

APPENDIX 2

Funding agreement - General Conditions

The following general conditions will form part of the Funding agreement between the council and Creation Trust. These conditions govern circumstances (other than poor performance by Creation) where the council will have the right to withhold, reduce, discontinue or claw back payments:

1. Acts of Creation Trust
 - a. Financial insolvency
 - b. Improper financial management
 - c. Agreement being assigned to another organisation or company
 - d. Failure to allocate grant funding to agreed and scheduled purposes
 - e. Party political activity
 - f. Corruption
 - g. Non-compliance with the law.
 - h. Lack of proper insurances
 - i. Cessation of operations.

2. National Government requiring claw back of the monies and / or any changes in the instructions for use of the grant funding by Government

These conditions will be further developed during the course of the drafting of the Funding Agreement. The Agreement will also set out the notification procedures to be followed in the event that the Trust fails to meet any of the above conditions.