

The Department for Science, Innovation and Technology
100 Parliament Street
London
SW1A 2BQ

Contact: [insert full name and email address of DSIT contact]

[Insert date]

[Addressee full name] (Recipient)
[Addressee address]

Attention: [Full name], [Title]

Dear [Grant Recipient],

Open Networks Ecosystem competition – Conditional Grant Offer Letter

Any reference in this letter to "you" or "your" means the Recipient and any capitalised terms have the meanings given in clause 1.1 of ANNEX 2 (Terms and Conditions) to this letter.

On [insert date], you submitted the application in the ATTACHMENT to this letter (**Application**) in response to the **Open Networks Ecosystem** competition (**Competition**) for the project named in the table below (**Project**). After consideration of your Application, the Secretary of State for Science, Innovation and Technology (**Authority**) would like to appoint you as its preferred partner for the Project. The Authority is pleased to offer you this appointment and a Grant for the activities described in ANNEX 1 (Project Description). This Grant is subject to your agreement to, and compliance with, the terms and conditions set out in this Conditional Grant Offer Letter and its Annexes and Appendices.

Overview of the Grant

The key elements of the Grant and your key contacts are described in the table below:

Project	[Insert the Project's name]. A description of the Project is set out in ANNEX 1 (Project Description), with a more detailed description set out in the Application.
Grant Funding	£[Insert total Grant Funding available]
Grant Funding by Financial Year	[Insert the total Grant Funding available for each financial year]
Grant Funding Period	The period from [date] to [date].
First Quarterly Review	On or around the date three months after the Effective Date (or such other date agreed to by the Parties in writing).
Project Representative	[Full name], [Title], [Contact number], [Email]

First Escalation Contact*	[Full name], [Title], [Contact number], [Email]
Second Escalation Contact*	[Full name], [Title], [Contact number], [Email]
Accountable Officer*	[Full name], [Title], [Contact number], [Email]

* See section 24 of Annex 2 (Dispute Resolution) for the role of the First and Second Escalation Contacts. See section 11.1 of Annex 2 (Administration of the Grant) for the role of the Accountable Officer. Also see the definitions of each of these terms.

You warrant and represent that your Project Representative and any person referenced in the table above is authorised to make decisions and provide information on your behalf.

Grant Claims and payment of the Grant

The Grant is offered to you to contribute towards Eligible Expenditure only.

ANNEX 5 (Milestones, Deliverables and Grant Claim Schedule) sets out the Grant Claim Dates on which you may submit a Grant Claim in accordance with ANNEX 2 (Terms and Conditions) and the Grant Claim Procedure at ANNEX 6 (Grant Claim Procedure).

The Authority will pay Grant Instalments into the following bank account. Please inform the contact for the Authority above immediately if these details are not correct:

Account Name	[Recipient to insert]
Account Number	[Recipient to insert]
Sort Code	[Recipient to insert]

Prime role and responsibility for the Project

As the Lead Partner for the Project, you will be the sole recipient of the Grant Funding and, as such, you will be responsible for managing the Grant as between you and any Project Partners and Project Participants. For example, this includes the responsibility for:

- securing the products and services of any Project Participants in compliance with this Grant Agreement and Applicable Laws;
- Distributing the Grant Funding to Project Partners;
- securing the re-payment of Grant Funding if requested by the Authority in accordance with ANNEX 2 (Terms and Conditions) including where the Grant Funding has already been Distributed; and
- any communications and liaison with the Authority.

The Project Partners for the Project include:

Project Partner	Contact Details	Role
[Full name (repeat for each).	[Full contact details (repeat for	[Description of the Project

Project Partner	Contact Details	Role
Include the Recipient as Lead Partner]	each)]	Partner's role (repeat for each)]

The Grant Agreement and Grant Pre-conditions

Once you sign this Conditional Grant Offer Letter as designated below, it will comprise a binding "**Grant Agreement**" between you and the Authority that includes and incorporates the following documents:

Document	Title	Description	Page
ANNEX 1	Project Description	Background to the Grant and the Project Description.	6
ANNEX 2	Terms and Conditions	General terms and conditions applicable to the Grant.	10
ANNEX 3	Collaboration Agreement	Minimum Requirements for the Collaboration Agreement.	50
APPENDIX 1 TO ANNEX 3	Template Collaboration Agreement	A Template Collaboration Agreement for use by the Lead Partner and Project Partners.	53
ANNEX 4	Eligible Expenditure	What constitutes Eligible Expenditure for Grant Funding.	75
ANNEX 5	Milestones, Deliverables and Grant Claim Schedule	The Grant Claim Dates on which the Recipient may submit a Grant Claim, the Milestones to be achieved and Deliverables to be delivered.	80
APPENDIX 1 TO ANNEX 5	Initial Project Plan	The Initial Project Plan for the Project.	83
ANNEX 6	Grant Claim Procedure	The procedure to follow for the submission of Grant Claims.	84
APPENDIX 1 TO ANNEX 6	Grant Claim Form	The template Grant Claim Form to use when submitting Grant Claims.	86
ANNEX 7	Cash Flow Profile	The requirements for a Cash Flow Profile for the Project, including Grant Funding and Additional Funding.	87
APPENDIX 1 TO ANNEX 7	Initial Cash Flow Profile	The Initial Cash Flow Profile for the Project.	89
APPENDIX 2 TO ANNEX 7	Cash Flow Profile Form	The form to use for the Cash Flow Profile.	90

Document	Title	Description	Page
ATTACHMENT	Application	Your Application submitted to the Competition.	91

For the purpose of this Conditional Grant Offer Letter and the content of the Grant Agreement, the parties agree and acknowledge that to the extent that either:

(i) any of the content/documents described in the table above is not available, included, or accessible in this Conditional Grant Offer Letter; or

(ii) there is any uncertainty regarding which version of the content/documents described in the table above are incorporated into this Conditional Grant Offer Letter and the Grant Agreement,

then the agreed versions of such content/documents shall be those sent by email by the Authority to the Recipient on the date set out on the first page of this Conditional Grant Offer Letter, and that such emailed content/documents form part of and are incorporated into this Conditional Grant Offer Letter and the Grant Agreement on the Effective Date.

The Grant Agreement is subject to and conditional upon the following pre-conditions (the **Grant Pre-conditions**) being met to the reasonable satisfaction of the Authority or waived by the Authority:

1. **Additional Funding:** The Authority must receive written notice from you that any Additional Funding required to deliver the Project is committed to the Project before it commences. This notice must state the sources and amounts of this Additional Funding.
2. **Updated Cash Flow Profile:** The Authority must receive an updated Cash Flow Profile using the form set out in APPENDIX 2 TO ANNEX 7 (Cash Flow Profile Form) with a forecast of all expenditure for the Project no later than one month before the Recipient submits a Grant Claim for the First Grant Instalment.
3. **Draft Collaboration Agreement:** The Authority must receive a final draft of the Collaboration Agreement that you and the Project Partners have agreed and propose to sign and which meets the requirements of clause 5 of ANNEX 2 (Terms and Conditions).
4. **Signed Collaboration Agreement:** The Authority must receive a copy of the signed Collaboration Agreement in a form which meets the requirements of clause 5 of ANNEX 2 (Terms and Conditions).
5. **Accountable Officer:** The Authority must receive written notice of your appointment of an Accountable Officer, including the name, title and contact details of the person.
6. **Ailing or insolvent economic enterprises:** the Authority must receive written evidence in a form satisfactory to the Authority that, at the date of such evidence being provided, neither you nor any of the Project Partners are an 'ailing or insolvent economic enterprise' (as described in the Subsidy Control Act (including Sections 19 and 24)) which would be ineligible to receive a subsidy under the Subsidy Control Act.

Until the Grant Pre-conditions are met or waived by the Authority in writing, the Authority will not allocate Grant Funding to you.

Acceptance

To accept this Conditional Grant Offer Letter, please have an authorised signatory sign and date the duplicate copy of this Conditional Grant Offer Letter as indicated below, and return to us:

- a complete signed original of the Grant Agreement (including Annexes and Appendices); and
- evidence of the authorised signatory's authority to enter into the Grant Agreement and to bind the Recipient.

You acknowledge that signing an electronic copy of this Conditional Grant Offer Letter by electronic signature has the same effect as signing an original by hand and will be legally binding.

This Conditional Grant Offer Letter will expire twenty-eight (28) days after the date set out on the first page.

Yours sincerely

_____ for and on behalf of the Authority

Name of Authority signatory: **[DSIT to insert name]**, Open Networks Programme Director

I confirm the agreement of **[Recipient full name]** to the terms and conditions in this Conditional Grant Offer Letter and I warrant and represent that I am authorised to enter into the Grant Agreement and to bind the Recipient.

Signature:

Name:

Position:

Date:

***Signature and details of Authority
official receiving signed copy***

Signature:

Name:

Position:

Date:

ANNEX 1

PROJECT DESCRIPTION

1. BACKGROUND

1.1. This document sets out:

1.1.1. the Project Description; and

1.1.2. matters relating to Subsidy Control Rules as they apply to the Project.

1.2. Unless otherwise stated in this document, any capitalised terms have the meanings ascribed to them in clause 1.1 of ANNEX 2 (Terms and Conditions) and in addition:

1.2.1. **Competition** means the Open Networks Ecosystem Competition launched by DSIT on 14 March 2023, with the competition guidance published and available on the 14 March 2023, at: <https://www.gov.uk/guidance/open-networks-ecosystem-competition>, and a reference to **Competition Guidance** means that competition guidance;

1.2.2. **Telecoms R&D Ecosystem** means academic institutions, public sector bodies, private sector bodies and other organisations, whether based in the UK or internationally, who are involved in telecoms, including in the ideation, research, development, testing, financing, facilitation, promotion, manufacture, supply, roll-out and/or management of telecoms technologies in the UK, such as the Recipient, the Project Partners and Project Participants, the participants in other projects in connection with Open Networks Programme and/or third parties who are involved in events, activities or organisations organised or established in connection with the Project;

1.2.3. **Open Networks Programme** means the multi-phase programme run by DSIT to diversify the UK's telecoms supply chain and promote open and interoperable telecoms networks;

1.2.4. **Outcome Metrics** means the metrics used by the Authority to evaluate the outcomes of the Project as agreed between the Parties (where applicable, by the date of the relevant Milestone set out in ANNEX 5 (Milestones, Deliverables and Grant Claim Schedule)) and as may be updated by agreement from time to time thereafter;

1.2.5. **Project Description** has the meaning given in section 2.1; and

1.2.6. **Supply Chain Diversification Ecosystem** means academic institutions, public sector bodies, private sector bodies and other organisations, whether based in the UK or internationally, who are involved in 5G supply chain diversification, including in the ideation, research, development, testing, financing, facilitation, promotion, manufacture, supply, roll-out and/or management of supply chain diversification technologies in the UK.

1.3. On 14 March 2023, DSIT launched the Competition.

1.4. The Application was shortlisted to receive a grant on [date]. Further to submitting the Application, the Recipient attended an interview with DSIT on [date].

- 1.5. The Application was successful and was formally approved by the [DSIT Portfolio Board] on [date].
- 1.6. The Project was approved by the Authority on [date].
- 1.7. The Parties have agreed for the Grant to be provided to the Recipient for the Project on the terms and conditions of this Grant Agreement.

2. PROJECT DESCRIPTION

- 2.1. This section 2 (along with any additional description of the Project set out in the Application) sets out the "Project Description". The provision of Grant Funding by the Authority is conditional on the performance by the Recipient and the Consortium Partners of the Consortium as described in the Project Description.

Aims, outputs and deliverables

- 2.2. The Project is described in the Application and, in particular, includes the following aims, outputs and deliverables:
 - 2.2.1. [Insert key Project aims, outputs and deliverables applicable to the Project (to be extracted from the Application)]
 - 2.2.2. **Other benefits in the Application:** Unless otherwise required by the Authority at any time, the Project will deliver the other benefits set out in the Application to the extent they are consistent with the remainder of the Grant Agreement.



Drafting Note (to be removed)

Section 2.2 will be adapted to describe the aims and outputs to be delivered by the Project. In addition, section 2.3 describes activities applicable to Open Networks Programme grant recipients in general (which may be updated if necessary to align with the Project-specific aims and outputs).

