



COVID-19: Implications for the UK Space and Satellite Industry:

Support and Guidance

30th April 2020

The COVID-19 pandemic, and the international governmental response to seek containment of it, has had an immediate and damaging impact on a wide range of businesses across all sectors of the economy. The numbers of workers affected by the virus, in combination with restrictions on people's movements, not just for international travel but at a local level, has in many industries severely and suddenly impacted companies' operational performance, customer markets, supply chains, access to finance and in some cases their financial viability as going concerns.

The UK Government, along with many other national governments, has launched an unprecedented economic assistance package aimed at helping businesses and employees to cope with the crisis and its household and business consequences.

This note seeks to provide practical guidance and summarise the Government and other resources available for the UK space and satellite commercial sector. Many of the points below have been added in response to queries that the SFN has already received.

In addition, the SFN's BackonBoard project remains available to seek to match experienced management level executives with companies who may wish to reinforce their management teams in the face of this crisis.

If you would like further assistance in relation to any of the matters covered in this note or if you have other questions not covered here, please contact the SFN at joanne.wheeler@satellitfinancenetwork.org or joe.butler@satellitfinancenetwork.org and we will do our best to assist you.

You may also wish to participate in our one-to-one company Surgeries or our training sessions which will shortly be launched to help our members through this difficult time.

This guidance note has been updated regularly as far as possible based on what we are aware of up to 30th April 2020.

Table of Contents – Issues and Questions	Pages
1. Commercial Contracts	4-5
a) Termination	4-5
- Can I terminate a contract due to COVID-19?	
- Can my purchasers/suppliers terminate a contract(s)?	
- Do I still need to meet my obligations under a contract?	
b) Can I use electronic signatures?	5
c) Can I pre-sign and send signature pages only by email?	5
2. Corporate Governance	5-7
a) Board Meetings	5-7
- How should the company conduct Board Meetings?	
- What if some directors cannot attend due to illness or for other reasons?	
- How can we execute agreements and deeds if directors are not available?	
b) What relaxations have been announced in relation to insolvency law and directors' duties?	7
3. Insurance	8-10
a) General recommendations	8
b) What specific policies will be most relevant in the current crisis?	8-10
c) What legal issues may arise?	10
4. Licensing	10
a) How can I continue to comply with UK Space Agency licensing conditions?	10
5. Financing	11-12
a) How can I raise finance at this time?	11
b) What are my financing options?	11
c) Will my existing bank loan continue to be available?	11-12
6. Foreign Direct Investment	12
a) Should I still establish and invest in the UK?	12
7. Property and Office Premises	12-13
a) How can I renegotiate a lease of office premises which I no longer need due to COVID-19?	12-13
8. ESA Assistance for SMEs	13-15
a) What ESA contractual and other assistance is available for SMEs?	13-15
- Tendering process	
- Time for payment	
- Contract execution	
- Other measures	
- Proposals submitted or to be submitted during the COVID-19 Pandemic	
- Points of contact	
b) Open Call for Proposals "Space helping UK on COVID-19 and other pandemics" with UKSA	15
9. GDPR	15-17
a) What kind of security measures should we put in place for staff working from home?	15
b) During the crisis, if our data protection standards slip, could the ICO take any regulatory action?	15
c-e) Employee Health Data	16
f-g) False Information and Scams	16-17

h) Top 4 Messages for Employees	17
10. Employment	17-20
a) Can I terminate an employment contract?	17-18
b) What support can I get to pay employees?	18
c) Do I need to pay Statutory Sick Pay?	18
d) Redundancy	19
e) What issues should I look out for under the new furlough scheme?	19-20
f) Can I get my employees tested?	20
g) Is there a duty of care on employees once they show symptoms not to go into their place of work?	20
11. Health and Safety	21
a) What health and safety considerations should I look at in relation to COVID-19?	21
12. Government support	21-25
a) What financial support is available? - Small business grant funding of £10,000 - Coronavirus Business Interruption Loan Scheme - Coronavirus Bounce Back Loan Scheme - COVID Corporate Finance Facility - Deferring VAT and Income Tax payments - HMRC Time To Pay Scheme - Business Rate Relief	21-23
b) Companies House - Extension of Accounts Filing Deadline	24
c) Employment and employment retention - Coronavirus Job Retention Scheme - Self-employment Income Support Scheme - Statutory Sick Pay relief package for small and medium sized businesses (SMEs)	24-25
d) “Key workers”	25

Issue	Support, advice, and information
1. Commercial Contracts	
<p>a) <u>Termination</u></p> <p>-Can I terminate a contract due to COVID-19?</p> <p>-Can my purchasers/ suppliers terminate a contract(s)?</p> <p>-Do I still need to meet my obligations under a contract?</p>	<p><u>Force Majeure</u></p> <ul style="list-style-type: none"> • There must be an express right to terminate for Force Majeure. • Check the specific wording and rights under the Force Majeure definition within the contract -e.g. the inclusion of “pandemic”, “epidemic” would cover COVID-19 or “Government action, regulation or law”. Alternatively, look for generic wording such as “any event outside the reasonable control of a party” and relevant termination rights. • Check the termination rights. There could be a temporary release of performance obligations whilst the qualifying Force Majeure event persists, or the right to terminate the contract entirely if the Force Majeure event continues for a specified period. • The relevant event must prevent (or possibly hinder or delay depending on the actual clause) a party from complying with its obligations before the clause can be invoked. • It is important to comply with the associated obligations set out in the contract such as giving notice to the counterparty and using reasonable endeavours to mitigate. • Do you have a contingency plan should Force Majeure rights be invoked by your contract counterparts against you? <p><u>Termination</u></p> <ul style="list-style-type: none"> • Main termination rights: breach or material breach; Force Majeure (see above); repudiatory breach; and frustration. • Breach/material breach depends on the precise terms of the contract. • Repudiatory breach and frustration are common law rights and so exist independently of the contract (although either may be excluded by express agreement in the contract). • Repudiatory breach occurs if a party wrongfully seeks to terminate a contract and gives the other party the right to terminate and sue for damages for losses incurred. • Take note of all contractual terms before seeking to terminate, including remedy periods and notice requirements. <p><u>Frustration</u></p> <ul style="list-style-type: none"> • This is a common law right arising independently from the contract terms (although may be excluded by express term). • Frustration may arise where performance of the contract becomes impossible due to a supervening event (e.g. COVID-19 or Government action). • Courts only allow for limited circumstances, e.g. subsequent illegality.

