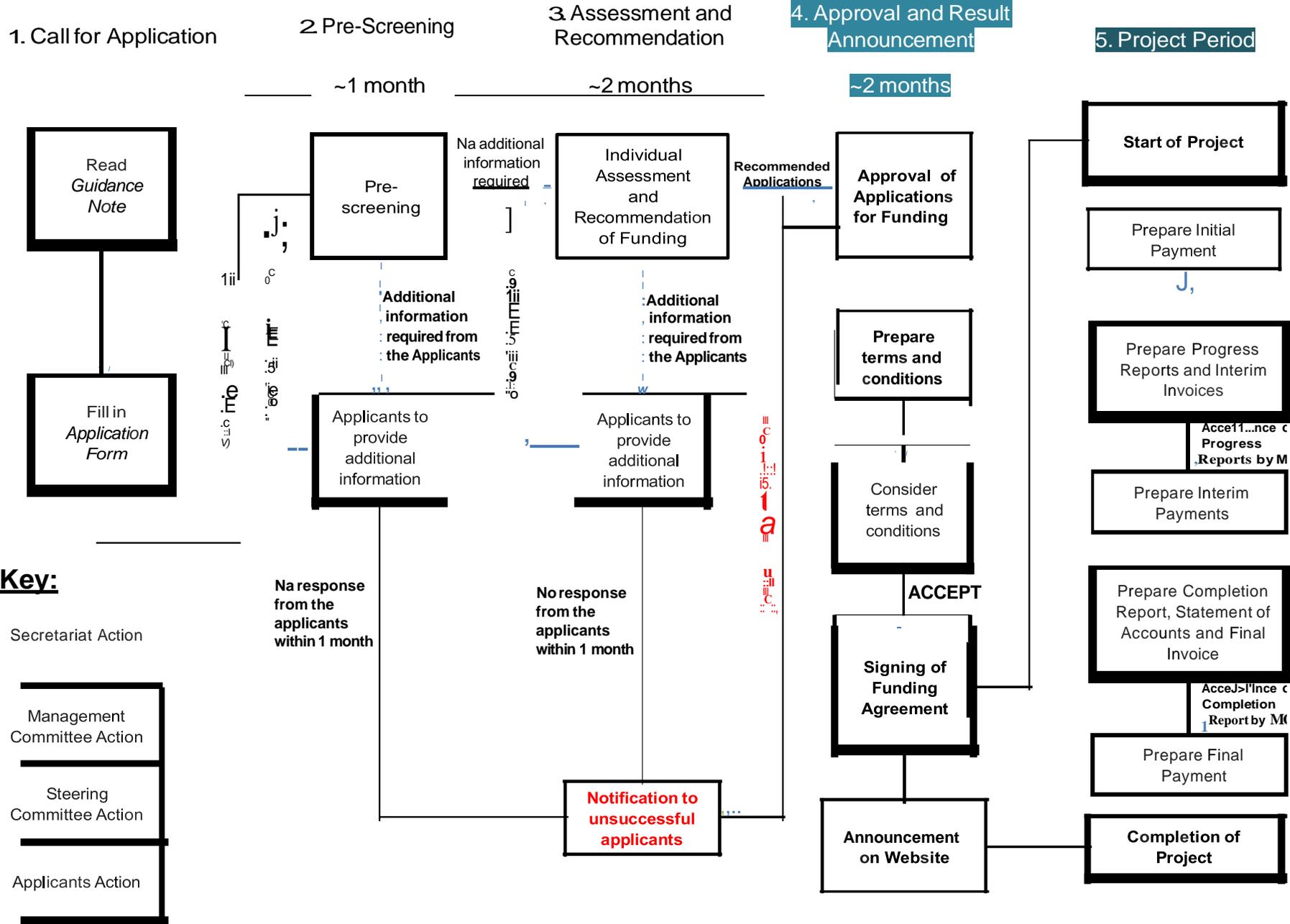
## 7 **Contractual Requirements**

A successful Applicant will be required to sign a Funding Agreement with CAPCO, HK Electric and HKLTL and comply with the terms of the Funding Agreement. A copy of the Precedent Funding Agreement is in **Appendix 2**.