General Project activities

- 2.3. Alongside delivery of the Project against the Project Description, the Recipient will undertake the following general Project activities:
 - 2.3.1. **Project Plan:** the Recipient will develop and maintain a plan with the Project Partners for the Project setting out the Milestones (with progress against each Milestone) and key dates for the Project. The Recipient will provide an updated copy of the plan to the Authority in advance of each Quarterly Review and otherwise on request.
 - 2.3.2. **Information collection and reporting:** the Authority will require certain information to be collated, reported and shared in connection with the Open Networks Programme. Examples of relevant activities may include:
 - (a) reporting against project outputs and delivery;
 - (b) impact evaluation activities; and
 - (c) wider knowledge inputs and sharing activities (as appropriate).

- 2.3.3. **Project management and evaluation:** the Recipient and Project Partners will be expected to provide assistance in relation to the project management and evaluation activity carried out by or on behalf of the Authority, as will be notified to the Recipient and Project Partners by the Authority. This may include supporting project management and evaluation activity carried out by the Authority's Representatives, by:
- (a) providing feedback and data;
 - (b) participating in interviews and evaluation sessions;
 - (c) responding to questionnaires and surveys; and
 - (d) developing and submitting reports.
- 2.3.4. **Monitoring and evaluation of Outcome Metrics:** the Recipient will monitor and report to the Authority on the Outcome Metrics during the Term of the Project and/or any Extension Period. Where applicable, the Parties will agree on the frequency with which the Recipient will report on particular Outcome Metrics, with the default being quarterly. The Recipient will report on Outcome Metrics using the template provided by the Authority from time to time, and these reports may be shared with the Authority's Representatives.
- 2.3.5. **Business model for sustainability:** the continuity of the Project and/or the benefits delivered by the Project following the Term and/or any Extension Period is an important consideration to the Authority's acceptance of the Application. In this light, the Recipient will develop and implement (once approved by the Authority) a business model for sustaining the Project and/or the benefits delivered by the Project beyond the Term and/or any Extension Period.

3. SUBSIDY CONTROL RULES

- 3.1. The Recipient confirms that:
- 3.1.1. it understands that any Grant Funding that is made available by the Authority pursuant to the Competition is made under the Research, Development and Innovation Streamlined Route;
 - 3.1.2. it has read and understood the relevant sections of the government guidance on the Streamlined Route which is available at the following website:
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1128060/research-development-innovation-streamlined-route-guidance.pdf;
 - 3.1.3. it has undertaken an appropriate review (using its own resources and/or those of a Project Partner where the Recipient or Project Partner has the requisite knowledge and experience, and/or by obtaining independent advice to the extent the Recipient considers such advice to be reasonably necessary), and reasonably concluded that the Grant Funding of the Project is compliant with the Subsidy Control Rules; and
 - 3.1.4. if any payment of Grant Funding in relation to the Project is found to be in breach of the Subsidy Control Rules, then it shall repay all or any part of the Grant to the Authority, where so requested by the Authority.

- 3.2. Without limiting clause 18 of ANNEX 2 (Terms and Conditions), the Recipient and Project Partners will at all times ensure that (i) their activities (and those of any Project Participants); and (ii) any contract entered into, in relation to the Project or otherwise are compatible with the Subsidy Control Rules.

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ANNEX 2

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

1.1. The term "Grant Agreement" takes its meaning from the Conditional Grant Offer Letter and in this Grant Agreement the terms **Telecoms R&D Ecosystem, Open Networks Programme, Competition Guidance and Project Description** each have their meanings given in section 1.2 of ANNEX 1 (Project Description). In addition, in this Grant Agreement:

Accountable Officer	has the meaning given in clause 11.1;
Accounting Records	include originals of any invoices, timesheets, receipts, minutes from meetings, accounts, deeds, and any other relevant documentation, whether in hard copy or electronic form;
Additional Funding	means any funding for the Project from the Project Partners or third party sources that is not Grant Funding;
ADR Notice	has the meaning given in clause 24.1.3;
Affiliate	means, in relation to any company, each parent undertaking of the company and each subsidiary undertaking of such parent undertaking (excluding the company in question);
Annex	means an annex to the Conditional Grant Offer Letter;
Appendix	means an appendix to an Annex;
Applicable Law	means any law, statute, declaration, decree, directive, legislative enactment, order, statutory instrument, subordinate legislation, ordinance, regulation, rule, by-law, binding restriction, binding code of practice, or directive/requirement of any semi-governmental or regulatory body, each as amended, consolidated or re-enacted from time to time, with which a person is bound to comply;
Application	has the meaning given in the Conditional Grant Offer Letter;
Approved Affiliate	means an Affiliate of the Recipient or a Project Partner that is: <ul style="list-style-type: none">(a) referred to in the Application or elsewhere in this Grant Agreement (and clearly specified as an Affiliate) as having a role in the delivery of the Project; or(b) otherwise approved in writing by the Authority;
Authority	has the meaning given in the Conditional Grant Offer Letter;
Background IPRs	means any and all IPRs that subsist in Background Materials;
Background Materials	means any and all Materials and other items which are: <ul style="list-style-type: none">(a) owned by a Party or a Project Partner prior to the Effective

Date; or

- (b) developed by or on behalf of a Party or a Project Partner during the Term and/or any Extension Period but not in connection with the Project;

Bribery Legislation means any and all Applicable Laws relating to anti-bribery or anti-corruption, including:

- (a) the Bribery Act 2010;
- (b) the Anti-Terrorism, Crime and Security Act 2001;
- (c) the Criminal Law Act 1977; and
- (d) the Proceeds of Crime Act 2002;

Cash Flow Profile means the later of:

- (a) the Initial Cash Flow Profile; or
- (b) an updated cash flow profile in the form of APPENDIX 2 TO ANNEX 7 (Cash Flow Profile) that has been approved by the Authority in writing (including following a Quarterly Review) and sets out the actual and forecast expenditure of Grant Funding and Additional Funding;

CEDR Centre for Effective Dispute Resolution;

Change of Control means, in relation to a person, a transfer of any part of the share capital of that person (and/or any parent undertaking of that person) or any interest in such shares resulting in another person, who does not at the date of this Grant Agreement have a Controlling Interest in the first person, directly or indirectly acquiring a Controlling Interest in the first person, through a single transaction or a series of transactions;

Code of Conduct means the Code of Conduct for Recipients of Government General Grants published by the Cabinet Office in November 2018 which is available (at the Effective Date) at https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/754555/2018-11-06_Code_of_Conduct_for_Grant_Recipients.pdf, including any subsequent updates from time to time;

Collaboration Agreement has the meaning given in clause 5.1;

Collaboration Agreement Parties means the parties to the Collaboration Agreement from time to time;

Competition Rules means any eligibility requirements, rules, thresholds, intensities and other requirements placed on the Recipient, Project Partners and any other person in connection with the Competition as are published

from time to time, including in the Competition Guidance;

Conditional Grant Offer Letter	means the letter from the Authority to the Recipient to which this document is annexed;
Confidential Information	means any information provided by one Party to the other Party that is clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential;
Consolidated Budgeting Guidance	means the guidance issued by HM Treasury in March 2021 concerning HM Treasury's budgeting approach and principles which is available (at the Effective Date) at: https://www.gov.uk/government/publications/consolidated-budgeting-guidance-2021-to-2022 , including any subsequent updates to that guidance from time to time;
Controller	has the meaning given to that term in the Data Protection Laws;
Controlling Interest	means: <ul style="list-style-type: none">(a) an interest in shares comprising 50% or more of the shares in first person (or its holding company) for the time being in issue or otherwise conferring in aggregate of 50% or more of the total voting rights of the first person (or its holding company) conferred by all the shares in the relevant company for the time being in issue; and/or(b) the ability to appoint and/or remove 50% or more by number of the directors of the first person (or its holding company);
Data Loss Event	means any event that results, or may result, in unauthorised access to Personal Data held by a Party under this Grant Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Grant Agreement, including any Personal Data Breach;
Data Protection Act	means the Data Protection Act 2018;
Data Protection Laws	means any Applicable Laws relating to the protection of individuals regarding the Processing of Personal Data, including: <ul style="list-style-type: none">(a) the Data Protection Act;(b) UK GDPR;(c) any code of practice or guidance published by the UK Information Commissioner's Office from time to time; and(d) (to the extent that it may be applicable) the EU GDPR;
Data Subject	has the meaning given to that term in the Data Protection Laws;
Default	means any breach of the obligations of the Recipient or its Representatives or any other default, act, omission, negligence or

statement of the Recipient or its Representatives in connection with this Grant Agreement;

Deliverable	means an item delivered or to be delivered by the Recipient at or before a Milestone or at any other stage in connection with the Project;
Developed IPRs	means any and all IPRs that subsist in Developed Materials, excluding Background IPRs;
Developed Materials	means any and all Materials which are developed by or on behalf of: (i) a Party; (ii) both of the Parties; or (iii) a Project Partner (including in collaboration with one another and any Project Partner) in connection with the Project;
Disclosing Party	means a Party that discloses Confidential Information, directly or indirectly, to the Receiving Party under or in connection with this Grant Agreement;
Dispute	has the meaning given in clause 24.1;
Dispute Notice	has the meaning given in clause 24.1.1;
Dissemination and Communications Lead	means the individual to be appointed by the Recipient in accordance with clause 26.3, with responsibility for communications matters relating to the Project;
Dissemination Planning and Media Protocol	means the dissemination planning and media protocol guidance document for the Competition and/or the Project notified by the Authority to the Recipient from time to time;
Distribution	means any payment by the Recipient to a Project Partner that is from (or relies upon) Grant Funding received from the Authority, and the words Distribute and Distributing have their corresponding meanings;
DSIT	means the Department for Science, Innovation and Technology;
Effective Date	means the date on which the Conditional Grant Offer Letter is signed by both Parties;
Eligible Expenditure	means costs which are incurred by the Recipient in accordance with ANNEX 4 (Eligible Expenditure);
Embedded Materials	means any Background Materials that are embedded in, required to use, or necessary to gain the intended benefit from, any Developed Materials;
EU GDPR	has the meaning given to it in Section 3 of the Data Protection Act;
Extension Period	has the meaning given in clause 2.2;
Finance Officer	means, where the stated person is: (a) a local authority – an officer who has responsibility for the proper administration of the person's financial affairs, in

accordance with section 151 of the Local Government Act 1972; or

- (b) not a local authority – a finance director or equivalent person who has responsibility for the proper administration of the person's financial affairs;

Financial Distress Event

means, in respect of the relevant entity:

- (a) a credit rating downgrade;
- (b) a profits warning or other public announcement in relation to a material deterioration in its financial position or prospects;
- (c) the occurrence of a public investigation into improper financial accounting and reporting, suspected fraud or any other impropriety;
- (d) the commencement of any litigation against the relevant entity with respect to material financial indebtedness; and/or
- (e) any other event analogous to any of the events in limbs (a) to (d) above which occurs in relation to the relevant entity under Applicable Law;

Financial Irregularity

includes, regardless of the amount, any fraud or other impropriety, mismanagement of the Grant, or use of the Grant for purposes other than the Purpose;

Financial Year

means a period running from the 1st April to 31st March;

First Grant Instalment

means the first Grant Instalment paid or payable by the Authority to the Recipient;

First Escalation Contact

means the person nominated by the Recipient in the Conditional Grant Offer Letter who will be the first escalation point for the resolution of Disputes;

Freedom of Information Laws

means any Applicable Laws regulating freedom of information in the UK, including:

- (a) the Freedom of Information Act 2000 and, in respect of Scottish public authorities, the Freedom of Information (Scotland) Act 2002;
- (b) the Environmental Information Regulations 2004 and, in respect of Scottish public authorities, the Environmental Information (Scotland) Regulations 2004; and
- (c) any subordinate legislation made under those laws along with any relevant guidance issued by any applicable Information Commissioner's Office;

GDPR

means the UK GDPR or the EU GDPR, as the case may be;