Issue	Support, advice, and information
	<ul style="list-style-type: none"> • Not available on grounds of increased cost or the fact it becomes more onerous to perform. • Performance must be impossible. • Not available if covered by Force Majeure, or if the event was caused by the act or omission of another contract party. • If frustration is successfully invoked, the contract is immediately terminated, each party is released from its future obligations and the Courts may require the reimbursement or payment of monies already paid or due to be paid.
<p>b) Can I use electronic signatures?</p>	<p><u>Electronic Signatures</u></p> <ul style="list-style-type: none"> • It is generally recognized that electronic signatures are acceptable for commercial contracts - https://www.lawcom.gov.uk/electronic-signatures-are-valid-confirms-law-commission/ - BUT: <ul style="list-style-type: none"> ○ Must comply with other formalities (e.g., witnessing for deeds still needs to be “wet ink”). ○ Certain agreements or deeds require “wet ink” signatures, e.g. if need to be filed at HMRC. ○ Check your company’s Memorandum and Articles of Association for express prohibition. ○ May not be recognized in other jurisdictions.
<p>c) Can I pre-sign and send signature pages only by email?</p>	<p>For agreements to be validly signed:</p> <ul style="list-style-type: none"> • The signature must clearly relate to the final version of the agreement (not a previous draft) to demonstrate agreement of the terms contained in the final contract. • “Pre-signed” signature pages should not be held pending final agreement and simply sent on or “released” on closing. <p>Law Society guidance (see: https://www.lawsociety.org.uk/support-services/advice/practice-notes/execution-of-documents-by-virtual-means/) allows that signature pages may be attached to an email from the signatory which also attaches the final version of the complete contract and where the cover email message confirms that the signature page attached relates to and confirms the signatory’s agreement to the terms in the attached contract.</p>
<p>2. Corporate Governance</p>	
<p>a) Board meetings</p> <p>- How should the company conduct Board meetings?</p>	<p><u>Board Meetings</u></p> <ul style="list-style-type: none"> • Good management practice should continue to apply in holding board meetings with the same regularity or as required according to the company’s Articles of Association. • This may be more important than in ordinary times if major or

Issue	Support, advice, and information
	<p>exceptional business decisions need to be made in the face of the crisis. Proceeding according to the correct formalities will reduce the potential for disputes and potential claims against management on the grounds that decisions were flawed for failure to follow the company's governance procedures.</p>
<p>- What if some directors cannot attend due to illness or for other reasons?</p>	<p><u>Remote Board Meetings</u></p> <ul style="list-style-type: none"> • With restrictions on attending workplaces and social distancing policies in place, it will be important that companies can hold remote board meetings by telephone and/or video link software. • The Articles of Association will determine whether this is the case. Many private limited companies' Articles incorporate the Model Articles by reference in which case attendance by telephone is allowed. • If your Articles expressly prohibit remote meetings or require physical attendance (possibly even in a specific location), you will need to seek to amend the Articles accordingly by shareholders special resolution (75% shareholder vote). • Articles for PLCs may be more bespoke and will need to be reviewed in detail. <p><u>Telephone/Video Meetings Best Practice</u></p> <ul style="list-style-type: none"> • Notice is given to each director that the meeting is being held with relevant information on how to participate and that all directors entitled to attend consent to the meeting being held on such basis. • Each director has the same information for discussion available to them in their remote locations. • Audio-visual facilities allow each director to hear and participate in discussions fully and clearly. • Comprehensive minutes are made available to all participating directors promptly following the meeting for approval to ensure agreement is recorded as to the business transacted at the meeting. <p><u>Other Requirements</u></p> <ul style="list-style-type: none"> • Even for remote meetings, the other rules for valid meetings will apply: notice of the meeting; quorum; there must be a valid location (e.g. the Chair's location); declaration of director's interests; and accurate minute taking. • Companies House filing requirements need to be completed - online filing is available. On 25th March the Government announced that there would be a temporary 3-month extension for companies to file their annual accounts to help avoid late filing penalties. (See Section 12: Government Support at page 24, b) "Companies House"). • Companies based in the UK for the purpose of benefiting from UK Government incentives, tax breaks or grants, need to be mindful that they

Issue	Support, advice, and information
	<p>continue to operate their management from the UK. This means that telephone board meetings need to be located in the UK even if some directors are telephoning or conferencing in from another country. The Chair and the majority of participating directors should ideally need to be in the UK to allow for the meeting to be “located” in the UK.</p> <p><u>Alternative Arrangements</u></p> <ul style="list-style-type: none"> • If insufficient directors can attend a board meeting for any reason for a quorum to be reached, you could consider the appointment of temporary alternate directors to act in an absent director’s place. If necessary new directors can be appointed.
<p>- How can we execute agreements and deeds if directors are not available?</p>	<ul style="list-style-type: none"> • To ensure that the right authorised signatories are available to sign any necessary legal documents (especially those expressed to be deeds), you could consider setting up powers of attorney for relevant non-directors who have particular managerial responsibility for projects or localities.
<p>b) What relaxations have been announced in relation to insolvency law and directors’ duties?</p>	<p><u>Insolvency and Wrongful Trading</u></p> <ul style="list-style-type: none"> • The Business Secretary announced on 28th March 2020 that insolvency laws imposing personal liability on directors engaged in wrongful trading will be temporarily relaxed with retrospective effect from 1st March 2020 in response to the crisis. • The details have yet to be published or enacted but the intention is to relieve concern for directors that they could risk personal liability for continuing to trade through the crisis in circumstances where otherwise viable businesses would be forced to cease trading where there was no reasonable prospect of the company avoiding insolvency. • The option for a moratorium on creditors’ claims currently only available for small businesses will also be extended to allow larger businesses to continue trading whilst a financial restructuring is implemented. • Additional specific changes announced include an expansion to the Essential Supplier Regime under the Insolvency Act 1986 to protect companies from essential supplies (such as utilities or IT supplies) being terminated by suppliers on the occurrence of an insolvency event. <p>Please note that insolvency law is a specialised and detailed area of law and specific advice should be taken as early as possible to manage potentially distressed situations without incurring further costs or directors’ liabilities. Other directors’ fiduciary duties remain in place and advice needs to be fact-specific based on individual cases. We can assist by referring you to relevant legal advice as required.</p>