Figure 1

Application Procedure for the Funds

# Application Procedure for the Marine Conservation / Fisheries Enhancement Fund



# Appendix 1

## Level of Funding Support for Expenses

## Appendix 1 – Reference Level of Funding Support for Expenses

Item	Description	Reference Level of Funding Support (HK\$)
1	Booths – including rental payments, decoration and prizes for game booths	<ul style="list-style-type: none"> <li>The ceiling is capped at HK\$650 per booth.</li> </ul>
2	Production of Exhibition Panel	<ul style="list-style-type: none"> <li>Maximum HK\$2,100 per panel.</li> <li>The ceiling is capped at HK\$21,000 per application.</li> </ul>
3	Hire of Speakers/Instructors	<ul style="list-style-type: none"> <li>Maximum HK\$250 per hour per speaker/instructor.</li> <li>For speaker / instructor holding teaching positions in tertiary institutions or doctorate degree in relevant fields, maximum HK\$800 per hour (qualification should be supported by certificates issued by relevant authorities).</li> <li>Fee to be counted on a half-hourly basis.</li> <li>Honoraria for speakers who are staff employed for the Project will not be supported.</li> </ul>
4	Insurance for Third Party Liabilities	<ul style="list-style-type: none"> <li>Funding support will be based on the basic requirements.</li> <li>Quotations must be provided.</li> </ul>
5	Admission Fee / Package Tour	<ul style="list-style-type: none"> <li>Funding support will be based on Applicant's proposed Project. The Applicant shall justify any charges that participants will have to pay for admission / package tours.</li> </ul>
6	Travel Allowance Volunteer	<ul style="list-style-type: none"> <li>Maximum HK\$45 for each event/ activity.</li> </ul>
7	Meal Allowance for volunteers only	<ul style="list-style-type: none"> <li>Maximum HK\$45 per volunteer for activities lasting 3-5 hours (excluding preparation/ travelling time).</li> <li>Maximum HK\$70 per volunteer for activities lasting more than 5 hours (excluding preparation/ travelling time).</li> </ul>
8	Funding Scale for Research Project Support Staff	<ul style="list-style-type: none"> <li><b>Student Research Assistant</b> (Undergraduate), maximum HK\$57 per hour.</li> <li><b>Research Assistant II</b> (Recent graduate with little or no work experience), maximum HK\$16,500 per month; or HK\$90 per hour (part-time).</li> <li><b>Research Assistant I</b> (First degree graduate with some experience or master's degree holder with no working experience), maximum HK\$20,400 per month; or HK\$120 per hour (part-time).</li> <li><b>Senior Research Assistant</b> (Master's degree holder with working experience or above), maximum HK\$32,700 per month; or HK\$190 per hour (part-time).</li> </ul>
9	Project Staff	<ul style="list-style-type: none"> <li>The maximum amount of expenditure should normally be less than 50% of the approved total budget or actual expenditure for the Project, whichever is the less.</li> </ul>
10	Audit Fee	<ul style="list-style-type: none"> <li>HK\$20,000 per audit report</li> <li>For universities and the Technological and Higher Education Institute of Hong Kong, financial statements certified by the finance office of the university is acceptable, and there</li> </ul>

Item	Description	Reference Level of Funding Support (HK\$)
		is no need to follow the auditing requirements as stated in the Precedent Funding Agreement.

**Remarks:** The funding scale is provided for reference purposes only for use by the Applicant in preparing the budget for the Project to be included in the Application. The funding scale may be adjusted by the Management Committee of a Fund as and when necessary, in its absolute discretion. Applicants are recommended to provide justification of each item of expense for consideration by the relevant Management Committee.

## Appendix 2

### Precedent Funding Agreement



[Date]

Our Ref:

[Name of Successful Applicant]

[Address of Successful Applicant]

Attention: [insert name]

Dear [insert Greeting],

### Hong Kong Offshore LNG Terminal Project

#### Marine Conservation Enhancement Fund / Fisheries Enhancement Fund

Funded Project name: [insert name of Funded Project]

Application Number: [insert application number]

#### Funding Agreement

1. Castle Peak Power Company Limited (**CAPCO**), The Hongkong Electric Company, Limited (**HK Electric**) and Hong Kong LNG Terminal Limited (**HKLTL**) confirm receipt of the application received from [insert name of recipient organisation] (**Recipient**) requesting funding support from the Marine Conservation Enhancement Fund/Fisheries Enhancement Fund (**Fund**) for [insert name of Funded Project] (**Application**).
2. We are pleased to advise that the Recipient's Application has been approved subject to the terms and conditions set out in the agreement contained in this letter (**Funding Agreement**).
3. CAPCO, HK Electric and HKLTL (together **Grantor**) and the Recipient agree that this Funding Agreement constitutes a binding and enforceable agreement between the Grantor and the Recipient (together the **Parties**) about matters related to the Grantor granting funding to the Recipient from the Fund.
4. The Parties agree that:
  - (a) this Funding Agreement is made up of the following:
    - (i) this letter including the Particulars;
    - (ii) Schedule 1 – Details of Funded Project and Work Plan;
    - (iii) Schedule 2 – Maximum Funded Amount Breakdown;
    - (iv) Schedule 3 – Payment Schedule;
    - (v) Schedule 4 – Project Team; and
    - (vi) Schedule 5 – Terms and Conditions; and
  - (b) the Terms and Conditions in Schedule 5 shall take precedence over the Schedules 1, 2, 3 and 4. All Schedules shall be taken to be mutually explanatory of one another. If there is any discrepancy or ambiguity in Schedules, the Recipient must raise the matter to the Grantor for clarification or explanation.
5. The **Particulars** of this Funding Agreement are as follows:
  - (a) **Fund**  
[MCEF/FEF]
  - (b) **Funded Project**  
[insert name of Funded Project]
  - (c) **Funding Theme**  
[insert funding theme of Funded Project]
  - (d) **Maximum Funded Amount**  
HK\$[insert amount]

(e) **Project Leader**

[insert name of Project Leader included in Application]

(f) **Duration of Funded Project**

[insert length of Funded Project]

(g) **Address for service of Notices**

The Grantor

Castle Peak Power Company Limited, The Hong Kong Electric Company, Limited and Hong Kong LNG Terminal Limited

Address: GBG Management Building, Black Point Power Station, Tuen Mun, Hong Kong

Email: funds@env.hkolng.com

Attention: The Secretariat – [Marine Conservation Enhancement Fund/Fisheries Enhancement Fund]

The Recipient

[insert name]

Address: [insert address]

Email: [insert email address]

Attention: [insert role of person to whom notice should be addressed]

6. If the terms of this Funding Agreement are acceptable to the Recipient then the Recipient should sign three copies of this Funding Agreement and send it back to the Grantor at the address set out in paragraph 5(g).

Yours faithfully

For and on behalf of  
**Castle Peak Power Company Limited**

For and on behalf of  
**Hong Kong LNG Terminal Limited**

\_\_\_\_\_  
[insert name of signatory]  
[insert signatory's title]

\_\_\_\_\_  
[insert name of signatory]  
[insert signatory's title]

For and on behalf of  
**The Hongkong Electric Company, Limited**

\_\_\_\_\_  
[insert name of signatory]  
[insert signatory's title]

The Recipient agrees to the terms and condition of this  
Funding Agreement on \_\_\_\_\_ day of \_\_\_\_\_

For and on behalf of  
**[insert name of Recipient]**

\_\_\_\_\_  
[insert name of signatory]  
[insert signatory's title]

\_\_\_\_\_  
**[Recipient's chop]**

## Schedule 1 - Details of Funded Project and Work Plan

[Insert details of the Funded Project and Work Plan included in the Application.]