Grant	means the sum or sums of money payable by the Authority to the Recipient under this Grant Agreement, which in aggregate will not exceed the Grant Funding;
Grant Claim	means a claim for a Grant Instalment made by the Recipient in accordance with the Grant Claim Procedure;
Grant Claim Date	means a date on which a Grant Claim may be submitted to the Authority as set out in section 2 of ANNEX 5 (Milestones, Deliverables and Grant Claim Schedule), being either a specific date or the date on which a Milestone is achieved;
Grant Claim Form	means the Grant Claim form described in section 3 of ANNEX 6 (Grant Claim Procedure);
Grant Claim Procedure	means the procedure specified in ANNEX 6 (Grant Claim Procedure);
Grant Funding	has the meaning given in the Conditional Grant Offer Letter;
Grant Funding Period	has the meaning given in the Conditional Grant Offer Letter;
Grant Instalment	means an individual payment of Grant Funding made to the Recipient following a Grant Claim Date;
Grant Pre-conditions	has the meaning given in the Conditional Grant Offer Letter;
High Risk Vendor	means an entity designated or identified as a high risk vendor: <ul style="list-style-type: none">(a) by the National Cyber Security Centre in accordance with any relevant criteria set out in the NCSC Guidance; or(b) under Applicable Law;
Information Request	means a request for information under the Freedom of Information Laws;
Initial Cash Flow Profile	has the meaning given in APPENDIX 1 TO ANNEX 7 (Initial Cash Flow Profile);
Initial Project Plan	means the document set out at APPENDIX 1 TO ANNEX 5 (Initial Project Plan);
Insolvency Event	in respect of a Party means that: <ul style="list-style-type: none">(a) the Party or its holding company is subject to a proposal for a voluntary arrangement or have a petition for an administration order or a winding up order brought against it;(b) a resolution is passed to dissolve or wind up the Party's business or the business of its holding company;(c) the Party ceases to operate and/or changes the nature of its

	operations;
	(d) the Party or its holding company makes any composition, arrangement, conveyance or assignment for the benefit of its creditors, or purports to do the same;
	(e) the Party or its holding company is subject to the appointment of a receiver, administrator or liquidator;
	(f) the Party or its holding company ceases or threatens to cease to carry on business or its activities; and/or
	(g) anything analogous to any of the events in items (a) to (f) above occurs in relation to the Party or its holding company under Applicable Law;
Intellectual Property Rights or IPRs	means any and all intellectual property rights, including all patents, rights to inventions, copyright and related rights, database rights, rights in designs, trade marks, service marks, trade names, trade secrets, rights to goodwill or to sue for passing off, rights in confidential information (including know-how) and other similar or equivalent rights or forms of protection (whether registered or unregistered) and all applications (or rights to apply) for, and for renewals and extensions of, such rights as may now or in the future exist anywhere in the world;
Joint Controller	has the meaning given to that term in the Data Protection Laws;
Lead Partner	means the Recipient;
Materials	means any and all tools, designs, methodologies, processes, procedures, libraries, databases, code, software, firmware, technology, documentation, information, data, reports, forecasts, know-how and any other materials;
Managing Public Money	means the guidance issued by HM Treasury in May 2012 concerning the proper use of public funds which is available (at the Effective Date) at https://www.gov.uk/government/publications/managing-public-money), including any subsequent updates to that guidance from time to time;
Milestone	means a milestone specified in ANNEX 5 (Milestones, Deliverables and Grant Claim Schedule);
Minimum Requirements	means the minimum requirements for the Collaboration Agreement as set out in section 2 of ANNEX 3 (Collaboration Agreement);
Monitoring Report	has the meaning given in clause 10.4;
NAO	means the National Audit Office and its agents and advisers;
NCSC Guidance	means:

- (a) the guidance issued by the National Cyber Security Centre in January 2020 concerning the use of equipment from high risk vendors in UK telecoms networks which is available (at the Effective Date) at <https://www.ncsc.gov.uk/guidance/ncsc-advice-on-the-use-of-equipment-from-high-risk-vendors-in-uk-telecoms-networks>; and
- (b) any other guidance relating to the involvement of high risk vendors in UK telecoms networks as published by the National Cyber Security Centre from time to time;

Northern Ireland Protocol	means the Protocol of Ireland and Northern Ireland, which is part of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community of 31 January 2020;
Parties	means the Authority and the Recipient, with each being a Party;
Personal Data	has the meaning given to that term in the Data Protection Laws;
Personal Data Breach	has the meaning given to that term in the Data Protection Laws;
Processing	has the meaning given to that term in the Data Protection Laws and Process and Processed will have the corresponding meaning;
Processor	has the meaning given to that term in the Data Protection Laws;
Procurement Laws	means any Applicable Laws regulating procurement process and practices in the UK public sector, including: <ul style="list-style-type: none">(a) the Public Contracts Regulations 2015 (SI 2015/102); and(b) the Utilities Contracts Regulations 2016 (SI 2016/274);
Project	has the meaning given in the Conditional Grant Offer Letter;
Project Board	means any board established by the Recipient and/or other Project Partners for the strategic and operational governance of the Project;
Project Participant	means any person or organisation that is involved in the delivery of the Project, including any supplier, partner, contractor or Subcontractor of the Recipient, but excluding the Recipient, Project Partners and the Authority;
Project Partner	means any "Project Partner" referred to in the Conditional Grant Offer Letter, as replaced from time to time in accordance with this Grant Agreement;
Project Plan	means the later version of: <ul style="list-style-type: none">(a) the Initial Project Plan; or(b) an updated version of the Initial Project Plan (or any subsequent update thereto) that has been approved by the

Authority (including following a Quarterly Review);

Project Representative	means the person named as such in the Conditional Grant Offer Letter;
Prompt Payment Code	means the payment practices and best practice code administered by the Office of the Small Business Commissioner on behalf of the Department for Business, Energy & Industrial Strategy available (at the Effective Date) at: https://www.smallbusinesscommissioner.gov.uk/ppc/ ;
Protective Measures	means appropriate technical and organisational measures designed to ensure compliance with obligations of the Parties arising under Data Protection Laws and this Grant Agreement, which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;
Purpose	means to fund certain costs of the Project, only where and to the extent that the costs qualify as Eligible Expenditure;
Quarterly Review	has the meaning given to that term in clause 10.6;
RCUK Open Access Policy	means the Policy on Open Access published by the Research Council UK (RCUK), available (at the Effective Date) at: https://www.ukri.org/funding/information-for-award-holders/open-access/open-access-policy/
Receiving Party	means a Party that receives Confidential Information, directly or indirectly, from the Disclosing Party in connection with this Grant Agreement;
Recipient	has the meaning given in the Conditional Grant Offer Letter;
Relevant Subsidy Control Authority	means any court or regulatory body which has competency in matters concerning subsidy control, including where properly authorised in relation to such matters under the Subsidy Control Rules;
Representative	means a person's directors, officers, employees, agents, consultants, professional advisors and contractors;
Research Outcomes	has the meaning given in clause 14.7;
Second Escalation Contact	means the person nominated by the Recipient in the Conditional Grant Offer Letter who will be the second escalation point for the resolution of Disputes;
Security Lead	means the individual to be appointed by the Recipient in accordance with clause 25.4, with responsibility for security matters relating to the Project;

Security Report	the report described at clause 25.7;
Security Strategy	the strategy described at clause 25.5;
Sensitive Personal Data	means the special categories of Personal Data described in Article 9(1) GDPR and Personal Data relating to criminal convictions and offences;
SSJ Code of Practice	means the Secretary of State for Justice's Code of Practice on the discharge of public authorities' functions under Part 1 of the Freedom of Information Act 2000, issued under section 45 of the Freedom of Information Act 2000;
Subsidy Control Act	means the Subsidy Control Act 2022;
Subsidy Control Rules	means any Applicable Laws relating to subsidy (or (where applicable) state aid in force from time to time, including as set out in: (a) Article 10 (State Aid) of the Northern Ireland Protocol; (b) the Subsidy Control Act 2022; and (c) the Research, Development and Innovation Streamlined Subsidy Scheme pursuant to section 10 of the Subsidy Control Act 2022;
Subcontractor	means a third-party organisation that is not part of the Project team;
Subcontracting	means work undertaken by a Subcontractor;
Supervisory Authority	means any local, national or multinational agency, department, official, parliament, public or statutory person or any government or professional body, regulatory or supervisory authority, board or other body responsible for administering Data Protection Laws, including the UK Information Commissioner's Office, or any successor or replacement body from time to time;
Template Collaboration Agreement	means the template Collaboration Agreement at APPENDIX 1 TO ANNEX 3 (Collaboration Agreement);
Term	means the period commencing on the Effective Date and ending on the latter of: (a) the date on which the last payment of Grant Funding is made under this Grant Agreement; or (b) the expiry of the Grant Funding Period;
Total Project Costs	means the total costs of the Project including Eligible Expenditure and Additional Funding;

Trigger Event	has the meaning given in clause 23.2;
UK GDPR	means the EU GDPR, as incorporated into UK law under the UK European Union (Withdrawal) Act 2018) and as amended in accordance with the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419);
VAT	means value added tax; and
Working Day	means any day other than a Saturday, Sunday or public holiday in England and Wales.

1.2. In this Grant Agreement:

- 1.2.1. use of the singular includes the plural (and vice versa) and use of any gender includes the other genders;
- 1.2.2. references to numbered clauses, sections or paragraphs are references to the clauses, sections or paragraphs of the relevant Annex, Appendix or Attachment, unless a reference to another document is stated;
- 1.2.3. headings are for information only and will not affect interpretation;
- 1.2.4. any reference to the location or URL of an external document will include any updated location or URL from time to time;
- 1.2.5. any obligation on any Party to not do or omit to do anything will include an obligation not to allow that thing to be done or omitted to be done;
- 1.2.6. any obligation on the Recipient to do, not do or omit to do anything will include an obligation on the Recipient to procure that the Project Partners and Project Participants do, not do or omit to do that thing, including by:
 - (a) enforcing any rights or remedies under the Collaboration Agreement;
 - (b) securing or providing any licences; and
 - (c) taking any other action necessary,and any obligation on a Project Partner or Project Participant will be procured by the Recipient;
- 1.2.7. references to an Act of Parliament, statutory provision or statutory instrument include a reference to that Act of Parliament, statutory provision or statutory instrument as amended, extended or re-enacted from time to time and to any regulations made under it; and
- 1.2.8. any phrase introduced by the words "including", "includes", "in particular", "for example" or similar, will be construed as illustrative and without limitation to the generality of the related general words.

1.3. If there is any conflict or inconsistency between the documents comprising this Grant Agreement, the following order of precedence will apply to resolve the conflict or inconsistency:

- 1.3.1. the Conditional Grant Offer Letter;
- 1.3.2. the Project Description in ANNEX 1 (Project Description);
- 1.3.3. this ANNEX 2 (Terms and Conditions);
- 1.3.4. ANNEX 3 (Collaboration Agreement);
- 1.3.5. ANNEX 4 (Eligible Expenditure);
- 1.3.6. ANNEX 5 (Milestones, Deliverables and Grant Claim Schedule) and the Initial Project Plan;
- 1.3.7. ANNEX 6 (Grant Claim Procedure);
- 1.3.8. ANNEX 7 (Cash Flow Profile) and the Initial Cash Flow Profile;
- 1.3.9. the other Appendices not referenced above;
- 1.3.10. the Application in the ATTACHMENT, excluding any aspect of the Application that is not applicable due to:
 - (a) changes to the Application agreed in the Project Description; or
 - (b) agreed variations to the Grant Agreement and changes to the Project Plan or Cash Flow Profile during the Term and any Extension Period; and
- 1.3.11. any other documents incorporated by reference in, or developed in accordance with, this Grant Agreement,

provided that an updated version of a Project Plan or Cash Flow Profile that is approved by the Authority will replace and take precedence over any earlier version.

2. TERM

- 2.1. The Parties agree to be bound by this Grant Agreement which will subsist for the Term, subject to clause 2.2 and early termination in accordance with clause 23.
- 2.2. The Authority may, by providing written notice to the Recipient before the expiry of the Term, extend the operation of this Grant Agreement for a further period specified in the notice (**Extension Period**). The Authority does not commit to any Extension Period.