Issue	Support, advice, and information
3. Insurance	
<p>a) General recommendations</p>	<p><u>General Recommendations</u></p> <p>In a letter to CEOs on the 15th April, Christopher Wollard, Chief Executive of the FCA, set out the FCA’s expectations of insurance firms. This emphasised the need for insurers to consider the needs of their customers and show flexibility in their treatment of them during the COVID-19 situation. In particular it advised firms to ensure that financial pressures on policyholders were not exacerbated by slow payment.</p> <p>For more information: https://www.fca.org.uk/firms/insurance-and-coronavirus-our-expectations https://www.fca.org.uk/publication/correspondence/dear-ceo-insuring-sme-business-interruption-coronavirus.pdf</p> <p>In general, you should consider the following.</p> <ul style="list-style-type: none"> • Consider that there is a general obligation to act as a prudent uninsured (i.e. you must not act carelessly in a way that you would not ordinarily act just because you believe you are covered by insurance). • Advise your insurers of any change to your circumstances or business operations. • Keep policies current and review all existing policy documentation with particular attention to any conditions, warranties or exclusions. • Ensure all of your team are aware of what is in place and what they need to do or can do if a loss/event occurs. • Check that all premium payments are up to date. • Check whether any policies are coming up for renewal. If so, consider: <ul style="list-style-type: none"> ○ whether there are notice provisions in relation to renewal and agreeing new terms; ○ whether there are provisions in relation to COVID-19 or any undefined pandemic, which if not specifically listed, are likely to be an exclusion to future policies; and ○ that statutory cover must remain in place despite the crisis (e.g. public liability, employee liability, etc.).
<p>b) What specific policies will be most relevant in the current crisis?</p>	<p><u>Business Interruption</u></p> <p>With regard to business interruption following a listed event within your policy, a pre-agreed waiting period and excess (self-retained) amount will apply before a claim for loss can be met. Listed events may include:</p> <ul style="list-style-type: none"> • denial of access to premises for key workers; • supply chain interruption due to closure of ports, deviation of vessels; and • travel disruption at ports or via road, rail or air.



Issue	Support, advice, and information
	<p>In the letter referenced above, the Chief Executive of the FCA states in relation to Business Interruption Insurance that where there are reasonable grounds to pay part of a claim but not the full claim, insurers should make an interim payment. If not, insurers must tell the FCA how they reached the decision and how it is "a fair outcome for customers".</p> <p><u>Launch Insurance</u></p> <ul style="list-style-type: none"> • Policies normally only take effect on “intentional ignition” and therefore the following would not be covered: <ul style="list-style-type: none"> ○ additional costs and expenses due to the suspension or cancellation of a launch licence; ○ business interruption from loss of revenue with no launch; and ○ any penalties or liquidated damages due to missing a contracted launch date. <p><u>Transit and Storage</u></p> <ul style="list-style-type: none"> • You should check your specific policy to ensure that intermediate storage is included, and that if transit is permitted correct procedures for loading and freight are observed as per your original statement to your insurers. <p><u>Trade Credit Insurance</u></p> <ul style="list-style-type: none"> • Trade credit insurance can have "stop-shipment" (no further trading) clauses or have cancellable limits (i.e. allowing insurer termination or reduction of cover). You should check your policy. Many insurers are not offering new customers cover at this stage. <p><u>Satellite (Asset) and Third-party Liability Insurance</u></p> <ul style="list-style-type: none"> • Satellite (asset) and third-party liability (post-launch/in-orbit) should be covered within a twelve month or longer period. • Policy cancellation is unlikely unless there is a specific clause, or you owe a premium payment. <p><u>Cyber Risks</u></p> <ul style="list-style-type: none"> • All companies have a constant threat to their information and transactions through computer hackers and ransom (see also the Section 9: GDPR at pages 15 to 17 below: f-g) “False Information and Scams”). • Any unusual requests should be verified and quarantined before being responded to. • Be mindful of insurance policy conditions in relation to the implementation of your business’s IT policy and good practice. • There may be potential limited cover under your Directors and Officers and Professional Indemnity Policies.

Issue	Support, advice, and information
	<ul style="list-style-type: none"> • Otherwise, a specific Cyber Policy can provide both the advice, helplines and support as well as financial support if an insured loss has occurred.
<p>c) What legal issues related to Insurance may arise?</p>	<p>Insurance Policies are a formal contract and therefore should be treated in the same way as any other contract. Independent advice from your broker or specialist is essential to avoid getting the process wrong or delaying a claim payment.</p> <p>You should bear in mind the following.</p> <ul style="list-style-type: none"> • Insurers will need written details/declaration of any loss. • Losses may be investigated by the insurer or an independent loss adjuster. • Insolvency of an insured contracted party is covered provided that it meets the insurers agreement, or the terms of the Insolvency Act. Current circumstances may delay this process. • Termination due to Force Majeure or a defined event can be included provided it is specifically stated within the policy. • Loss of market or drop in demand, without a specified event of the Government, is not generally included. • An Appeals process exists through the Insurance Ombudsman but will take not less than five months for the circumstances to be verified. • For more information: https://www.financial-ombudsman.org.uk/businesses/complaints-deal/insurance
<p>4. Licensing</p>	
<p>a) How can I continue to comply with UK Space Agency licensing conditions?</p>	<p><u>Licensing</u></p> <ul style="list-style-type: none"> • If you have a Space Activity Licence from the UK Space Agency (UKSA), you will be obliged to continue to comply with the conditions in your licence. If you envisage any difficulty in complying with your licence conditions, you must engage with the UKSA immediately. • If you have a UKSA licence to operate a space object, you will continue to be required to maintain direct and effective control of your licensed satellite. • The conditions of your UKSA licence are highly likely to stipulate that you must obtain prior written approval from the UKSA (acting on behalf of the Secretary of State) in order to allow any other person (in the UK or elsewhere) to operate the licensed satellite or to transfer the operation of the licensed satellite to any other person (in the UK or elsewhere). • If you seek to transfer your licence to another entity to operate your satellite(s), that other entity must exercise direct and effective control over the satellite(s) from the UK and must be approved in advance as above.