## Schedule 2 – Maximum Funded Amount Breakdown

The Grantor shall not pay the Recipient more than the Maximum Funded Amount to support the expenses that the Recipient will incur during the Funded Project as set out in the table below:

Particulars / Items	Unit Cost (HK\$)	Quantity	Expected Expenditure (HK\$)	Amount Requested (HK\$)
Total:				

**Notes to Recipient:**

1. The Maximum Funded Amount is the maximum amount that the Grantor will pay to the Recipient under this Funding Agreement.
2. Subject to paragraph 3, the cost of a particular expenditure item may increase or decrease by up to 20% of the Amount Requested without obtaining the Grantor’s prior consent to the change.
3. The total Funded Amount must not exceed the Maximum Funded Amount.
4. For the avoidance of doubt, the Maximum Funded Amount must not include:
  - daily or routine operating costs of the Applicant such as the salaries of existing staff, general administrative or office costs;
  - renovation fees;
  - major equipment – such as spectrophotometer unless full justification is provided and be approved on an ‘as-needed’ basis;
  - uniforms (including, but not limited to, items such as caps, T-shirts, badges);
  - souvenirs for participants, except certificates of attendance;
  - form-based or school-based visits;
  - reprinting of existing leaflets or education material;
  - overseas travel – except for bringing experts to Hong Kong;
  - payments to individuals as a reward for their participation in the Funded Project; and
  - honoraria for speakers who are staff employed for Funded Project.

### Schedule 3 – Payment Schedule

Instalment number	Payment Date	Conditions precedent to payment	Proportion of Funded Amount (%)	Proportion of Funded Amount (HK\$)
1.	Subject to compliance with Clause 10.5 of Schedule 5 – Terms and Conditions, the Commencement Date.	Execution of Funding Agreement by the Parties	[30]%	HK\$[x]
2.		Acceptance of Progress Report	[x]%	HK\$[x]
3.		Acceptance of Progress Report	[x]%	HK\$[x]
4.		Acceptance of Progress Report	[x]%	HK\$[x]
5.		Acceptance of Progress Report	[x]%	HK\$[x]
6.		Acceptance of Completion Report	[30]%	HK\$[x]
<b>Maximum Funded Amount</b>			100%	HK\$[Maximum Funded Amount]

## Schedule 4 – Project Team

[Insert details of the Project Team included in the Application.]

## Schedule 5 – Terms and Conditions

The Parties agree that the following terms and conditions apply to this Funding Agreement:

### 1 Definitions and Interpretation

#### 1.1 Definitions

In this Funding Agreement, unless the context requires otherwise:

**Application** means the Recipient's application for the Funded Amount for the Funded Project.

**Business Day** means a day which is not a Saturday, a Sunday or a public holiday in Hong Kong.

**CLP** means CLP Power Hong Kong Limited, its successors and assigns.

**Commencement Date** means the date on which the Recipient commences the Funded Project which date must not be later than 6 months after the date of this Funding Agreement which date will be the later of the date of execution of this Funding Agreement by the Grantor and the Recipient.

**Completion Report** means the report referred to in Clause 7.1.2.

**EE Plan** means the Environmental Enhancement Plan.

**FEF** means the Fisheries Enhancement Fund.

**Fund** means either of the MCEF or the FEF as set out in the Particulars.

**Funded Amount** means the amount of funding to be provided by the Grantor to the Recipient which must not exceed the Maximum Funded Amount.

**Funded Project** means the Recipient's project in respect of which the Grantor is paying the Funded Amount, details of which are included in the Particulars.

**Hong Kong** means the Hong Kong Special Administrative Region of the People's Republic of China.

**HK\$** denotes the lawful currency of Hong Kong.

**Laws** means the laws and regulations of Hong Kong and any other laws and regulations for the time being in force applicable to a Party or this Funding Agreement.

**Losses** means all losses, liabilities, claims and demands, actions, proceedings, damages, costs (including legal costs and experts' and consultants' fees), charges, expenses.

**Management Committee** means the management committee of the Fund.

**Maximum Funded Amount** means the amount set out in the Particulars.

**MCEF** means the Marine Conservation Enhancement Fund.

**Progress Report** means the report referred to in Clause 7.1.1.

**Project Assets** means any and all items purchased, created or funded by the Funded Amount including without limitation, capital items, equipment, goods, educational materials and computer software

**Project Leader** means the person identified in the Particulars.

**Steering Committee** means the steering committee established under the EE Plan.

**Reports** means the Progress Reports and the Completion Report and **Report** means any one of them.

**Term** means the period of time set out in Clause 2.

#### 1.2 Interpretation

1.2.1 References to one gender include all genders and references to the singular include the plural and vice versa.

- 1.2.2 References to:
- (a) a person includes any company, corporation, firm, joint venture, partnership or unincorporated association (whether or not having separate legal personality); and
  - (b) a company include any company, corporation or any body corporate, wherever incorporated.
- 1.2.3 References to this Funding Agreement shall include the Particulars and Schedules to it and references to Clauses and Schedules are to Clauses of, and Schedules to, this Agreement and to paragraphs are to paragraphs of the covering letter and Schedules.
- 1.2.4 Headings shall be ignored in interpreting this Funding Agreement.
- 1.2.5 The words “including”, “include”, “in particular” and words of similar effect shall not be deemed to limit the general effect of the words which precede them.
- 1.2.6 References to a statute or statutory provision include that statute or provision as from time to time modified or re-enacted or consolidated whether before or after the date of this Funding Agreement.
- 1.2.7 Reference to a Party includes its successors in title.
- 1.2.8 The Recipient acknowledges and agrees that CAPCO, HK Electric and HKLTL together are the Grantor. Unless otherwise stated, the obligations of the Grantor under this Funding Agreement are to be carried out by CAPCO, HK Electric and HKLTL jointly and severally.