3. GRANT OFFER AND FURTHER GRANT FUNDING

- 3.1. In consideration for the Recipient complying with this Grant Agreement, the Authority agrees to pay the Grant Funding to the Recipient:
 - 3.1.1. for the Project (as a contribution only);
 - 3.1.2. as a maximum amount, unless the Authority agrees (in its sole discretion) to a variation to the Grant Funding in accordance with clause 28;
 - 3.1.3. in respect of the Grant Funding Period;
 - 3.1.4. in respect of Eligible Expenditure and for the Purpose; and

- 3.1.5. through the Grant Claim Procedure and otherwise in accordance with clause 6.
- 3.2. The Recipient must ensure that the terms and conditions in this Grant Agreement are reflected in:
- 3.2.1. a Collaboration Agreement in accordance with clause 5; and
- 3.2.2. any other contractual arrangements between the Recipient and Project Partners (and any other third party) in connection with the Project.
- 3.3. This Grant Agreement is subject to and conditional upon the Grant Pre-conditions being met to the reasonable satisfaction of the Authority or waived by the Authority.
- 3.4. The Recipient represents and warrants (on the Effective Date and throughout the Term) that it is in compliance with the Competition Rules. This warranty will not apply to the extent the Authority has specifically waived in writing its requirement for the Recipient to comply with any specific Competition Rule.
- 3.5. The Authority may decide to provide further financial support to the Recipient or the Project during the Term and/or any Extension Period, if specifically agreed in writing by the Authority in accordance with clause 28 (which, if provided during an Extension Period, will also involve an extension of the Grant Funding Period for the period agreed). Any decision by the Authority to provide further financial support to the Project will be made by the Authority in its sole discretion, having regard to:
- 3.5.1. any criteria that are notified by the Authority during the Term, any Extension Period or prior to the Effective Date; and
- 3.5.2. the Authority's assessment of the project's success, progress and/or strategic importance to the goals, objectives and principles of the Open Networks Programme.
- 3.6. For the avoidance of doubt, the Authority does not commit to providing any further financial support to the Recipient and the Recipient acknowledges that it does not rely on, or anticipate the payment of, any such further financial support during the Term and/or any Extension Period.

4. PURPOSE AND EXTENT OF THE GRANT

- 4.1. The Recipient must (and must ensure that the Project Partners) only use the Grant Funding:
- 4.1.1. for the Purpose; or
- 4.1.2. as otherwise approved in writing by the Authority,
- and at all times in accordance with this Grant Agreement.
- 4.2. Any costs incurred by the Recipient that do not qualify as Eligible Expenditure or exceed the Grant Funding will not be recoverable under or in connection with this Grant Agreement.
- 4.3. The Grant is made by the Authority under Section 13A of the Industrial Development Act 1982. The Authority's financial processes and procedures in connection with this Grant Agreement will be carried out in accordance with Managing Public Money and other guidance issued by HM Treasury and in effect from time to time.

- 4.4. The Grant is a contribution only. The Recipient is responsible for delivering the Project and for providing all resources (including personnel, equipment, facilities, goods, services and other resources) necessary to deliver the Project, including as agreed between the Recipient and Project Partners in a Collaboration Agreement.
- 4.5. The Project must only be delivered by the Recipient, Project Partners, Approved Affiliates and Project Participants, and each of their Representatives, and by no other person.

5. COLLABORATION AGREEMENT AND THIRD PARTY ARRANGEMENTS

Collaboration Agreement

- 5.1. Before submitting a Grant Claim for the First Grant Instalment (or by any other date specified in the Conditional Grant Offer Letter), the Recipient must enter into a binding agreement with all Project Partners that:
 - 5.1.1. meets the Minimum Requirements set out at section 2 of ANNEX 3 (Collaboration Agreement);
 - 5.1.2. is either in the form of the Template Collaboration Agreement or another document developed and negotiated by the Recipient and Project Partners;
 - 5.1.3. is consistent with the Project Description and gives effect to the terms and conditions in this Grant Agreement; and
 - 5.1.4. does not conflict with, undermine or circumvent this Grant Agreement in any respect,

(the **Collaboration Agreement**).
- 5.2. The Recipient acknowledges in relation to the Collaboration Agreement that:
 - 5.2.1. the Minimum Requirements are baseline set of requirements to include in the Collaboration Agreement and do not comprise a full set of requirements;
 - 5.2.2. although there is no requirement that the Collaboration Agreement must be approved in advance by the Authority:
 - (a) the Recipient must still ensure that its Collaboration Agreement is compliant with the requirements set out at clause 5.1 (including the Minimum Requirements); and
 - (b) where the Collaboration Agreement fails to meet the requirements set out at clause 5.2.2(a) then this shall be considered a Trigger Event for the purposes of this Grant Agreement; and
 - 5.2.3. no failure to object by the Authority to any version of the Collaboration Agreement submitted to the Authority will relieve the Recipient of any obligation under this Grant Agreement, nor will it sanction any act or omission under the Collaboration Agreement.
- 5.3. The Authority reserves the right to suspend the Grant until it receives a signed original of the Collaboration Agreement in accordance with the relevant Grant Pre-condition in the Conditional Grant Offer Letter.

- 5.4. For the avoidance of doubt, the signed Collaboration Agreement shall not form part of this Grant Agreement and the Parties' rights and obligations under this Grant Agreement shall be unaffected by the terms of the Collaboration Agreement.
- 5.5. The Recipient must ensure that the Collaboration Agreement remains in force (and compliant with the requirements set out at clause 5.1) at all material times. The Recipient will promptly notify the Authority if:
 - 5.5.1. the Collaboration Agreement is to be amended or replaced;
 - 5.5.2. a Collaboration Agreement Party is to withdraw or be removed from the Collaboration Agreement or a new Collaboration Agreement Party is to be appointed;
 - 5.5.3. the Collaboration Agreement is to be terminated or will shortly expire or lapse; or
 - 5.5.4. there is a breach of the Collaboration Agreement or any other event occurs that would permit a person to terminate or suspend the Collaboration Agreement.

Third party arrangements

- 5.6. Without limiting clauses 5.1 to 5.5, the Recipient must ensure that any contractual arrangements between the Collaboration Agreement Parties and/or any third parties in connection with the Project must give effect to, and are not inconsistent with, this Grant Agreement.

6. TIMING AND ALLOCATION OF THE GRANT

Timing

- 6.1. The Authority agrees to pay the Grant Funding to the Recipient:
 - 6.1.1. in Grant Instalments in accordance with clauses 6.2 to 6.4; and
 - 6.1.2. in arrears on the basis of Eligible Expenditure incurred by the Recipient, provided the Recipient:
 - 6.1.3. has achieved any Milestones that are linked to the Grant Instalment and which are scheduled to be achieved on or prior to the Grant Claim Date; and
 - 6.1.4. remains in compliance with this Grant Agreement on the payment date.

Grant Claim Procedure

- 6.2. The Recipient may submit Grant Claims to the Authority for payment of Grant Instalments by following the Grant Claim Procedure set out at ANNEX 6 (Grant Claim Procedure).
- 6.3. Grant Funding will only be payable by the Authority if:
 - 6.3.1. the Recipient has submitted a valid Grant Claim with all required supporting information and documentation required by the Authority; and
 - 6.3.2. the Authority has approved the relevant Grant Claim.
- 6.4. Without limiting clause 23, if:

- 6.4.1. the Authority has paid a Grant Instalment to the Recipient; and
- 6.4.2. the Recipient does not achieve any Milestones that are linked to the Grant Instalment and which are scheduled to be achieved after the Grant Claim Date,

the Authority may suspend the Grant or require all or any part of the Grant Instalment to be re-paid to the Authority. The Recipient must re-pay any such amount, without set-off or withholding, in a timely manner and in no case any later than 60 days after receiving a demand for re-payment.

End of Financial Year and Grant Funding Period

- 6.5. Unless the Authority provides its prior written approval (which can be withheld and conditioned at its absolute discretion):
 - 6.5.1. the Recipient cannot carry forward unused Grant Funding allocated by the Authority to a given Financial Year in the Grant Funding Period to the next Financial Year; and
 - 6.5.2. any costs or liabilities in connection with the Project and/or the Purpose remaining at the end of the Grant Funding Period and not met by the Grant in accordance with this Grant Agreement must be managed and paid for by the Recipient.
- 6.6. The Authority does not commit to renew or continue financial support to the Recipient after the Grant Funding Period. The Recipient acknowledges and agrees that it does not rely on, or anticipate the payment of, any such renewed or continued financial support.

7. IMPACT OF COVID-19 ON THE PROJECT

- 7.1. The Recipient acknowledges that:
 - 7.1.1. as at the Effective Date, the full effects of the COVID-19 pandemic on the delivery the Project are uncertain; and
 - 7.1.2. due to this uncertainty and in order to ensure value for money from the Grant Funding, the remainder of this clause 7 provides for certain limited circumstances in which the incurring of future costs may be made subject to the Authority's consent.
- 7.2. The Authority may at any time, by written notice to the Recipient, require the Parties to review the Project in light of the COVID-19 pandemic. Following such notice, the Parties will meet promptly to review the progress and financial status of the Project, including the costs which the Recipient proposes to incur in connection with the running of events and similar activities.
- 7.3. Following the review under clause 7.2, the Authority may require the Recipient to obtain the Authority's written consent prior to incurring Eligible Expenditure for the running of events and similar activities. Any such requirement for Authority consent must be reasonable, proportionate and limited to the period in which the COVID-19 pandemic is likely, in the Authority's reasonable opinion, to have a material impact the delivery of the Project.
- 7.4. The Authority shall not be obliged to reimburse Eligible Expenditure, the incurring of which is subject to a valid requirement for Authority consent under clause 7.3, if such consent has not been provided.

8. VAT

- 8.1. The Recipient acknowledges that the Grant is not consideration for any taxable supply to the Authority to which VAT may be applicable. If any VAT becomes payable by the Recipient in connection with this Grant Agreement, the Recipient will bear the cost of the VAT and the Authority will not be obliged to pay any additional amount by way of the Grant or any other payment.
- 8.2. All sums or other consideration payable or provided by the Recipient to the Authority at any time, excluding re-payment of the Grant, will be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided the Recipient will, at the same time, or on demand by the Authority, in addition to such sums or other consideration, pay to the Authority all the VAT payable on the receipt of a valid VAT invoice.

9. FORECASTING AND SPENDING

Cash Flow Profile

- 9.1. The Recipient must comply with the requirements of ANNEX 7 (Cash Flow Profile) by developing and maintaining a Cash Flow Profile and providing the Authority with a current and updated Cash Flow Profile at the intervals (if any) stated in ANNEX 7 (Cash Flow Profile). The Authority must approve an updated Cash Flow Profile before it forms part of this Grant Agreement.
- 9.2. The Recipient must provide to the Authority such additional information as the Authority may reasonably request from the Recipient in addition to the Cash Flow Profile.
- 9.3. The Cash Flow Profile, for each Grant Claim, must show actual spend of Grant Funding and Additional Funding on the Project to date and a forecast spend of Grant Funding and Additional Funding on the Project to the end of the Grant Funding Period.

Grant Underspend

- 9.4. The Recipient must notify the Authority as soon as reasonably practicable upon becoming aware that it does not intend to claim any or all of the Grant Funding during a Financial Year.
- 9.5. If the Recipient cannot accurately forecast the Cash Flow Profile for the remainder of the Financial Year during which an underspend of Grant Funding has occurred or is likely to occur, the Recipient shall notify the Authority and shall, where required by the Authority, provide an updated Cash Flow Profile to the Authority containing both:
 - 9.5.1. the most likely Cash Flow Profile for the Financial Year; and
 - 9.5.2. the maximum possible Cash Flow Profile for the Financial Year,

along with reasonable and verifiable evidence supporting those calculations and any additional information as the Authority may reasonably request from the Recipient.

Grant Overspend and Re-payment

- 9.6. If the Recipient overspends Grant Funding as against the Cash Flow Profile, the Authority may:
 - 9.6.1. delay or defer the payment of Grant Funding equal to the overspend; or

9.6.2. if no further Grant Funding is due, recover a sum equal to the amount of the overspend by way of a delay or deferral of grant funding provided under any other grant agreement between the Authority and the Recipient.