Issue	Support, advice, and information
5. Financing	
<p>a) How can I raise finance at this time?</p>	<ul style="list-style-type: none"> • The crisis will undoubtedly affect banks' and financial institutions' appetite for transactions, and especially to advance, or commit to advance, new money for new transactions. • Credit committee meetings and decisions are likely to be delayed or simply put on hold in this environment. Maintaining cooperation with and close dialogue with your contacts will be imperative in seeking to keep existing transactions on track. • For new transactions, emphasis and evidence in business plans as to how the business can perform through the crisis and meet the investor's expectations on returns will be even more critical than the usual modelling for cashflows and profit forecasting. • The major banks are participating in the Government's business support lending scheme through the British Business Bank (see Section 11: Government Support, pages 21-23, below).
<p>b) What are my financing options?</p>	<ul style="list-style-type: none"> • Although conditions for raising finance may be exceptionally challenging at this time, the usual range of finance options and providers remain available for the space and satellite sector. • In addition, for businesses distressed because of the crisis, you should refer to the Government-backed finance packages available (see Section 11: Government Support, pages 21-23, below). • For those able to trade through this period, dialogue with finance providers is key. This is the case whether you are relatively unaffected or temporarily off-plan so that when the crisis subsides you are in a good position for future investment discussions. <p>The Satellite Finance Network can assist in guiding you to relevant contacts.</p>
<p>c) Will my existing bank loan continue to be available?</p>	<p>If you already have a credit facility in place with your bank and you are concerned about the bank's rights to cut-off funding provided under it, you should review your agreement as soon as possible. Key points to consider are as follows.</p> <ul style="list-style-type: none"> • Is the loan a committed facility or is it "on demand"? If it is committed, provided you comply with all of its terms, the bank is bound to continue to provide the loan and cannot arbitrarily call for repayment just because of the crisis. If it is "on demand", the bank is entitled to call for repayment at its discretion. • Compliance with undertakings, representations and financial covenants is key. • Requirements to provide information to the lender will be very important to the lender in this situation and failure to comply (or perceived reluctance to comply) with information requests or timeframes for provision of financial or other information as required in your loan documentation will raise concern at the bank and lead to more extensive

Issue	Support, advice, and information
	<p>scrutiny than may otherwise have been the case.</p> <ul style="list-style-type: none"> • If your company’s decision-making in the current crisis requires actions which your loan agreement stipulates needs prior bank consent, ensure that you comply with such requirement for consent. Similarly, there may be requirements for the company to give a bank notice of the occurrence of certain events (eg. litigation or closure of business activities). Banks are more likely to cooperate and even assist if they are aware of decisions or issues beforehand than after the event. If actions are taken or notice is not given that puts you in default under the loan agreement, the bank then has control over the loan and discretion as to its next actions. Activities such as raising further finance from third parties, granting security, making disposals or acquisitions of assets will often require prior bank consent. • Many loan agreements contain a “Material Adverse Effect/Change” (MAE) clause which allows the bank to call an event of default if the general performance or outlook for the business is adversely affected for any reason. This is a catch-all clause that banks rarely ever need to rely on in usual circumstances but could become more important to lenders in moments of exceptional circumstances such as the current crisis. Whether a MAE clause can be called depends on the precise wording of the clause and the facts of the case at hand. There is a limited amount of English case law to assist with interpretation (which reflects the rarity of their use). Banks are likely to only look to MAE clauses as a last resort and it is usually the case that other undertakings would be likely to have been breached if MAE is in question and those breaches will be the bank’s preferred causes. • Check whether your loan facility is close to termination and whether there are any renewal conditions such as giving notice to extend or renewal fees.
6. Foreign Direct Investment	
<p>a) Should I still establish and invest in the UK?</p>	<p>In short – yes. The Government support through the Department of International Trade, Scottish Development International, Invest Northern Ireland and in Wales all continues.</p> <p>The Satellite Finance Network can help you navigate the support available to you.</p>
7. Property and Office Premises	
<p>a) How can I renegotiate a lease of office premises which I no longer need due to COVID-19?</p>	<p><u>Property and Office Premises</u></p> <ul style="list-style-type: none"> • Leases or licences should be reviewed as soon as possible if you are concerned about your rights to continue to use your business premises. If you are no longer able to utilize the premises because of working from home rules and Government policy, or because landlords are no longer providing support services required for the operation of premises, your rights will be determined by the terms of your contract(s) and advice should be taken on what your best course of action may be.

Issue	Support, advice, and information
	<ul style="list-style-type: none"> • Negotiation of rental holidays may be possible for example as landlords are likely to prefer to keep otherwise viable tenants under contract than simply lose tenants in an environment where there is significantly less demand for property. • The Government's emergency COVID-19 legislation included a moratorium on lease forfeitures due to commercial tenants not being able to pay rent because of the impact of the crisis. The measures are in place until 30th June 2020 with an option to extend and apply in England, Wales and Northern Ireland. • This a rental holiday scheme and does not mean that rents will not become due at a later period. The scheme is intended to assist in rent deferral negotiations with landlords whilst companies are dealing with adverse cashflow due to the crisis. • Check leases and licences to see whether there are break clauses that can be used and make sure that notice requirements are complied with. • For example, be careful that automatic extensions of terms do not occur simply because notice to terminate has not been given when required. A notice to terminate can usually be expressed so as to prevent automatic renewal on existing terms whilst also being an invitation to discuss revised terms. <p>Legal questions on commercial property matters can quickly become technically detailed and we recommend early advice is taken where necessary.</p>
8. ESA Assistance for SMEs	
<p>a) What ESA contractual and other assistance is available for SMEs?</p>	<p>ESA has put in place a business continuity plan (published on 23rd March 2020) to limit, as much as feasible, the repercussions of COVID-19 on industry and on the implementation of ESA programmes.</p> <p><u>Tendering Process</u></p> <ul style="list-style-type: none"> • Where possible, ESA will relax the closing dates of invitations to tenders (ITTs) currently falling in March, April and May on a case by case basis upon the request of interested bidders. <p><u>Time for Payment</u></p> <ul style="list-style-type: none"> • No specific difficulties are anticipated in relation to handling and payment of invoices. Approved invoices will be paid by ESA without delay in March, April and May. <p><u>Contract Execution</u></p> <ul style="list-style-type: none"> • ESA will make partial payments against forthcoming milestones in line with the level of technical progress reached to date. • Companies may request additional advances in ongoing contracts, particularly when this is needed to accelerate payments to