## 2 Term

- 2.1 This Funding Agreement shall be effective from the date of this Funding Agreement and shall continue in full force and effect until the last payment of the Funded Amount is made to the Recipient in accordance with *Schedule 3 – Payment Schedule* unless terminated in accordance with Clause 17 in which case this Funding Agreement shall end on the date of termination.

## 3 Funded Amount

- 3.1 In consideration of the Recipient entering into this Funding Agreement and agreeing to perform the obligations included in this Funding Agreement:
- 3.1.1 CAPCO and HK Electric shall pay up to the Maximum Funded Amount to the Recipient on behalf of the Grantor; and
  - 3.1.2 the Grantor agrees to perform the obligations included in this Funding Agreement.
- 3.2 The Maximum Funded Amount shall not increase in any circumstances.
- 3.3 The Grantor may, in its absolute discretion, reduce the Maximum Funded Amount to be paid by CAPCO and HK Electric to the Recipient under this Funding Agreement if it consents to a change to any of the matters referred to in Clause 5.5 or otherwise.
- 3.4 If at the end of the Term the Recipient has not spent all of the Funded Amount received from the Grantor on the Funded Project then the Recipient shall pay the amount remaining to the Grantor within one month of the end of the Term. This clause 3.4 shall survive expiration or termination of this Funding Agreement.
- 3.5 The Recipient shall pay all tax, duties and fees required to be paid by it under this Funding Agreement and in connection with the Funded Project. The Maximum Funded Amount shall not be adjusted for any of these amounts.

## 4 Use of Funded Amount

- 4.1 The Recipient shall deposit and maintain the Funded Amount in an interest-bearing bank account held by the Recipient with a bank which is licensed in Hong Kong under the *Banking Ordinance (Cap. 155 of The Laws of Hong Kong)* and has a branch in Hong Kong. **[note: this clause will need to change if the Recipient does not have a bank account but otherwise satisfies the Grantor of its book keeping practices.]**

- 4.2** The Recipient must only use the Funded Amount for the Funded Project which:
- 4.2.1** promotes the objectives of the Fund; and
  - 4.2.2** benefits the local community as a whole, and not just an individual, any company or registered organisation or any consortia of individuals, companies or registered organisations.
- 4.3** In complying with Clause 4.2, the Recipient must:
- 4.3.1** adhere to a high standard of integrity and spend the Funded Amount in an open, fair and accountable manner;
  - 4.3.2** not use any or all of the Funded Amount in any unlawful manner, including without limitation bribery, money-laundering, terrorism or infringement of any international or local Law or for any political, religious or commercial purposes; and
  - 4.3.3** not pay or apply any of all of the Funded Amount towards any of the items set out in paragraph 4 of the notes in *Schedule 2 – Maximum Funded Amount*.

## **5 The Funded Project**

- 5.1** The Recipient must begin the Funded Project no later than six months after the date of this Funding Agreement.
- 5.2** During the Term, the Funded Project must be, and continue to be, non-profit making.
- 5.3** The Recipient must undertake the Funded Project in accordance with the details and work plan set out in *Schedule 1 – Details of Funded Project and Work Plan* and internationally recognised safety practices and standards for work of the same nature.
- 5.4** The Recipient must:
- 5.4.1** engage the Project Leader and the key members of the Project team as set out in *Schedule 4 – Project Team* during the Term;
  - 5.4.2** ensure that the Project Leader is not the project leader of more than two projects funded by either of the MCEF or the FEF at the same time during the Term.
- 5.5** The Recipient must not change any part of the Project without obtaining the Grantor's prior written consent, including without limitation:
- 5.5.1** the duration of the Funded Project set out in the Particulars;
  - 5.5.2** the details of the Funded Project and the work plan as set out in *Schedule 1 – Details of Funded Project and Work Plan*;
  - 5.5.3** the cost of any particular expenditure item increases or decreases by up 20% or more of the Amount Requested as set out in *Schedule 2 – Maximum Funded Amount Breakdown*;
  - 5.5.4** the timing for payments as set out in *Schedule 3 – Payment Schedule*; and
  - 5.5.5** the Project Leader or other members of the Project Team as set out in *Schedule 4 – Project Team*.

## **6 Procurement of Goods and Services**

- 6.1** If the Recipient needs to procure any goods or services in connection with the Funded Project then the Recipient should exercise utmost prudence in procuring the goods or services and must adhere to the following procedures unless otherwise agreed by the Grantor:
- 6.1.1** where the aggregate value of the goods or services is:
    - (a) HK\$5,000 or below, quotations from suppliers are not required;
    - (b) more than HK\$5,000 but less than HK\$10,000, quotations from at least 2 suppliers should be obtained;

- (c) more than HK\$10,000 but less than HK\$500,000, quotations from at least 3 suppliers should be obtained; and
- (d) HK\$500,000 or more, open tendering should be used and the provisions of Clause 7.2 apply.

6.1.2 the Recipient shall select the supplier that has submitted the lowest bid and/or quotation; and

6.1.3 if the lowest bid and/or quotation is not selected, the Recipient shall before it procures the goods or services:

- (a) provide justifications to the Grantor (through the Management Committee) as to why the lowest bid and/or quote is not to be selected; and
- (b) obtain the consent of the Grantor (through the Management Committee) which may be given or withheld in its absolute discretion.