9.7. Without limiting any other re-payment obligation in this Grant Agreement, the Recipient will, within a reasonable period of time (or as notified by the Authority to the Recipient or required by this Grant Agreement), re-pay to the Authority any money that is to be returned to the Authority where:

9.7.1. an incorrect sum of money has been paid by the Authority; and/or

9.7.2. Grant Funding has been paid in error or otherwise not paid in accordance with this Grant Agreement.

10. REPORTING AND REVIEWS

Reporting requirements

10.1. The Recipient and the Project Partners agree to submit any reports as required in ANNEX 1 (Project Description) or otherwise in this Grant Agreement.

10.2. At the end of the Term and/or any Extended Period, and at the end of a Financial Year, the Authority may request that Recipient submits a report to the Authority regarding the Project, including the performance of the Recipient and Project Partners and their compliance with this Grant Agreement, by notifying the Recipient of.

10.2.1. the information required in the report and the format of the report; and

10.2.2. the timeframe in which the information should be provided,

and the Recipient will comply with the reporting requirement.

10.3. The Authority may request that the Recipient submits ad hoc reports to the Authority during the Term and/or any Extended Period (for example, to respond to a parliamentary question or for a Quarterly Review) and the Recipient will comply with those reporting requirements.

Monitoring Reports

10.4. The Authority may require the Recipient to generate and submit a report to the Authority, certified by the Finance Officer (or a suitably qualified equivalent person) and the Recipient's internal auditor, in relation to any reasonable concerns of the Authority in respect of:

10.4.1. the Recipient's management or use of the Grant; and/or

10.4.2. any information provided by the Recipient pursuant to this Grant Agreement,

(a **Monitoring Report**) and the Recipient will comply with the reporting requirement.

- 10.5. The Authority will notify the Recipient of its requirement for the Recipient to submit a Monitoring Report under clause 10.4 no later than one month prior to the end of the relevant Financial Year. If the Authority identifies any such concerns following review of any Monitoring Report, the Authority may notify the Recipient that it requires that Monitoring Report to also be certified by the Recipient's external auditor in which case the Recipient must instruct its external auditor to undertake such certification and procure that the certified Monitoring Report is provided to the Authority as soon as reasonably practicable and in any event within two months following receipt of the Authority's notice (or within such other period as the Parties may agree).

Quarterly Reviews

- 10.6. The Parties will meet on a quarterly basis during the Grant Funding Period (with the first meeting to take place on the date specified in the Conditional Grant Offer Letter) to review:
- 10.6.1. information and reports provided by the Recipient (including the Cash Flow Profile and the Project Plan) to demonstrate the Eligible Expenditure incurred and forecast to be incurred by the Recipient;
 - 10.6.2. the progress of the Project as against the Project Description;
 - 10.6.3. the progress of the Project as against the Milestones and the Project Plan; and
 - 10.6.4. compliance with this Grant Agreement and the Collaboration Agreement,
- (a **Quarterly Review**) as part of the Authority's assurance process.
- 10.7. The Authority may specify dates and terms of reference for the running of Quarterly Reviews during the Term and any Extension Period.
- 10.8. If the Authority is not satisfied with any of the items reviewed as part of a Quarterly Review, the Authority may withhold the payment of Grant Instalments until the issue is rectified or exercise its other rights or remedies under this Agreement.

11. ADMINISTRATION OF THE GRANT

Accountable Officer

- 11.1. Before submitting a Grant Claim for the First Grant Instalment, the Recipient must appoint the Representative stated in the Conditional Grant Offer Letter who is responsible for:
- 11.1.1. advising the Recipient and Project Partners on an ongoing basis on:
 - (a) their responsibilities in connection with this Grant Agreement;
 - (b) any subsequent terms and conditions agreed by the Parties; and
 - (c) any guidance or other information notified by the Authority or HM Government;
 - 11.1.2. making decisions and providing any information on behalf of the Recipient (and who is authorised to do so by the Recipient);
 - 11.1.3. ensuring that any conditions on the Recipient receiving Grant Funding (including the Grant Pre-conditions) are met;

- 11.1.4. putting in place all necessary safeguards and controls to ensure the efficient, economical and effective management of the Grant;
- 11.1.5. ensuring that financial considerations, including any issues of propriety, regularity and value for money, are taken into account at all stages in relation to the Grant;
- 11.1.6. signing accounts relating to the Grant, ensuring that such accounts are properly prepared and presented and that proper accounting records are maintained, and complying with generally accepted accounting practices to which the Recipient is subject;
- 11.1.7. putting in place formal procedures to monitor for, and notify the Authority of, conflicts of interest and Financial Irregularities in accordance with clause 20; and
- 11.1.8. ensuring that appropriate processes are in place to verify the accuracy of Grant Claims prior to their submission to the Authority,

(the **Accountable Officer**).

- 11.2. The Recipient will notify the Authority in advance of any replacement for the Accountable Officer including the replacement's full name, phone number and email address.

Project Board

- 11.3. The Recipient must provide the Authority with reasonable advance written notice of each meeting of the Project Board, including the associated meeting agenda, board papers and other supporting documents.
- 11.4. The Authority may attend any Project Board meeting, provided that:
 - 11.4.1. the Authority will notify the Recipient as soon as reasonably practicable (after receiving the notice in clause 11.3) if the Authority intends to attend a Project Board meeting, with the name(s) of the individual(s) from the Authority who will attend;
 - 11.4.2. any attendance at a Project Board meeting by the Authority will be for the purpose of Project assurance in the Authority's capacity as provider of the Grant; and
 - 11.4.3. the Authority will not be responsible or liable for any decision made by the Project Board or the Recipient in connection with any Project Board meeting, including if the Authority provides support and guidance to the Project Board.

Additional Project meetings

- 11.5. The Authority may, acting reasonably, notify the Recipient if it requires the Recipient and/or any Project Partners to attend any additional meetings in connection with the Grant on an ad-hoc basis, including the time, date and location, and the Recipient and/or Project Partners (as requested) must attend such meetings.
- 11.6. If requested by the Authority, the Recipient must provide supporting and explanatory documents and information for a meeting called by the Authority under clause 11.5 including:
 - 11.6.1. in connection with the allocation, expenditure of, and re-payment of the Grant;

11.6.2. the procurement and management of its contracts with third parties in connection with the Project, and

11.6.3. any other information that could reasonably be expected to be produced in accordance with the PRINCE2 project management methodology.

12. GRANT MANAGEMENT

Management of the Grant

12.1. The Recipient (acting through its Finance Officer or a suitably qualified equivalent) must ensure that appropriate professional arrangements are put in place for the management of the Grant and the reporting of expenditure, including in relation to value for money. The Recipient will ensure that the Grant is accounted for, and monitored separately from, the other finances and funding streams of the Recipient and any other person who receives a Distribution of Grant Funding.

12.2. Without limiting clause 14.7, the Recipient must ensure any research supported by this Grant complies with the principles, standards and good practice set out in all Applicable Laws.

Financial Controls

12.3. The Recipient must maintain to the Authority's satisfaction an appropriate system of financial management and control, including by:

12.3.1. keeping all Accounting Records relating to the use of the Grant and this Project for a period of at least seven years after the last Grant Instalment is paid, including for the purposes of an audit under clause 13;

12.3.2. maintaining a robust system of internal controls, including formal procedures and processes for the identification and management of risk including safeguards against fraud, theft and waste, and ensure that the system is subject to independent review;

12.3.3. complying with such other relevant guidance on the administrative practices relating to the expenditure of public funds as notified by the Authority;

12.3.4. ensuring that all Representatives engaged or consulted in connection with this Grant Agreement are made aware that they must avoid conflicts of interest (including in accordance with clause 20); and

12.3.5. ensuring that any purchases of goods and services are based on value for money, including quality, fitness for purpose and delivery against price.

12.4. Once transferred to the Recipient, any Grant Funding must be shown in the Recipient's accounts as a restricted fund and must not be included under any form of general funds.

12.5. The Recipient may not vire or transfer funds between this Grant and other grants made to it.

12.6. The Recipient and the Project Partners must comply with the Prompt Payment Code and therefore undertake to make all payments to suppliers and contractors from Grant Funding by the agreed date or within 30 days if no date is specified.

- 12.7. The Recipient must put in place (and implement where appropriate) a business continuity and disaster recovery plan to ensure that any operational interruptions to the Project are identified and minimised.

13. ACCOUNTS AND AUDIT

- 13.1. The Recipient and Project Partners must (and the Recipient and Project Partners must procure that all other third parties pursuant to clause 13.4):

13.1.1. keep proper books of accounts at all times;

13.1.2. open their accounts and activities relating to the Project to inspection by the Comptroller and Auditor General if requested for the purposes of any examination, under section 6(1) of the National Audit Act 1983, of the economy, efficiency and effectiveness with which resources have been used; and

13.1.3. permit the NAO or the Authority or their nominees to carry out examinations into the economy, efficiency and effectiveness with which the Grant has been used, provided that the Authority endeavours (but is not obliged) to provide due notice of any such visit or audit.

- 13.2. Further to clause 13.1, the Recipient and Project Partners must (and must ensure that all Project Participants) permit any Representative of the Authority or the NAO to:

13.2.1. visit its premises and/or Project locations;

13.2.2. inspect any of its activities related to the Project;

13.2.3. examine and take copies of books of account and such other documents or records (including Accounting Records) that in the Representative's view may relate to the use of Grant and/or related expenditure; and/or

13.2.4. require Representatives of the Recipient and any Project Partners to submit oral or written explanations in relation to the use of the Grant and related expenditure.

- 13.3. The Recipient and all Project Partners must ensure that the Grant is subject to its internal and external audit procedures and provide the Authority with a copy of its annual, audited accounts when published together with any report from its internal and external auditor provided to its management that refers specifically to any concerns regarding the effective control, governance and use of the Grant.

- 13.4. The Recipient must, to the extent it and/or any Project Partners have arrangements (contractual or otherwise) with Project Participants in connection with the Project, procure from each Project Participant:

13.4.1. an annual, written statement, signed by the Project Participant's Finance Officer (or suitably qualified equivalent), of how any money attributable to the Project Participant was spent;

13.4.2. a signed undertaking that the Project Participant will retain such documents as are described in this clause 13; and

13.4.3. a right to inspect and make copies of all such documents,

unless the Authority provides a written waiver of this requirement for the Project Participant.

- 13.5. The obligations in clauses 13.1 to 13.4 will continue for a period of seven years beyond the date of expiration or termination of this Grant Agreement.

14. INTELLECTUAL PROPERTY RIGHTS AND RESEARCH OUTCOMES

Background IPRs

- 14.1. All rights (including Intellectual Property Rights) and title in and to any Background IPRs will remain the property of the relevant Party or Project Partner (or its licensors).

Developed IPRs

- 14.2. Developed IPRs will vest in the relevant Party or the Project Partner that generated the Developed IPRs (or its licensors) on creation.

Licence and use of Materials

- 14.3. Subject to clause 15, the Recipient and each Project Partner grants (and must ensure that any relevant third party, including a licensor, successor or assign, grants) to the Authority a non-exclusive, irrevocable, perpetual, royalty free, fully paid up licence to:

14.3.1. use any reports, data and other Materials provided (or to be provided) to the Authority by the Recipient, any Project Partner or any third party in connection with this Grant Agreement; and

14.3.2. sub-license the use of such reports, data and other Materials to its Representatives and relevant third parties on the same terms,

in each case solely to the extent that the Authority reasonably requires such a licence: (i) to ensure that the relevant results and learnings from the Project are widely disseminated, including through conferences, publications, and open access repositories; and (ii) as otherwise required to achieve the goals and objectives of the Open Networks Programme (including those guidelines relating to Dissemination in the application guidance) and to meet the requirements of the Subsidy Control Rules.

- 14.4. If the Authority notifies the Recipient that it requires additional rights to any Developed IPRs for itself, a third party or a class of third parties, the Recipient and the Project Partners will enter into good faith discussions with the Authority (and other third parties nominated by the Authority) to agree on the scope and terms of such additional rights with the objective of achieving the goals and objectives of the Open Networks Programme. This may be pursuant to an Open Government Licence or an appropriate Creative Commons licence. For the avoidance of doubt, the Authority may use these outputs pursuant to that public licence.
- 14.5. Subject to clauses 14.2 to 14.4, the Authority may freely share any information, know-how, systems or process developed during the Term and/or any Extension Period to support the Open Networks Programme and similar projects.
- 14.6. The Recipient will not (and will procure that any relevant third parties do not) assert any right to be identified as the author of Materials in which Developed Materials and/or Embedded Materials subsist pursuant to section 78 of the Copyright, Designs and Patents Act 1988 in connection with the licence granted under clause 14.3.