Issue	Support, advice, and information
	<p>subcontractors.</p> <ul style="list-style-type: none"> • Companies with ESA development contracts could be granted the waiver of penalties or extension of incentive milestones for epidemic-related delays for the duration that they have been affected plus one additional month of recovery time. • Until the end of June 2020, SMEs may exceptionally request up to a 50% advance of the (remaining) contract value instead of the current 35%, taking into account any advance that has already been granted. • ESA will instruct prime contractors to ensure expeditious assessment of technical progress evidence from their subcontractors and expeditious partial payment to their subcontractors so that all industrial partners can share the benefit from the measures in ESA's business continuity plan. • However, retroactive adjustments to contracts shall not be implemented. <p><u>Other Measures</u></p> <ul style="list-style-type: none"> • The next Industrial Policy Committee (IPC) meeting will take place in June 2020 and a modified procurement approval process will be issued before the end of June. • Activities below the IPC threshold are to remain fully operational. • ESA-STAR system will remain operational and available. • Negotiations and kick-off meetings of contracts will take place by tele/video conference and the use of electronic signatures (encompassing simple electronic signatures (handwritten and scanned) or the use of e-signing digital tools) are now authorised until further notice. <p><u>Proposals Submitted or to be Submitted During the COVID-19 Pandemic</u></p> <ul style="list-style-type: none"> • In order to ensure a fair evaluation of proposals submitted during the COVID-19 pandemic, ESA has requested that Tenderers submit "nominal offers"- i.e. without any reservations concerning the expected impacts of the COVID-19 pandemic. • The contract eventually to be concluded between ESA and the Tenderer will be based on the circumstances prevailing, to the best knowledge of both parties, at the time of the contract negotiations. • Following the contract award, any impact of the COVID-19 pandemic may be considered under the Force Majeure provisions in ESA's General Conditions of Contract. <p><u>Points of Contact</u></p> <ul style="list-style-type: none"> • ESA has put in place a dedicated virtual COVID-19 Desk to be used by ESA suppliers for general enquiries in relation to COVID-19 and the virus' impact on their businesses: industry.covid19@esa.int. • For payment matters related to ongoing contracts, you should contact ESA.payment.officer@esa.int.

Issue	Support, advice, and information
	<ul style="list-style-type: none"> For questions or clarifications on on-going procurement actions, you should only contact the points of contact identified in the cover letter of the corresponding ITTs and RFQs. <p>The copy of ESA's business continuity plan is available here.</p>
<p>b) Open Call for Proposals "Space helping UK on COVID-19 and other pandemics" with UKSA</p>	<p>ESA have made a joint announcement with UKSA that an initial £2.6 million will be made available for space-enabled technologies to be developed in support of the NHS with particular focus on the following areas.</p> <ul style="list-style-type: none"> Logistics within the health delivery system, e.g. with drone deliveries. Managing infectious disease outbreaks. Population health and wellbeing. Recovering health system function and handling backlogs after the crisis. Preparedness for future epidemics. <p>Details on the application process can be found here: https://business.esa.int/space-for-uk-covid-19</p>
<p>9. GDPR</p>	
<p>a) What kind of security measures should we put in place for staff working from home?</p>	<p><u>Security and Working from Home</u></p> <ul style="list-style-type: none"> Staff should be able to work from home on a long-term basis and use their own device and/or communications equipment. GDPR and data protection law does not prevent this, but as an employer you should consider the same kinds of security measures for homeworking that you would use within the office environment.
<p>b) During the crisis, if our data protection standards slip, or our response to subject access requests take longer, could the ICO take any regulatory action?</p>	<p><u>Regulatory Action</u></p> <ul style="list-style-type: none"> As far as we are aware, the ICO will take into consideration the fact that UK businesses are having to cope with a huge change in working practices and procedures. The ICO has said that they understand that resources might be diverted away from usual compliance or information governance work, and that they will not penalize organisations that they know need to prioritise other areas or adapt their usual approach for the duration of this crisis. Therefore, as long as the ICO believe data controllers are attempting to comply with the relevant regulations and not abusing the situation as an excuse not to comply, they are more likely to be lenient in regard to inadvertent technical/minor breaches.

Issue	Support, advice, and information
<p>c) Can I ask our employees to provide their health data in relation to COVID-19?</p> <p>d) Can I inform staff that a colleague may have contracted COVID-19?</p> <p>e) Can I share employees' health data with public authorities?</p>	<p><u>Employee Health Data</u></p> <ul style="list-style-type: none"> As an employer, you have a duty to protect your employees' health, but that does not mean that you need to gather a large amount of health information about them. However, it would be reasonable to ask your employees if they are experiencing COVID-19 symptoms. See Section 10: Employment at page 20- f) "Can I get my Employees Tested?") for more related information. It is good practice to keep staff informed about cases within your organisation. However, you should not name individuals and you should not provide any more information than necessary. It is unlikely that your organisation will have to share information with the authorities about specific individuals. However, if it is necessary, data protection law will not stop you from doing so, especially if the authorities have specifically requested you to provide such information.
<p>f) What should I do if my employees report that they are receiving on their work emails an increased number of online news stories about COVID-19 which look false and misleading?</p> <p>g) Since the start of the crisis, there has been a growth in email and phone scammers. What can I do to mitigate this?</p>	<p><u>False Information and Scams</u></p> <ul style="list-style-type: none"> The Government has seen an increase in false stories and harmful narratives online and via email traffic about COVID-19. This ranges from purported "experts" issuing dangerous misinformation to criminal fraudsters running phishing scams. The Government has set up specialist units to combat these false narratives. For further information see: https://sharechecklist.gov.uk and ask your employees to read it carefully and follow the SHARE checklist. <p>Criminals are looking to take advantage of people working from home and the perceived lack of security. The common factor in all of these scams is that you can only find out more by clicking onto a link or opening an attachment. This is the clear "tell-tale" you should be looking out for.</p> <p>There are simple steps to take to ensure you stay safe. You should ask yourself the following.</p> <ul style="list-style-type: none"> Is the email addressed to you personally or is it a general address such as "Dear Customer"? Is the spelling, punctuation and grammar correct? Does the email ask you urgently to verify details within a specific time? Does the senders email look legitimate – look at the real email address rather than the heading? Does the email look like previous emails from the legitimate source? Does the email ask you for your bank details, online passwords or your PIN etc? If it does, it is a scam.