6.2 To ensure that tenders are properly prepared, the Recipient shall submit the draft tender documents to the Secretariat for approval by the Management Committee before issue of the invitation to tender documents.

6.3 For the procurement of goods and services in accordance with Clauses 6.1.1(b), (c) or (d) if there is only one provider of the goods or services and the Recipient wants to apply for sole sourcing, the Recipient shall obtain the consent of the Grantor (through the Management Committee) which may be given or withheld in its absolute discretion.

6.4 Subject to the requirements of any Laws, the Recipient shall:

6.4.1 keep all receipts, quotations, tender documents and other financial records in connection with the Funded Project and the use of the Funded Amount for two years after the end of the Term; and

6.4.2 make available the receipts, quotations, tender documents and other financial records for inspection by the Grantor or the Management Committee or anyone nominated on behalf of the Grantor.

## 7 Monitoring and reporting on progress of Funded Project

7.1 The Recipient shall prepare and submit at its own cost the following reports to the Management Committee for approval:

7.1.1 a report on the progress of the Funded Project in accordance with Clause 8 every 6 months during the Term, the first report to be submitted to the Grantor no later than 6 months after the Commencement Date ("**Progress Report**"); and

7.1.2 a report in accordance with Clause 9 no later than two months after completion of the Funded Project ("**Completion Report**").

7.1.3 on receipt of each Report the Management Committee shall review and verify the information in the Report and recommend that the Grantor approve or reject the Report. The Grantor shall notify the Recipient in writing if the Report is approved or rejected. If the Grantor:

- (a) approves the Report then the Recipient shall issue an invoice under Clause 10; and
- (b) rejects the Report then the Recipient shall take steps to rectify any issues identified by the Management Committee and resubmit the Report for approval under Clause 7.1.1 within the time specified by the Management Committee, and if no time is specified, within a reasonable time.

7.2 At any time during the Term, the Grantor may carry out on-site inspections and ad-hoc checks or appoint a third party to do so on the Grantor's behalf, to examine the progress and achievements of the Funded Project.

7.3 If required by the Grantor, the Recipient shall:

7.3.1 complete a post-implementation review on the effectiveness of the Funded Project; and

7.3.2 make a presentation to the Management Committee on completion of the Funded Project.

- 7.4 The Recipient acknowledges and agrees that if the Recipient does not perform its obligations under this Funding Agreement in a timely and satisfactory manner then this will be taken into account by the Grantor in assessing any future applications for funding from either the MCEF or the FEF.

## 8 Progress Reports

- 8.1 The Progress Report to be provided by the Recipient shall contain at a minimum the following information:
- 8.1.1 the name of the Funded Project;
  - 8.1.2 a brief description of the Funded Project;
  - 8.1.3 progress of the Funded Project against *Schedule 1 – Details of Funded Project and Work Plan* and details of any proposals to expedite the progress of the Funded Project;
  - 8.1.4 a brief description, including results, of all activities undertaken in connection with the Funded Project together with photos, videos, social media platform, if any;
  - 8.1.5 an interim evaluation of the effectiveness of the Funded Project in achieving the objectives of the Funded Project and the impact (benefits) of the Funded Project;
  - 8.1.6 the following documents:
    - (a) financial statements of the Funded Project;
    - (b) copies of supporting invoices and receipts for expenses incurred since the last Progress Report, or in the case of the first Progress Report, since the date of this Funding Agreement;
    - (c) copies of all quotes and tenders received in respect of the procurement of goods and services for the Funded Project;
    - (d) staff attendance records in accordance with the attendance monitoring plan; and
    - (e) recruitment records for all staff employed in accordance with the recruitment plan under the Funded Project.
- 8.2 Each Progress Report shall be:
- 8.2.1 signed by the Project Leader; and
  - 8.2.2 include the following declaration to be signed by the Project Leader or an authorised representative of the Recipient:

*“I hereby irrevocably declare to the Management Committee and the Steering Committee of the Fund, that all the dataset and information included in this Progress Report have been properly referenced, and all necessary authorisations have been obtained in respect of the use of information owned by third parties in the Funded Project.”*

*Any opinions, findings, conclusions or recommendations expressed in this Progress Report have been given or expressed without consultation with or reference to the Grantors and the Fund, and do not necessarily represent the views of the Grantors or the Fund.”*

## 9 Completion Report

- 9.1 The Completion Report to be provided by the Recipient shall contain at a minimum the following information:
- 9.1.1 an executive summary of 1-2 pages of the Funded Project including a way forward following completion of the Funded Project;
  - 9.1.2 the name of the Funded Project;
  - 9.1.3 a brief description of the Funded Project;
  - 9.1.4 details of the completed activities against *Schedule 1 – Details of Funded Project and Work Plan*;

- 9.1.5 a description, including results, and analysis of all activities undertaken in connection with the Funded Project together with photos, videos, social media platform, etc., if any;
- 9.1.6 an evaluation of the effectiveness of the Funded Project in achieving the objectives of the Funded Project and the impact (benefits) of the Funded Project;
- 9.1.7 the following documents:
  - (a) audited financial statements of the Funded Project prepared in accordance with Clause 9.3;
  - (b) copies of supporting invoices and receipts for expenses incurred since the last Progress Report;
  - (c) copies of all quotes and tenders received in respect of the procurement of goods and services for the Funded Project;
  - (d) staff attendance records in accordance with the attendance monitoring plan;
  - (e) recruitment records for all staff employed in accordance with the recruitment plan under the Funded Project; and
  - (f) a list of all assets of the Funded Project together with photos.