Research Outcomes

14.7. Without limiting clauses 14.1 and 14.2, the Recipient and the Project Partners will use reasonable endeavours to ensure that the know-how, results and intellectual assets generated in the course of any testing, research or other activities undertaken pursuant to the Project (**Research Outcomes**) are:

14.7.1. used for the benefit of the UK society and economy;

14.7.2. disseminated to the Telecoms R&D Ecosystem; and

14.7.3. published in accordance with normal academic custom and practice and the RCUK Open Access Policy.

14.8. A reasonable, temporary delay in the publication or dissemination of Research Outcomes in accordance with clause 14.7 will be permitted while the Recipient takes steps to:

14.8.1. protect any registrable Developed IPRs subsisting in the Research Outcomes; and

14.8.2. put in place exploitation or collaboration arrangements.

15. CONFIDENTIALITY

Confidentiality undertakings

15.1. In consideration for the Disclosing Party agreeing to disclose Confidential Information to the Receiving Party, the Receiving Party undertakes to the Disclosing Party that, with respect to any Confidential Information disclosed to the Receiving Party (or to any person on behalf of the Receiving Party) by or on behalf of the Disclosing Party, the Receiving Party must:

15.1.1. treat all Confidential Information as strictly confidential and keep it in safe and secure custody (as is appropriate depending upon the form in which such information is recorded and stored and the nature of the Confidential Information);

15.1.2. use all such Confidential Information solely in connection with this Grant Agreement;

15.1.3. comply with any protective markings and related requirements notified to the Receiving Party in relation to the Confidential Information from time to time;

15.1.4. not disclose, copy, reproduce, publish or distribute the Confidential Information (or any part thereof) to any person except as expressly permitted under this Grant Agreement or otherwise authorised by the Disclosing Party in writing;

15.1.5. respect any existing proprietary rights in the Confidential Information; and

15.1.6. inform the Disclosing Party immediately upon becoming aware of or suspecting any unauthorised access, copying, use or disclosure in any form of any Confidential Information.

15.2. Clause 15.1 will not apply, or will cease to apply, to the extent any Confidential Information:

15.2.1. is or becomes available to the public other than as a direct or indirect result of a disclosure in breach of this Grant Agreement or any confidentiality undertaking given by any other person;

- 15.2.2. is already known to the Receiving Party prior to disclosure by the Disclosing Party and such prior knowledge can be evidenced by the written records of the Receiving Party;
- 15.2.3. is or becomes known to the Receiving Party by disclosure from a third party other than where such disclosure is itself subject to an obligation of confidentiality;
- 15.2.4. is not required to be treated as Confidential Information, as expressly confirmed by the Disclosing Party in writing; or
- 15.2.5. is required to be disclosed by any Applicable Law, or any other person or body having a legal right or duty to have access to or knowledge of the Confidential Information.

Disclosures to Representatives

- 15.3. The Receiving Party will be entitled to disclose Confidential Information to its Representatives for use exclusively in connection with this Grant Agreement on a "need to know" basis, provided that the Receiving Party has procured that the Representatives to whom disclosure of Confidential Information is made:
 - 15.3.1. are aware of the undertakings in this Grant Agreement; and
 - 15.3.2. comply with the obligations of confidentiality and the terms and conditions of this Grant Agreement as if they were directly a party to this Grant Agreement.

Disclosures to Project Partners, Project Participants and Approved Affiliates

- 15.4. The Parties agree that:
 - 15.4.1. the Recipient may disclose Confidential Information of the Authority to the Project Partners for use exclusively in connection with this Grant Agreement;
 - 15.4.2. the Recipient and Project Partners may disclose Confidential Information of the Authority between each other exclusively in connection with this Grant Agreement; and
 - 15.4.3. the Recipient and the Project Partners may disclose Confidential Information of the Authority to Project Participants and Approved Affiliates for use exclusively in connection with this Grant Agreement on a "need to know" basis,

provided that the person disclosing such Confidential Information has procured that any person to whom disclosure of Confidential Information is made:
 - 15.4.4. is aware of the undertakings in this Grant Agreement; and
 - 15.4.5. complies with the obligations of confidentiality and the terms and conditions of this Grant Agreement as if they were directly a party to this Grant Agreement.

Disclosures by the Authority

- 15.5. The Parties agree that the Authority may disclose any Confidential Information:

15.5.1. for any purpose connected with the operation of the Open Networks Programme, provided that the Authority has procured that any person to whom disclosure of Confidential Information is made:

- (a) is aware of the undertakings in this Grant Agreement; and
- (b) complies with the obligations of confidentiality and the terms and conditions of this Grant Agreement as if they were directly a party to this Grant Agreement; and

15.5.2. to other Government departments for use exclusively in connection with this Grant Agreement provided that the Authority informs the relevant Government department of the confidential nature of the Confidential Information.

16. FREEDOM OF INFORMATION

16.1. Each Party agrees to cooperate with the other Party to enable the other Party to comply with its obligations under the Freedom of Information Laws.

16.2. Each Party acknowledges that acting in accordance with the SSJ Code of Practice, either Party may be obliged under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004 to disclose information:

16.2.1. without consulting with the other Party; or

16.2.2. following consultation with the other Party and having taken the other Party's views into account,

provided that if clause 16.2.1 applies, the Party receiving the Information Request will, in accordance with any recommendations of the SSJ Code of Practice, take reasonable steps, where appropriate, to give the other Party advance notice, or failing that, to draw the disclosure to the other Party's attention after any such disclosure.

16.3. Without limiting clause 16.2, each Party must provide the Party who has received an Information Request with any information necessary to enable that Party to respond to the Information Request. Such information will be provided promptly but, in any event, within five Working Days of a request being received from the other Party.

16.4. The Party receiving an Information Request will be responsible for determining whether any of the exemptions provided for by the Freedom of Information Laws apply in relation to an Information Request.

16.5. If a Party receives an Information Request which ought to have been addressed to the other Party, it will not attempt to process such request itself but will pass it to the other Party within four Working Days of receiving the request.

Transparency of Grant Information

16.6. The Recipient and the Project Partners agree that the Authority may share details of the Grant Funding and the name of the Recipient and the Project Partners with other HM Government bodies and that such details may appear on the Government Grants Information System database.

- 16.7. Where the Recipient and/or the Project Partners use the Grant Funding to provide onward grants, they agree to provide information to enable the Authority to record the onward grants on the Government Grants Information System. The content and format of such information may be determined by the Authority from time to time. Such information may be published online by HM Government in redacted format.

17. DATA PROTECTION LAWS

Arrangement Between the Parties

- 17.1. The Parties acknowledge that the factual arrangements between them in connection with this Grant Agreement dictate the role and classification of each Party in respect of the Data Protection Laws. Notwithstanding the foregoing, the Parties anticipate that each of them may Process Personal Data as an independent Controller.
- 17.2. The Parties each acknowledge that they have duly and mutually concluded that:
- 17.2.1. Article 28 GDPR is not applicable to the Processing of the Personal Data as neither Party shall act as a Processor on behalf of the other in respect of such Processing; and
- 17.2.2. Article 26 GDPR is not applicable to the Processing of the Personal Data as the Parties shall not act as Joint Controllers in respect of such Processing.
- 17.3. The Recipient and the Project Partners will comply with the Data Protection Laws in respect of the Recipient's application of the Grant and otherwise in connection with the Project.
- 17.4. The Recipient and the Project Partners will implement the Protective Measures which are appropriate to protect against a Data Loss Event and will comply with any additional data protection procedures, measures and arrangements notified by the Authority from time to time.
- 17.5. Upon request by the Authority, the Recipient and the Project Partners will provide to the Authority full details of the data protection procedures, measures and arrangements that are in place in connection with the application of the Grant and during the operation of the Project to ensure compliance with the Data Protection Laws. The Recipient and Project Partners' response should include, and not be limited to, procedures, measures and arrangements:
- 17.5.1. to ensure ongoing confidentiality, integrity, availability and resilience of processing systems and services;
- 17.5.2. to comply with the rights of Data Subjects in respect of receiving privacy information, and access, rectification, deletion and portability of Personal Data;
- 17.5.3. to ensure that any consent based processing meets standards of active, informed consent, and that such consents are recorded and auditable;
- 17.5.4. to ensure legal safeguards are in place to legitimise transfers of Personal Data outside the UK or the EU (if such transfers will take place);
- 17.5.5. to maintain records of Personal Data Processing activities; and
- 17.5.6. to regularly test, assess and evaluate the effectiveness of the above procedures, measures and arrangements.

Controller Obligations

- 17.6. To the extent that a Party is acting as a Controller in relation to Personal Data (including Sensitive Personal Data) collected by it which may be shared with the other Party, the Controller will ensure that:
- 17.6.1. all fair processing notices have been given and/or (as applicable) all consents have been obtained that are sufficient in scope to allow:
- (a) disclosure of the Personal Data to the other Party in accordance with the Data Protection Laws;
 - (b) the other Party to Process such Personal Data for the purposes set out in this Grant Agreement; and
 - (c) if applicable, that such consents are recorded and auditable; and
- 17.6.2. the Controller is not subject to any prohibition or restriction which would prevent or restrict it from disclosing or transferring the Personal Data to the other Party in accordance with this Grant Agreement.
- 17.7. Each Party will notify the other promptly (and in any case within 72 hours), if it becomes aware of:
- 17.7.1. a Data Loss Event;
- 17.7.2. a breach of this clause 17; or
- 17.7.3. a breach of the Data Protection Laws, whether committed by that Party or its Subcontractors, and
- thereafter implement measures necessary to restore the security of compromised Personal Data and assist the other Party to make notifications to the Supervisory Authority and affected Data Subjects.

18. COMPLIANCE WITH SUBSIDY CONTROL RULES, PROCUREMENT LAWS AND OTHER LAWS

Lawful Conduct

- 18.1. The Recipient and each Project Partner must (and must procure that any Project Participants) comply with:
- 18.1.1. the Subsidy Control Rules including in relation to the receipt of any Grant and its application in relation to the Project;
- 18.1.2. the Procurement Laws;
- 18.1.3. the Equality Act 2010 and any other anti-discrimination and equal opportunities legislation; and
- 18.1.4. all other Applicable Laws,
- in force from time to time throughout the Term.
- 18.2. The Recipient must immediately notify the Authority (and in all cases, within five Working Days) if it or any Project Partner becomes aware of:

18.2.1. any legal challenge to the Grant, including under the Procurement Laws or Subsidy Control Rules;

18.2.2. any examination or investigation by a Relevant Subsidy Control Authority; or

18.2.3. the issue by a Relevant Subsidy Control Authority of any recovery decision,

in connection with of the Project. The Recipient will provide such further reasonable information and/or assistance concerning the challenge, examination, investigation or decision as the Authority may reasonably request from time to time.

18.3. Without limiting the Recipient's obligations in this clause 18, the Authority may from time to time, acting reasonably, specify to the Recipient certain types of contract change (whether by value threshold or otherwise) which must be notified by the Recipient to the Authority in advance of contractual commitment and where written Authority approval to proceed with the contract change is required.

Subsidy Control Rules

18.4. The Recipient must ensure that use of the Grant and all associated procurement processes and contractual terms used in connection with the Project are compatible with clause 18.1.1, including by:

18.4.1. ensuring any contract entered into by the Recipient or any Project Partner, and/or any changes permitted to or in connection with any such contract, do not give rise to any breach of the Subsidy Control Rules; and

18.4.2. operating in accordance with the terms of each such contract so as to comply with the Subsidy Control Rules.

18.5. If required to do so as a result of any obligation arising under the Subsidy Control Rules (including any recovery decision of a Relevant Subsidy Control Authority), the Authority may:

18.5.1. vary or suspend any or all payments of the Grant Funding; and/or

18.5.2. require re-payment of any Grant Funding already paid to the Recipient, together with interest calculated from the date of payment at the rate prescribed by the Subsidy Control Rules or, if none, the prevailing rate (if any) applied by the Relevant Subsidy Control Authority.