Issue	Support, advice, and information
	<p>Agencies and Departments across Government are working to prevent these scams and offer very good advice. Such agencies include:</p> <ul style="list-style-type: none"> • The National Cyber Security Centre: https://www.ncsc.gov.uk • The National Crime Agency: https://nationalcrimeagency.gov.uk • The Financial Conduct Authority: https://www.fca.org.uk • National Trading Standards: https://www.nationaltradingstandards.uk/news/beware-of-covid19-scams/
<p>h) If your employees are worried about their personal information, here are the top 4 messages you might want to give them:</p>	<p><u>Employee Personal Information</u></p> <p>Set out below are some top tips for your employees:</p> <ul style="list-style-type: none"> • The Government and the NHS will make sure everyone will get vital public health messages via telephone, email or text. You do not need to give them consent. • You might be asked to give details about sensitive health conditions which you might think is excessive. Employers do have an obligation to protect their staff so in some cases it can be reasonable for them to ask you if you have experienced COVID-19 symptoms. However, employers should not be asking for more information than is necessary and if you are concerned you should speak to the organisation involved. • If you become ill with COVID-19, your employer might need to tell your colleagues. But that does not mean they need to give out your name unless you provide your consent. • If you have made a subject access request for your own information, you should expect delays in response as organisations are diverting their resources to help with other challenges.
<p>10. Employment</p>	
<p>a) Can I terminate an employment contract?</p>	<ul style="list-style-type: none"> • The starting point is to check the wording in the employment contract. • If, for example, it is for a fixed term then please check if the parties can terminate early and during that fixed term period without being in breach of contract. <p><u>Notice</u></p> <ul style="list-style-type: none"> • An employee is entitled to receive the statutory minimum period of notice. This is 1 week for each complete year of service (capped at 12 weeks for 12 years' or more service). However, the contract of employment may provide for a longer period of notice and that will override the statutory position. • The employer should give that notice period in writing (or if permitted, pay it in lieu of notice subject to PAYE deductions) and also pay any accrued but untaken holiday entitlement as at the termination date.

Issue	Support, advice, and information
	<p><u>Fair Dismissal</u></p> <p>If the employee has 2 years' service or more then they have the right to be fairly dismissed/will have unfair dismissal rights. This means in order for the employer to seek to avoid a successful claim for unfair dismissal:</p> <ul style="list-style-type: none"> • the reason for the dismissal must be one of the defined fair reasons under the Law (which includes redundancy); • a fair process must be followed; and • the dismissal must be reasonable in all the circumstances. <p>Employees with 2 years' or more service have the right to receive a written reason for their dismissal.</p> <p>Even if an employee does not have 2 years' service or more, they may still be able to claim 'automatic' unfair dismissal if the real reason for their dismissal is for reasons such as:</p> <ul style="list-style-type: none"> • discrimination; • because they asserted a statutory right; and • because they blew the whistle. <p>A fair process is therefore often sensible for all employees to show the reason for their dismissal.</p>
<p>b) What support can I get to pay employees?</p>	<ul style="list-style-type: none"> • The main Government package for employers is the Coronavirus Job Retention Scheme, which allows an employer to reclaim up to 80% (capped at £2,500 per month) of an employee's monthly wages (plus the associated employer NICS and mandatory auto-enrolment pension payments). • This is provided that the employee is NOT working for the employer during any 3-week period whilst furloughed. • Please see Section 11: Government Support (pages 23-24), below, for more information.
<p>c) Do I need to pay Statutory Sick Pay?</p>	<p><u>Statutory Sick Pay</u></p> <ul style="list-style-type: none"> • Yes, in the event an employee is eligible to receive it and unwell. It also covers an employee isolating due to COVID-19 even if they have no symptoms. • For more information: https://111.nhs.uk/isolation-note/ • Please see Section 11: Government Support (pages 23-24) regarding potentially reclaiming the sums paid. Please also check the contracts of employment and sickness policies to see if contractual sick pay may also need to be paid.

Issue	Support, advice, and information
<p>d) Redundancy</p>	<p>For a dismissal for redundancy to be fair (and therefore seek to avoid an unfair dismissal claim) an employer:</p> <ul style="list-style-type: none"> • needs to establish that redundancy was the real reason for the dismissal; and • must act reasonably in all the circumstances in treating redundancy as that reason. <p>Some guidance on the individual consultation process is set out by ACAS here: https://www.acas.org.uk/your-rights-during-redundancy/how-you-employer-must-consult-you</p> <p><u>Redundancy Pay</u></p> <ul style="list-style-type: none"> • Employees with 2 years’ or more service are entitled to receive a statutory redundancy payment which is not refunded by the Government. • This is calculated based on their age, length of service and weekly pay subject to an upper limit of currently £538 per week. <p>For more information: https://www.gov.uk/calculate-your-redundancy-pay</p> <p>Please note that if 20 or more employees (include those with under 2 years’ service) are at risk of redundancy within a rolling 90-day period then:</p> <ul style="list-style-type: none"> • the employer must file an HR1 form to the Secretary of State in good time (it is a criminal offence for the directors not to do so); and • the employer must follow a collective consultation process via Trade Union or employee representatives (or risk a claim for a protective award from the employees or their representatives equal to up to 13 weeks uncapped pay for each affected employee). <p>For more information: https://www.acas.org.uk/manage-staff-redundancies/consult-your-employees</p>
<p>e) What issues should I look out for under the new furlough scheme?</p>	<p><u>Furlough Scheme</u></p> <p>The HMRC online portal to refund the grant to employers can be found here: https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme#how-to-claim.</p> <p><u>Guidance as of 26th March 2020</u></p> <p>There has not been any legislation regarding the furlough scheme, so we can only look to the guidance.</p>