**9.2** The Completion Report shall be:

- 9.2.1 signed by the Project Leader; and
- 9.2.2 include the following declaration to be signed by the Project Leader or an authorised representative of the Recipient:

*"I hereby irrevocably declare to the Management Committee and the Steering Committee of the Fund, that all the dataset and information included in this Completion Report have been properly referenced, and all necessary authorisations have been obtained in respect of the use of information owned by third parties in the Funded Project."*

*Any opinions, findings, conclusions or recommendations expressed in this Completion Report have been given or expressed without consultation with or reference to the Grantors and the Fund, and do not necessarily represent the views of the Grantors or the Fund."*

- 9.3 The audited financial statements attached to the Completion Report must be audited by a certified public accountant (practising) within the meaning of section 2 of the *Professional Accountants Ordinance (Cap. 50 of The Laws of Hong Kong)*, and provide assurance that the audited financial statements properly present the financial position of the Funded Project. If the Recipient is a local university, financial statements shall be prepared by the person in charge of accounting / finance department of the university.

## **10 Payment of Funding Amount**

- 10.1 The Grantor shall pay the Recipient the Funded Amount in instalments in accordance with *Schedule 3 – Payment Schedule* in accordance with this Clause 10.
- 10.2 Subject to Clause 10.5, the Recipient shall send the Grantor an original invoice for payment of the relevant instalment of the Funded Amount as set out in *Schedule 3 – Payment Schedule* as follows:
  - 10.2.1 in respect of the first instalment, on or after the Commencement Date;
  - 10.2.2 for all other instalments, following receipt of written approval of each Progress Report; and
  - 10.2.3 in respect of the last instalment, following receipt of written approval of the Completion Report.
- 10.3 The original invoice shall be sent to the Grantor at the following address:

Castle Peak Power Company Limited, The Hong Kong Electric Company, Limited and Hong Kong LNG Terminal Limited

GBG Management Building, Black Point Power Station, Tuen Mun, Hong Kong

Attention: The Secretariat – [Marine Conservation Enhancement Fund/Fisheries Enhancement Fund]

- 10.4** The invoices referred to in Clause 10.2 must not include:
- 10.4.1** any monies spent by the Recipient or costs or expenses incurred by the Recipient in connection with the Funded Project prior to the date of this Funding Agreement;
  - 10.4.2** amounts for any items not included in *Schedule 2 – Maximum Funded Amount Breakdown*;
  - 10.4.3** amounts in excess of the Maximum Funded Amount.
- 10.5** No amount shall be paid by the Grantor, either in respect of the first and/or any subsequent invoice, unless and until:
- 10.5.1** this Funding Agreement has been executed by the Grantor and the Recipient;
  - 10.5.2** the Reports required under Clause 7. (*Reports*) have been received and approved by the Grantor;
  - 10.5.3** the Recipient has submitted a written certification, together with all relevant supporting documentation confirming that each subcontractor which had performed works as part of the Funded Project included in the immediately preceding payment, was paid all amounts due to it for those works, such amounts being reasonably determined against progress by the Recipient in cases where the subcontract does not have specific milestone payments or a fixed payment schedule;
  - 10.5.4** in the case of the last payment set out in *Schedule 3 – Payment Schedule* the audited financial statements referred to in Clause 9.3 has been received and approved by the Grantor; and
  - 10.5.5** the Recipient is complying with its obligations under this Funding Agreement.
- 10.6** The Grantor shall pay to the Recipient by way of cheque, bank transfer or otherwise in Hong Kong dollars that part of the Funded Amount which is due in respect of each invoice within 45 days of receiving the original invoice.
- 10.7** The Grantor shall be entitled, in its absolute discretion, to:
- 10.7.1** set off against any amount payable by the Grantor to the Recipient under this Funding Agreement any amounts due from the Recipient to the Grantor;
  - 10.7.2** by any payment, rectify any correction or modification that should be made to any amount previously considered due; and
  - 10.7.3** require that such excess of the Funded Amount paid to the Recipient be repaid to the Grantor and the Recipient shall promptly make such repayment.

## **11 Indemnity**

- 11.1** The Recipient shall indemnify the Grantor from and against any and all Losses incurred or suffered in connection with any incorrect, false or misleading information or document provided by the Recipient to the Grantor or any infringement of the intellectual property rights of a third party arising out of such incorrect, false or misleading information or document.
- 11.2** The Recipient shall be solely responsible for, and shall indemnify each of CAPCO, HK Electric, HKLTL and CLP from and against all Losses arising in connection with the performance of any work under the Funded Project or this Funding Agreement including without limitation:
- 11.2.1** death of or injury to any person;
  - 11.2.2** loss of or damage to any property; and
  - 11.2.3** loss of confidential information.

## 12 Intellectual Property Rights

The Recipient will own all intellectual property rights arising from the Funded Project.

## 13 Recipient to acknowledge grant of Funding Amount

- 13.1 The Recipient shall acknowledge the Grantor as having provided the Funded Amount in all publications of results, publicity materials, media briefs and other materials produced or created in connection with the Funded Project by using each of CAPCO's, HK Electric's and HKLTL's names and logos, subject to compliance with the requirement under Clause 15.3.3.
- 13.2 If the Recipient does not comply with Clause 13.1 the Recipient acknowledges and agrees that this non-compliance will be taken into account by the Grantor in assessing any future applications for funding from either the MCEF or the FEF.

## 14 Use of Name and Logo of the Grantor and the Fund

- 14.1 Unless otherwise specifically provided in this Funding Agreement, the Recipient shall not use the name and/or logo of:
- 14.1.1 the Fund without the prior approval of the Grantor; or
- 14.1.2 any one or more of CAPCO, HK Electric, HKLTL or CLP without the prior approval of the relevant company

which approval shall not be unreasonably withheld if it is in connection with the Funded Project and will not, in the Grantor or relevant company's sole discretion, damage the image of the Grantor, the relevant company or CLP and/or incur any of them to incur liability.