18.6. The Authority may provide any Relevant Subsidy Control Authority with information about the Grant and the Project in compliance with the Subsidy Control Rules and related legislation.

Procurement Laws

18.7. The Recipient must secure, and is responsible for ensuring, the best value for money in all expenditure that is funded by the Grant (in whole or in part).

18.8. If a Project Partner is:

18.8.1. a contracting authority as defined in the Public Contracts Regulations 2015, the Recipient must procure that the Project Partner carries out any procurement in accordance with the Public Contracts Regulations 2015; or

18.8.2. not a contracting authority as defined in the Public Contracts Regulations 2015, the Recipient must procure that the Project Partner carries out any procurement by way of fair and open practices.

19. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 19.1. The Grant Recipient agrees to comply with the Code of Conduct and the Project Partners agree to deliver the Project, and to ensure that their Representatives undertake their duties in delivering the Project, in a manner consistent with the principles set out in the Code of Conduct.
- 19.2. The Recipient shall immediately notify the Authority if it becomes aware of any actual or suspected breach of the principles outlined in the Code of Conduct.

20. CONFLICTS OF INTEREST AND FINANCIAL IRREGULARITIES

- 20.1. The Recipient must use reasonable endeavours to ensure that the Representatives of the Recipient, the Project Partners and/or any other third parties working on or in relation to the Project are not influenced by any conflict of interest.
- 20.2. The Recipient must put in place formal procedures to require all persons referred to in clause 20.1 to declare any personal or financial interest in any matter concerning the Project and to be excluded from any discussion or decision-making relating to such matter.
- 20.3. If the Recipient has any grounds for suspecting any failure to comply with the Bribery Legislation, or any Financial Irregularity in the use of any Grant paid under this Grant Agreement, it must:
- 20.3.1. notify the Authority immediately;
 - 20.3.2. explain what steps are being taken to investigate the suspicion; and
 - 20.3.3. keep the Authority informed on the progress of the investigation.
- 20.4. Without limiting clause 20.3, the Recipient and the Project Partners must not without the Authority's prior written consent make any gifts from the Grant Funding or other special payments (including ex-gratia payments) as defined in Managing Public Money, including any payment which may:
- 20.4.1. cause embarrassment to, or repercussions for, the Authority and/or HM Government; or
 - 20.4.2. result in unusual or over-generous conditions of service, such as excessive severance packages.

21. LIABILITY

- 21.1. The Authority accepts no liability for any consequences or losses, whether arising directly or indirectly, that may arise in connection with:
- 21.1.1. the Recipient and/or the Project Partners running and delivering the Project;
 - 21.1.2. the use of the Grant by any person;
 - 21.1.3. any reduction, suspension or withdrawal of the Grant;

21.1.4. any request for re-payment of the Grant; and/or

21.1.5. termination of this Grant Agreement for any reason.

21.2. Save in respect of any liabilities that cannot be lawfully limited, the Authority's liability to the Recipient under this Grant Agreement is limited to the obligation to make payment of the Grant Funding when due and payable in accordance with this Grant Agreement.

22. INSURANCE

The Recipient must put in place and maintain adequate insurance coverage (including public liability insurance) either as a self-insurance arrangement or with an insurer of good repute to cover all insurable claims and liabilities under or in connection with this Grant Agreement and the Project. The Recipient will provide evidence of such insurance to the Authority on request.

23. TERMINATION, SUSPENSION, REPAYMENT, ETC

Trigger Events

23.1. If a Trigger Event occurs in accordance with clause 23.2, then the Authority may:

23.1.1. reduce, suspend or withhold Grant payments;

23.1.2. impose additional terms and conditions on the Grant;

23.1.3. require all or any part of the Grant to be repaid by the Recipient (and the Recipient must repay any amount required to be repaid in a timely manner but in any event within 60 days of receiving the demand for repayment); and/or

23.1.4. terminate this Grant Agreement,

provided the Authority has complied with clauses 23.3 and/or 23.4.

23.2. A "**Trigger Event**" will have occurred if:

23.2.1. any of the Grant Pre-conditions are not achieved or waived by the Authority prior to the scheduled date for allocating the First Grant Instalment;

23.2.2. there is a delay to the Project that the Authority considers to be material or the Authority considers that the Project has not made satisfactory progress against the Project Description;

23.2.3. there is a Default by the Recipient, including any Default which results in a failure by the Recipient or a Project Partner to:

(a) ensure or procure the regular or proper use of public funding or a failure to safeguard public funds, as required in each case by "Managing Public Money" as referred to in clauses 4.3 and 20.4;

(b) use the Grant for the Purpose;

(c) comply with clauses 14 to 20 (inclusive); and/or

(d) comply with clause 25.2;

- 23.2.4. the Recipient purports to assign, novate, create a charge of the benefit of, otherwise dispose of or transfer, or create any trust in relation to, any or all of its rights, interests and obligations arising under this Grant Agreement;
- 23.2.5. the Recipient or any Project Partner undergoes a Change of Control, unless the Authority has given its prior written agreement to the Change of Control, which subsequently takes place as proposed;
- 23.2.6. a Relevant Subsidy Control Authority judges that any element of the Grant should be re-paid to the Authority due to breach of the Subsidy Control Rules;
- 23.2.7. any information provided in, or in support of, the Application, a Grant Claim or in any subsequent supporting correspondence from the Recipient, or in connection with any Grant Pre-condition, is found to be materially incorrect or incomplete to an extent which the Authority reasonably considers to be materially detrimental to the Authority;
- 23.2.8. the Authority reasonably considers, having undertaken an appropriate review or investigation, that the Recipient is taking or has taken inadequate measures to investigate and resolve any reported irregularity regarding use of the Grant and has failed within 30 days of being notified of such failure to take adequate measures to investigate and resolve any reported irregularity regarding the use of the Grant;
- 23.2.9. the Authority reasonably considers, having undertaken an appropriate review or investigation, that there is a material failure in the Recipient's management of the Project;
- 23.2.10. the Authority reasonably considers, having undertaken an appropriate review or investigation, that an event under clause 5.5 has occurred in connection with the Collaboration Agreement which, in the reasonable opinion of the Authority, is material and to which the Authority has not given prior written agreement;
- 23.2.11. acting reasonably, the Authority considers, having undertaken an appropriate review or investigation, that the Recipient has failed to act reasonably and prudently with regard to any Project Partner and/or any of their suppliers or contractors delivering the Project, or that they are no longer being a fit and proper entity for the receipt of public funding due to:
- (a) the Authority reasonably believing that the activities of the Recipient may bring the reputation of the Open Networks Programme, the Authority or HM Government into disrepute;
 - (b) the entity suffering any Financial Distress Event or Insolvency Event or circumstances which might in the Authority's reasonable view lead to a Financial Distress Event or an Insolvency Event; and/or
 - (c) reasons which impact on national security, the operations, reputation or good standing of the Authority, which impact on the threat of criminal activity and/or which otherwise pose a risk to the successful delivery of the Project;
- 23.2.12. an Insolvency Event occurs or is imminent in respect of the Recipient;
- 23.2.13. the Recipient has failed (at any stage) to comply with the Competition Rules; or

23.2.14. the circumstances described in clause 5.2.2(b) occur.

23.3. If the Authority wishes to exercise any right under clause 23.1 in connection with a Trigger Event that it considers to be remediable:

23.3.1. the Authority will provide reasonable notice to the Recipient specifying particulars of the event concerned, how it must be resolved and the timescales for its resolutions (taking into account the nature of the Trigger Event and its consequences); and

23.3.2. following receipt of a notification under clause 23.3.1, the Recipient will be given reasonable opportunity to resolve the Trigger Event before the Authority exercises the relevant right under clause 23.1.

23.4. If the Authority wishes to exercise any right under clause 23.1 in connection with a Trigger Event that it considers to be irremediable, or if a remediable Trigger Event has not been resolved after the Recipient has been given reasonable opportunity under clause 23.3.2, the Authority may immediately exercise the relevant right under clause 23.1.

Termination for Convenience

23.5. The Authority may terminate this Grant Agreement at any time by giving 90 calendar days' written notice to the Recipient.

23.6. If the Authority terminates this Grant Agreement under clause 23.5, the Authority agrees to pay any outstanding Grant Instalments for Eligible Expenditure incurred on or before termination date (but prior to the time the Authority's notice is received by the Recipient), provided that:

23.6.1. the Grant Funding has been committed (and the Recipient can demonstrate this commitment with reasonable and verifiable evidence) and/or the Grant Funding has been approved by the Authority by that date;

23.6.2. the Eligible Expenditure is reasonably incurred; and

23.6.3. the Recipient otherwise follows the Grant Claim Procedure.

Consequences of Termination or Expiry

23.7. Any termination of this Grant Agreement is without prejudice to any other rights or remedies of the Parties under this Grant Agreement or Applicable Law and will not affect any accrued rights or obligations of the Parties at the date of termination.

23.8. On termination or expiry of this Grant Agreement:

23.8.1. the Recipient will, as soon as reasonably practicable, return to the Authority any unused Grant Funds (unless the Authority gives its written consent to their retention), without prejudice to the Authority's other rights and remedies under this Grant Agreement;

23.8.2. any licence granted by a Party in respect of Materials will cease if the licence is granted for the Term and/or any Extension Period only; and

23.8.3. each Party will promptly return the other Party's Confidential Information in whatever form or media it holds, unless permitted under this Grant Agreement or at law to retain copies of such Confidential Information.

23.9. Any provision of this Grant Agreement which expressly or by implication is intended to come into or continue in force on or after expiry or termination of this Grant Agreement, including:

23.9.1. sections 1.2, 2 and 3 of ANNEX 1 (Project Description); and

23.9.2. this clause 23 and clauses 1, 5.5, 8, 11, 12, 13, 15, 16, 17, 18, 21, 24, 27, 28, 29, 30, 31, 35, 36, 37 and 38 of this ANNEX 2 (Terms and Conditions),

will remain in full force and effect.

24. DISPUTE RESOLUTION PROCEDURE

24.1. If a dispute arises out of or in connection with this Grant Agreement or the performance, validity or enforceability of it (a **Dispute**) then, except as expressly provided otherwise in this Grant Agreement, the Parties will follow the procedure set out in this clause 24:

24.1.1. a Party will send a written notice of the Dispute to the other Party, setting out the nature of the Dispute, full particulars and relevant supporting documentation (a **Dispute Notice**). On receipt of the Dispute Notice, the Programme Director, DSIT Open Networks Programme for the Authority and the First Escalation Contact for the Recipient will attempt in good faith to resolve the Dispute;

24.1.2. if the Parties are for unable to resolve the Dispute in accordance with clause 24.1.1 within 10 Working Days of receipt of the Dispute Notice, the Dispute will be referred to the DSIT Senior Responsible Owner for the Authority and the Second Escalation Contact for the Recipient who will attempt in good faith to resolve the Dispute; and

24.1.3. if the Parties are unable to resolve the Dispute in accordance with clause 24.1.2 within 15 Working Days of referral, the Parties will attempt to settle the Dispute by mediation in accordance with the CEDR model mediation procedure. Unless otherwise agreed between the Parties, the mediator will be nominated by CEDR. To initiate the mediation, the Party requesting mediation must serve notice in writing (an **ADR Notice**) to the other Party with a copy of the ADR Notice sent to CEDR. The mediation will commence no later than 30 Working Days after the date of service of the ADR Notice on the other Party. Unless otherwise agreed by the Parties, CEDR, in conjunction with the appointed mediator, will make the necessary arrangements for the mediation including:

- (a) nominating, and obtaining the agreement of the Parties to, the mediator;
- (b) organising a suitable venue and dates for the mediation;
- (c) organising exchange of documents;
- (d) meeting with either or both of the Parties (and the mediator if appointed), either together or separately, to discuss any matters or concerns relating to the mediation; and
- (e) general administration in relation to the mediation.

24.2. No Party may commence any court proceedings in relation to any Dispute until 60 days after the appointment of a mediator, provided that the right to issue proceedings is not prejudiced by a delay in appointment.