Issue	Support, advice, and information
	<ul style="list-style-type: none"> • The guidance clarified that the national minimum wage only applies when working and therefore furloughed workers being paid the lower of 80% of their salary of £2,500 can be paid below the national minimum wage based on their working hours when furloughed. • Family-friendly statutory payments continue as before, as does all family friendly leave. The guidance suggests that employees entitled to receive enhanced/contractual maternity and other family friendly leave pay can be furloughed at the same time and therefore the employer can claim back some of that pay (up to the usual 80% or £2,500 cap). • Holiday continues to accrue during furlough. The position in terms of whether holiday can be taken during furlough and at what rate remains a matter of debate amongst employment lawyers. <p>For more information, employment lawyers would recommend only using these sites: https://www.elaweb.org.uk/content/sources-information-covid-19-coronavirus</p>
<p>f) Can I get my employees tested? Under what circumstances?</p>	<p><u>Employee Testing</u></p> <ul style="list-style-type: none"> • Currently, most individuals are not being tested for COVID-19. This may change as more testing equipment is provided in the UK. • Check your handbook and/or contract for any position regarding testing and carry out a risk assessment before imposing it. See part 4 of the IVCO guidance on testing, which can be found here: https://ico.org.uk/media/for-organisations/documents/1064/the-employment-practices-code.pdf • Please note that the results of any such tests will fall under the ‘special category personal data’ under the data protection laws as they relate to health and as such special rules apply including regarding processing and retaining such data.
<p>g) Is there a duty of care on employees once they show symptoms not to go into their place of work?</p>	<p><u>Employer Duty of Care</u></p> <ul style="list-style-type: none"> • Yes, employers have a duty to ensure their workplace is safe for its staff. Currently, only employees that cannot work from home should be attending the workplace. • Employers should ensure that employees follow the NHS and PHO guidance for employees who are attending work. • For more information see: https://www.gov.uk/government/organisations/public-health-england

Issue	Support, advice, and information
11. Health and Safety	
<p>a) What health and safety considerations should I look at in relation to COVID-19?</p>	<ul style="list-style-type: none"> • The Health & Safety at Work Act 1974 continues to apply. • You should be updating and revising your health and safety risk assessments to reflect changes arising from the changes brought about by COVID-19, e.g. to allow for social distancing, access to and use of personal protective equipment (PPE), changes to or reduction in staffing and first aid cover. • It is important to document that the assessments have been updated, in particular where you have had to balance competing risks, to show that you have considered the issues. • Employers who have people in their offices or onsite should ensure that employees are able, where possible, to follow the Public Health England guidance on social distancing (including, where possible, maintaining a 2 metre distance from others), and hygiene (washing their hands with soap and water often for at least 20 seconds) which can be found here: https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-coronavirus-covid-19. • COVID-19 is now reportable under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013. • Given the complexity in identifying the source of any particular person's infection with COVID-19, it is unlikely that it would be possible to prove that an individual contracted the disease from exposure at their place of work and so prosecutions under the health and safety legislation are unlikely except in the most egregious circumstances. • The Coronavirus Act 2020 gives designated officials the right to prohibit, or impose requirements or restrictions on access to premises and gatherings of people. It is an offence punishable by a fine to fail to comply with any such prohibition, requirement or restriction.
12. Government Support	
<p>a) What financial support is available?</p>	<p><u>Small business grant funding of £10,000</u></p> <p>Small business grant funding of £10,000 is available for all businesses in receipt of small business rate relief or rural rate relief. If you are eligible, you will be contacted by your local authority.</p> <p>For more information: https://www.gov.uk/government/publications/coronavirus-covid-19-business-support-grant-funding-guidance-for-businesses</p> <p><u>Coronavirus Business Interruption Loan Scheme (CBILS)</u></p> <p>The Coronavirus Business Interruption Loan Scheme can provide facilities of up to £5m for smaller businesses (with a turnover of up to 45m) across the UK who are experiencing lost or deferred revenues, leading to disruptions to their</p>

Issue	Support, advice, and information
	<p>cashflow. The Government will also make a Business Interruption Payment to cover the interest and any lender-levied fees in the first 12 months of any CBILS facility. The scheme is delivered by the British Business Bank, through more than 40 accredited lenders across the UK.</p> <p>The Government has modified the original scheme. The key changes are:</p> <ul style="list-style-type: none"> • the removal of the requirement for applicants to have been refused a loan on commercial terms before applying for the scheme; and • the removal of the requirement for personal guarantees from company owners when borrowing less than £250,000. <p>The Government has also introduced the Coronavirus Large Business Interruption Loan Scheme (CLBILS), which will enable large firms with a turnover of between 45m and 500m to apply for a loan of up to 25m (at commercial rates of interest).</p> <p>It is important to note that the Government guarantee is to the lender, and that as the borrower companies will remain 100% liable for the debt.</p> <p>For more information:</p> <ul style="list-style-type: none"> • CBILS: https://www.british-business-bank.co.uk/ourpartners/coronavirus-business-interruption-loan-scheme-cbils-2/ • CLBILS: https://www.gov.uk/guidance/apply-for-the-coronavirus-large-business-interruption-loan-scheme#eligibility <p><u>Coronavirus Bounce Back Loan Scheme</u></p> <p>This Government scheme was announced on 27th April 2020 to help small and medium-sized UK businesses affected by COVID-19 by making available loans of between £2,000 and £50,000.</p> <p>The scheme will launch on 4th May 2020 and will be made available through accredited banks. The banks will have the benefit of a 100% Government guarantee in support of the loans.</p> <p>For the first 12 months, loan repayments will be deferred and there will be no interest or fees due. Loans will be available for up to a 6 year term.</p> <p>CBILS loans already taken out that qualify as Bounce Back Loans can be transferred via the relevant accredited bank to the Bounce Back Loan Scheme prior to 4th November 2020.</p> <p>For more information: https://www.gov.uk/guidance/apply-for-a-coronavirus-bounce-back-loan</p>