## 15 Confidentiality and Publishing results of Funded Project and Other Information

- 15.1 Subject to the provisions of Clause 15.2 to Clause 15.4, the Recipient shall:
- 15.1.1 treat this Funding Agreement as confidential and shall not disclose any of CAPCO's, HK Electric's, HKLTL's or CLP's information or the conditions of this Funding Agreement without the consent of CAPCO, HK Electric, HKLTL and CLP as relevant.
- 15.1.2 subject to the Grantor's consent, procure a non-disclosure agreement in favour of the Grantor and in a form satisfactory to the Grantor signed by any of the Recipient's employees, agents or subcontractors (or subcontractor's employees, agents or sub-subcontractors) that the Grantor (acting reasonably) believes will have access to the Grantor's sensitive information in the course of performing any work in connection with the Funded Project or in performing any of the Recipient's obligations under this Funding Agreement.
- 15.2 The Recipient shall notify the Grantor in writing of the results of the Funded Project at least 14 days before the results of the Funded Project are published in accordance with Clause 15.4.
- 15.3 The Recipient shall:
- 15.3.1 include the following disclaimer in all publications of results, publicity materials, media briefs and other materials produced in connection with the Funded Project:
- "Any opinions, findings, conclusions or recommendations expressed in this material / event do not necessarily reflect the views of HKLTL, CAPCO and HK Electric and the [Marine Conservation Enhancement/Fisheries Enhancement] Fund."*;
- 15.3.2 include each of CAPCO's, HK Electric's and HKLTL's logos on publications of results, publicity materials, media briefs, samples, artwork (as relevant) and other materials produced in connection with the Funded Project;

15.3.3 submit a copy of each publication of results, publicity materials, media briefs, samples, artwork and other materials produced in connection with the Funded Project or its activities to the Grantor for approval before it is published and shall follow any instructions given by CAPCO, HK Electric and HKLTL on the format and presentation of such materials whenever required; and

15.3.4 provide CAPCO, HK Electric and HKLTL with copies of all final publications or materials referred to in this Clause 15.3 within one month of publication.

15.4 The Recipient acknowledges and agrees that the Grantor shall have the irrevocable right to publish:

15.4.1 the results and findings of the Funded Project;

15.4.2 any information (including personal data, where applicable) provided in the Application, the Reports and other publications or publicity materials; and

15.4.3 following approval of the Completion Report by the Management Committee under Clause 9.1, the Completion Report (including any personal data contained in the Completion Report) shall be published onto the dedicated website of the Fund.

## 16 Project Assets

16.1 Prior to completion of the Funded Project, the title to any Project Assets will vest in the Recipient.

16.2 At any time prior to the last payment of the Funded Amount or on termination of this Funding Agreement under Clause 17, the Grantor may, in its absolute discretion, notify the Recipient that the Grantor requires the Recipient to:

16.2.1 transfer, with or without consideration, the Project Assets to:

(a) CAPCO, HK Electric, HKLTL or any one or more of them; or

(b) a third party;

16.2.2 donate the Project Assets to a nominated beneficiary; or

16.2.3 sell the Project Assets.

16.3 The Parties shall, at their own cost, enter into all necessary agreements and documents and do all things reasonably necessary to give effect to any notice given by the Grantor under Clause 16.2.

16.4 At all times prior to the Recipient dealing with the Project Assets under Clause 16.1, the Recipient shall:

16.4.1 be responsible for overall control and management of the Project Assets, including the movement of Project Assets among different users;

16.4.2 keep a register to record the movements of each Project Asset, such as date of issue and the recipient, date and cost of acquisition, detailed description of the Project Asset and its physical location;

16.4.3 shall include a mark on each Project Asset to show that it has been funded by the Fund.

## 17 Suspension and Termination

17.1 The Grantor may, in its discretion, suspend or terminate this Funding Agreement and the payments of the Funded Amount if:

17.1.1 the Recipient does not comply with any part of Clause 4.3;

17.1.2 the Recipient changes any aspect of the Funded Project without the Grantor's prior written consent under Clause 5.5 or otherwise;

17.1.3 the Recipient does not commence the Funded Project within 6 months of the date of this Funding Agreement;

17.1.4 the Recipient does not provide the Reports as required under Clause 7;

- 17.1.5 the Grantor does not approve any Report provided under Clause 7;
- 17.1.6 the Grantor in its absolute discretion is of the opinion that the Funded Project has not progressed satisfactorily;
- 17.1.7 if the Project Leader resigns prior to completion of the Funded Project and a replacement Project Leader is not appointed within 14 days;
- 17.1.8 the Recipient suffers an Insolvency Event; or
- 17.1.9 any information or document provided by the Recipient to the Grantor in the Application or under this Funding is incorrect, false or misleading information or any infringement of the intellectual property rights of a third party arises out of such incorrect, false or misleading information or document;
- 17.1.10 the Recipient is in breach of this Funding Agreement.

**17.2** If this Funding Agreement is suspended by the Grantor under Clause 17.1:

- 17.2.1 the Grantor shall not make any further payments of the Funded Amount until the Grantor is satisfied that the Recipient has rectified the relevant suspension event or non-compliance with this Funding Agreement; and
- 17.2.2 the Recipient does not rectify the relevant suspension event or non-compliance with this Funding Agreement within 30 days then the Grantor may terminate this Funding Agreement immediately by notice in writing to the Recipient.

**17.3** If this Funding Agreement is terminated by the Grantor, then the Recipient shall:

- 17.3.1 repay to the Grantor:
  - (a) the balance any part of the Funded Amount that has been paid to the Recipient but not spent as at the date of termination; or
  - (b) any part of the Funded Amount used for an illegitimate purpose or purpose outside this Funding Agreement;
- 17.3.2 within two months of the termination date give the Grantor audited financial statements for the Funded Project prepared in accordance with Clause 9.3; and
- 17.3.3 if required by the Grantor, comply with Clause 16 in respect of any Project Assets.