Issue	Support, advice, and information
	<p><u>COVID Corporate Finance Facility</u></p> <p>This facility is designed to support liquidity among larger firms, helping them to bridge COVID-19 disruption to their cash flows through the purchase of short-term debt in the form of commercial paper.</p> <p>For more information: https://www.bankofengland.co.uk/news/2020/march/the-covid-corporate-financing-facility</p> <p><u>Deferring VAT and Income Tax payments</u></p> <p>Payments of VAT for the period from 20th March 2020 until 30th June 2020 may be deferred until April 2021. No application is required. This does not cover payments for VAT MOSS or import VAT.</p> <p>Self-assessment payments due on 31st July 2020 may be deferred until 31st January 2021. No application is required.</p> <p>For more information: https://www.businesssupport.gov.uk/vat-deferral/ https://www.businesssupport.gov.uk/deferral-of-self-assessment-payment/</p> <p><u>HMRC Time To Pay Scheme</u></p> <p>All businesses and self-employed people in financial distress, and with outstanding tax liabilities, may be eligible to receive support with their tax affairs through HMRC's Time To Pay service.</p> <p>These arrangements are agreed on a case-by-case basis and are tailored to individual circumstances and liabilities.</p> <p>HMRC Helpline: 0800 024 1222</p> <p>For more information: https://www.gov.uk/government/news/tax-helpline-to-support-businesses-affected-by-coronavirus-covid-19 https://www.gov.uk/government/organisations/hm-revenue-customs/contact/coronavirus-covid-19-helpline</p> <p><u>Business Rate Relief</u></p> <p>Although not directly relevant for most businesses in the space and satellite sector, business rate holidays and grants have been introduced for qualifying businesses in the retail, hospitality and leisure industry for the 2020/21 tax year.</p>

Issue	Support, advice, and information
<p>b) Companies House</p>	<p><u>Extension of Accounts Filing Deadline</u></p> <p>Companies can apply for an automatic and immediate 3-month extension to file accounts if their accounts will be late because of COVID-19 given that their filing deadline has not yet passed.</p> <p>Companies that have already extended their filing deadline or shortened their accounting reference period may not be eligible for such extension.</p> <p>For more information: https://www.gov.uk/guidance/apply-for-more-time-to-file-your-companys-accounts#coronavirus-covid-19 https://beta.companieshouse.gov.uk/extensions?_ga=2.160326783.378469560.1585576411-647809829.1579782680</p>
<p>c) Employment and employment retention</p>	<p><u>Coronavirus Job Retention Scheme</u></p> <p>If eligible, employers can claim to cover wages for employees on temporary leave (furlough) due to COVID-19. Employers can use a portal to claim for 80% of furloughed employees' usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage.</p> <p>The portal to make a claim can be found here: https://www.gov.uk/guidance/claim-for-wages-through-the-coronavirus-job-retention-scheme#how-to-claim</p> <p>For more information: https://www.gov.uk/guidance/claim-for-wage-costs-through-the-coronavirus-job-retention-scheme#claim</p> <p><u>Self-employment Income Support Scheme</u></p> <p>The Self-employment Income Support Scheme (SEISS) will support self-employed individuals (including members of partnerships) whose income has been negatively impacted by COVID-19. This scheme will allow you to claim a taxable grant worth 80% of your trading profits up to a maximum of £2,500 a month.</p> <p>HMRC will use the average profits from tax returns in 2016-17, 2017-18 and 2018-19 to calculate the size of the grant. The scheme will be open to those where the majority of their income comes from self-employment and who have profits of less than £50,000.</p> <p>You cannot make a claim yet. HMRC will aim to contact you by mid May 2020 if you're eligible for the scheme and invite you to claim using the GOV.UK online service.</p>

Issue	Support, advice, and information
	<p>For more information: https://www.businesssupport.gov.uk/self-employment-income-support-scheme/ https://www.gov.uk/guidance/claim-a-grant-through-the-coronavirus-covid-19-self-employment-income-support-scheme</p> <p><u>Statutory Sick Pay relief package for small and medium sized businesses (SMEs)</u></p> <p>The Government will bring forward legislation to allow small and medium-sized businesses to reclaim Statutory Sick Pay (SSP) paid for staff sickness absence due to COVID-19. This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because of COVID-19. To be eligible, your business must have employed fewer than 250 employees as of 28th February 2020.</p> <p>For more information: https://www.businesssupport.gov.uk/statutory-sick-pay-rebate/</p>
d) "Key workers"	<p>The guidance on the definition of key workers is somewhat vague, stating:</p> <p>"If your work is critical to the COVID-19 response, or you work in one of the critical sectors listed below, and you cannot keep your child safe at home then your children will be prioritised for education provision."</p> <p>This means that in some sectors it is largely left to the discretion of employers to decide whether an employee qualifies as a key worker.</p> <p>The list of sectors is as follows:</p> <ul style="list-style-type: none"> • Health and social care • Education and childcare • Key public services • Local and national Government • Food and other necessary goods • Public safety and national security • Transport • Utilities, communication and financial services <p>The full guidance can be found here: https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-educational-provision/guidance-for-schools-colleges-and-local-authorities-on-maintaining-educational-provision</p> <p>The FCA has noted it expects only a limited number of people to be identified as being key financial workers, and has published further guidance for the financial services sector: https://www.fca.org.uk/firms/key-workers-financial-services</p>



This guidance note is a summary of the information available and preliminary advice in relation to queries that the Satellite Finance Network have received and on matters which we expect to be of general concern to Satellite Finance Network members and other participants in the space and satellite sector.

This note provides general guidance and does not constitute legal advice.

Please contact:

- joanne.wheeler@satellitfinancenetwork.org ; or
- joe.butler@satellitfinancenetwork.org

If you have any queries or for further information.