**17.4** The Recipient acknowledges and agrees that if this Funding Agreement is suspended or terminated under this Clause 19 then this will be taken into account by the Grantor in assessing any future applications for funding from either the MCEF or the FEF.

## **18 Governing law and jurisdiction**

- 18.1.1 This Funding Agreement shall be governed by the laws of Hong Kong.
- 18.1.2 Any and all disputes shall be referred to the exclusive jurisdiction of the courts of Hong Kong.

## **19 Miscellaneous**

### **19.1 Notices**

- 19.1.1 Any notice or other communication in connection with this Funding Agreement shall be:
  - (a) in writing;
  - (b) in English and Chinese; and
  - (c) delivered by hand, pre-paid recorded delivery, pre-paid special delivery, courier using an internationally recognised courier company or email.

19.1.2 Notices to a Party shall be sent to address set out in the Particulars, or such other person or address as notified to the other Party from time to time.

19.1.3 A Notice shall be effective upon receipt and shall be deemed to have been received:

- (a) at 9.00 am on the second Business Day after posting or at the time recorded by the delivery service;
- (b) at the time of delivery, if delivered by hand or courier; or
- (c) at the time of transmission, if delivered by e-mail and where no delivery failure notice has been received by the sender.

## 19.2 Language

This Funding Agreement shall be in the [English/Chinese] language.

## 19.3 Whole agreement

This Funding Agreement contains the whole agreement between the Parties relating to the Funded Project, the payment of the Funding Amount and supersedes any previous written or oral agreement between the parties in relation to the matters dealt with in this Funding Agreement.

## 19.4 No Partnership

Nothing in this Funding Agreement shall be deemed to constitute a partnership between the parties hereto or constitute any party as the agent of any other party for any purpose.

## 19.5 Variation

No amendment to this Funding Agreement shall be effective unless in writing and signed by or on behalf of each of the parties.

## 19.6 No assignment

The Recipient must not assign, transfer or deal in any way with the benefit of the whole or any part of this Funding Agreement.

## 19.7 Invalidity/severance

If any provision in this Funding Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part:

- 19.7.1 the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the intention of the Parties; and
- 19.7.2 to the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 19.7.1, then such provision or part of it shall, to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Funding Agreement and the legality, validity and enforceability of the remainder of this Funding Agreement shall not be affected.

## 19.8 Counterparts

This Funding Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument.

## 19.9 Costs

Each party shall bear all costs incurred by it in connection with the preparation, negotiation and execution of this Funding Agreement.

## 19.10 Anti-bribery and anti-money laundering

19.10.1 Each party agrees and undertakes to each other party that, in connection with this Funding Agreement and the activities contemplated herein, it is knowledgeable about and will comply with all

Laws, regulations, rules and requirements relating to anti-bribery or anti-money laundering applicable to the performance of this Funding Agreement.

- 19.10.2 Each party agrees that neither it, nor any of its representatives, in connection with this Funding Agreement and the activities contemplated herein, will offer, promise or give, directly or indirectly, anything of value to any government official, political party official, political candidate or employee of any such person or to any third person while knowing or suspecting that such item or value or any portion thereof may be offered, promised or given to a governmental official, political party official, political candidate or employee of any such person for the purpose of obtaining or retaining business or providing an improper advantage.
- 19.10.3 Each party specifically agrees that in connection with this Funding Agreement and the activities contemplated herein, it will not take, or omit to take, any action which would lead to the violation of any applicable Law that prohibits the conferring of any gift, payment or other benefit on any person or any officer, employee, agent or adviser of such person, or which would cause any other party to be in violation of any such applicable Law.
- 19.10.4 Each party represents and warrants to the other Parties at each time it makes a payment to another party in accordance with this Funding Agreement, that such payment shall not constitute the proceeds of crime in contravention of anti-money laundering Laws.

### 19.11 Data Protection

- 19.11.1 The Recipient shall take all necessary steps to ensure that data or information belonging to the Grantor which comes into its possession or control during performance of this Funding Agreement is protected in accordance with the Recipient's information technology and data security policies and in particular the Recipient shall not:
- (a) use the data or information nor reproduce the data or information in whole or in part in any form except as may be required by this Funding Agreement; or
  - (b) disclose the data or information to any third party or persons not authorised by the Grantor to receive it, except with the prior written consent of the Grantor; or
  - (c) alter, delete, add to or otherwise interfere with the data or information (save where expressly required to do so by the terms of this Funding Agreement).
- 19.11.2 To the extent that any data or information belonging to the Grantor is personal data within the meaning of the *Personal Data (Privacy) Ordinance (Cap 486, Laws of Hong Kong)* ("**PDPO**"):
- (a) the Recipient will process and use (as such terms are defined in the PDPO) such data and information only in accordance with the Grantor's instructions and at all times in compliance with the PDPO;
  - (b) the Recipient will not transmit such data and information to a country or territory outside Hong Kong without the Grantor's express consent; and
  - (c) the Recipient will take all practical steps against unauthorised, unlawful or accidental access, processing, erasure or use of such data and information as are appropriate in accordance with the PDPO.

### 19.12 Third Party Rights

- 19.12.1 Unless expressly provided to the contrary in this Funding Agreement, a person who is not a party to this Funding Agreement has no right under the *Contracts (Rights of Third Parties) Ordinance (Cap. 623)* to enforce or to enjoy the benefit of any term of this Funding Agreement.
- 19.12.2 Notwithstanding any term of in this Funding Agreement, the consent of any person who is not a party is not required to rescind or vary this Funding Agreement at any time.