25. SECURITY MATTERS

Network Security and Resilience

- 25.1. The Recipient shall:
- 25.1.1. take full account of matters concerning network security and resilience in the selection and management of Project Partners and Project Participants; and
 - 25.1.2. comply with, and ensure that Project Partners comply with, the NCSC Guidance and any written policy which may be agreed between the Recipient and the Authority from time to time concerning the operations of the Recipient and/or Project Partners as they relate to High Risk Vendors.
- 25.2. The Recipient and Project Partners shall ensure that no High Risk Vendors:
- 25.2.1. receive Grant Funding directly or indirectly, whether as Project Partners, Project Participants or suppliers of goods and/or services in connection with the Project; and/or
 - 25.2.2. are involved in events or similar activities organised in connection with the Project.
- 25.3. The Recipient and Project Partners shall promptly notify the Authority in writing of any transactions or other commercial relationships entered into with High Risk Vendors (not limited to transactions or other commercial relationships connected to the delivery of the Project) during the Term and/or any Extension Period.

Security Lead

- 25.4. Within 10 Working Days of the Effective Date, the Recipient must appoint a Security Lead. The Recipient shall inform the Authority of the name and contact details (including any subsequent updates from time to time) of the Security Lead. The Security Lead shall:
- 25.4.1. lead on the development, maintenance and implementation of the Recipient's Security Strategy;
 - 25.4.2. engage with the Authority as appropriate on security matters relating to the Project;
 - 25.4.3. ensure security decisions are taken at the appropriate level within the corporate governance structure of the Recipient;
 - 25.4.4. ensure the Project complies with the Recipient's legal obligations relating to security matters;
 - 25.4.5. maintain close linkages with the Authority on security matters, particularly in relation to research and development opportunities, security gaps and learning outcomes; and
 - 25.4.6. participate in relevant security forums to share learning from the Project to improve security across the Supply Chain Diversification Ecosystem.

Security Deliverables

- 25.5. Within eight weeks of the Effective Date, the Recipient must prepare and submit to the Authority for review, a written Security Strategy which, at a minimum includes:
- 25.5.1. summary of how the Project will contribute to improving the knowledge around

security in Open RAN ecosystems;

25.5.2. proportionate to the scale of the Project, the Project's approach to:

- (a) managing security risk;
- (b) protecting against cyber attack;
- (c) detecting cyber security events; and
- (d) minimising the impact of cyber security incidents.

25.5.3. how the Project will protect any IP developed from compromise; and

25.5.4. identification of any potential areas for security research and development.

25.6. Following submission of the Security Strategy to the Authority for review under clause 25.5, the Parties shall agree the finalised Security Strategy and the Recipient shall take into account any reasonable comments or requests raised by the Authority in relation to the content of the Security Strategy.

25.7. During the last three months of the Term the Recipient must prepare and (prior to the end of the Term) submit to the Authority for review, a written Security Report which, at a minimum includes:

25.7.1. reflection on the ambitions laid out in the Project's Security Strategy;

25.7.2. the security achievements of the Project;

25.7.3. new knowledge of best practice or where existing best practice or standards have been tested and the result;

25.7.4. discussion on the lessons learnt around the Project's Security Strategy, development and operation;

25.7.5. the Project's views of "so what?" and "what next?"; and

25.7.6. a separate one-page overview of the above, suitable for publishing.

25.8. Following submission of the Security Report to the Authority for review under clause 25.7, the Parties shall agree the finalised Security Strategy and the Recipient shall take into account any reasonable comments or requests raised by the Authority in relation to the content of the Security Strategy.

26. DISSEMINATION, PUBLICITY AND MEDIA PROTOCOL

26.1. The Recipient will ensure that all publicity (including websites, media, press releases and other written material created, issued and/or used by the Recipient, the Project Partners and/or either of their Representatives or Affiliates) relating to the work funded by the Grant will comply with the Dissemination Planning and Media Protocol. Without limiting the preceding, the Recipient must not release any publicity except in a form agreed in advance by the Authority.

26.2. The Authority will notify the Recipient of any updates to the Dissemination and Media Protocol from time to time.

- 26.3. Within 8 weeks following the Effective Date, the Recipient must appoint a Dissemination and Communications Lead. The Recipient shall inform the Authority of the name and contact details (including any subsequent updates from time to time) of the Dissemination and Communications Lead. The Dissemination and Communications Lead shall:
- 26.3.1. lead on the development, maintenance and implementation of the Recipient's dissemination and communications plan;
 - 26.3.2. lead on coordination, delivery and engagement with the Authority on dissemination and communications matters;
 - 26.3.3. ensure compliance with the Dissemination Planning and Media Protocol by the Recipient and Project Partners;
 - 26.3.4. attend regular meetings/calls with the Authority and relevant partner organisations to discuss and agree communications activities relating to the Project; and
 - 26.3.5. attend appropriate working groups as agreed with the Authority.
- 26.4. No later than three months following the start of the Grant Funding Period, the Recipient must prepare and submit to the Authority for review, a written dissemination and communications plan which, at a minimum, includes:
- 26.4.1. the objectives of the Recipient's communications approach;
 - 26.4.2. details of the target audiences for the Recipient's communications relating to the project;
 - 26.4.3. the Recipient's planned communications activities for the first two quarters following submission of the plan;
 - 26.4.4. nominated attendee(s) at the appropriate working groups;
 - 26.4.5. the planned budget for communications activities (including a breakdown of specific activities);
 - 26.4.6. confirmation of funding for these activities from the project's budget; and
 - 26.4.7. any other information reasonably requested by the Authority.
- 26.5. The Parties will cooperate to finalise a calendar of communications activity within the first quarter following the communications strategy being agreed.

27. NOTICES

- 27.1. All notices, invoices and other communications relating to this Grant Agreement will be in writing and in English and will be served by a Party on the other Party addressed to (in the case of the Authority) the contact named in the Conditional Grant Offer Letter or (in the case of the Recipient) the Project Representative named in the Conditional Grant Offer Letter.
- 27.2. A Party may change its address or email address by giving written notice to the other Party.
- 27.3. Notices will be deemed to be delivered:
- 27.3.1. if delivered by hand on receipt;

27.3.2. if sent by pre-paid registered first class post (providing it is not returned as undelivered to the sender), two Working Days after posting; or

27.3.3. if sent by electronic mail, on the date of delivery, provided that if an electronic mail is sent on a day which is not a Working Day or after 3:00pm on a Working Day, the electronic mail is deemed to have been received on the next Working Day.

28. VARIATIONS

28.1. A variation to this Grant Agreement will only be valid if it is in writing and signed by authorised representatives of both Parties. The Authority reserves the right to require the Recipient to comply with such additional conditions as the Authority may require in its sole discretion before agreeing to a variation.

28.2. A request for a variation to this Grant Agreement by the Recipient must include an impact assessment of the proposed variation and must be approved by the Project Board. The Recipient will be responsible for its costs and expenses associated with any request for variation.

29. ENTIRE AGREEMENT

29.1. This Grant Agreement sets out the entire agreement and understanding between the Parties in respect of its subject matter. It replaces all previous negotiations, agreements, understandings and representations between the Parties, whether oral or in writing, relating to the subject matter of this Grant Agreement.

29.2. Each Party represents and agrees that it is not entering into this Grant Agreement as a result of any statement, representation, warranty or understanding of any other person unless set out in this Grant Agreement.

29.3. Except for those expressly set out in this Grant Agreement, all warranties, conditions, representations and undertakings (including any warranties, conditions, representations and undertakings implied by Applicable Law) are excluded to the fullest extent permitted by Applicable Law.

30. GOVERNING LAW AND JURISDICTION

This Grant Agreement, and the relationship between the Parties, is governed by, construed and interpreted in accordance with the laws of England and Wales and each of the Parties submits to the exclusive jurisdiction of the courts of England and Wales.

31. ASSIGNMENT AND NOVATION

31.1. The Recipient must not assign, novate, create a charge of the benefit of, otherwise dispose of or transfer, or create any trust in relation to, any or all of its rights, interests and obligations under this Grant Agreement without the prior written consent of the Authority (such consent not to be unreasonably withheld).

31.2. The Authority may assign, novate or otherwise dispose of or transfer any or all of its rights, interests and obligations under this Grant Agreement to any other contracting authority (as defined in Regulation 2 of the Public Contracts Regulations 2015).

31.3. A change in the legal status of a Party will not affect the validity of this Grant Agreement and it will be binding on any successor body to the Party.

32. SUBCONTRACTING

- 32.1. Restrictions and guidance on the Project's use of Subcontractors and, in particular, the extent to which Subcontracting costs may be regarded as Eligible Expenditure, are set out in ANNEX 4 (Eligible Expenditure).
- 32.2. The Recipient will be responsible to the Authority for all acts and omissions of the Recipient's Subcontractors, and the Subcontractors of any Project Partners and Project Participant, as though they were its own acts and omissions.

33. CHANGE OF CONTROL AND NOTIFICATION OF CHANGE TO CONSTITUTION

- 33.1. The Recipient must obtain the written consent of the Authority prior to any Change of Control of the Recipient or Project Partner taking place.
- 33.2. Without prejudice to the requirement to obtain consent for any Change of Control under Clause 33.1, the Recipient will notify the Authority as soon as it becomes aware of any actual or anticipated change to its or any Project Partner's constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff or officers or volunteers, or those of any Project Partner.

34. NOTIFICATION OF CHANGE TO FINANCIAL STANDING

- 34.1. Without prejudice to any of the Authority's rights under this Grant Agreement, the Recipient must notify the Authority as soon as it becomes aware of:
- 34.1.1. any Financial Distress Event or Insolvency Event of the Recipient and/or any Project Partner or any fact, circumstance or matter which could reasonably be expected to cause a Financial Distress Event or Insolvency Event of the Recipient and/or any Project Partner; or
- 34.1.2. any change to the financial standing of the Recipient and/or any Project Partner which causes the Recipient and/or Project Partner (as the case may be) to fall within the meaning of an 'ailing or insolvent economic actor', as defined in Section 19 of the Subsidy Control Act.

35. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Grant Agreement will not have any right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Grant Agreement.

36. NO PARTNERSHIP OR AGENCY

This Grant Agreement will not create any partnership or joint venture between the Authority, the Recipient and/or the Collaboration Agreement Parties, nor any relationship of principal and agent, nor authorise any Party to make or enter into any commitments for or on behalf of the other Party.

37. WAIVER AND CUMULATIVE REMEDIES

- 37.1. The rights and remedies provided by this Grant Agreement may be waived only in writing by an authorised representative of the relevant Party in a manner that expressly states that a waiver is intended, and such waiver will only be operative with regard to the specific circumstances referred to.

- 37.2. Unless a right or remedy of a Party is expressed to be an exclusive right or remedy, that Party's exercise of that right or remedy is without prejudice to its other rights and remedies.
- 37.3. Any failure to exercise or any delay in exercising a right or remedy by any Party will not constitute a waiver of that right or remedy or of any other rights or remedies. The rights and remedies provided by this Grant Agreement are cumulative and, unless otherwise provided in this Grant Agreement, are not exclusive of any right or remedy provided at law or in equity or otherwise under this Grant Agreement.

38. SEVERANCE

If any provision of this Grant Agreement is held to be invalid, illegal or unenforceable for any reason by a court of competent jurisdiction, the provision will be severed without effect to the remaining provisions.

39. COUNTERPARTS AND SIGNATORIES

- 39.1. This Grant Agreement may be signed in any number of counterparts, each of which when signed and delivered will constitute a duplicate original, but all the counterparts will together constitute a single agreed Grant Agreement.
- 39.2. Transmission of a signed counterpart of this Grant Agreement by email in PDF format will take effect on delivery of the signed counterpart. If this method of delivery is adopted, without prejudice to the validity of the agreement so made, the Parties may agree to provide each other with originals of the signed counterparts.
- 39.3. If You are not a company nor an incorporated entity with a distinct legal personality, the individuals who enter into and sign this Grant Agreement on Your behalf shall be jointly and severally liable for Your obligations and liabilities arising under this Grant Agreement.

40. AUTHORISATIONS AND AUTHORITY

- 40.1. You make the following representations and warranties to and for the Authority's benefit and acknowledge that the Authority has made this Grant available in reliance on such representations and warranties:
- 40.1.1. Your obligations under the Grant Agreement are binding;
- 40.1.2. all authorisations and consents necessary to enable You to enter into and perform its obligations under this Grant Agreement have been obtained; and
- 40.1.3. the person or persons signing this Grant Agreement are duly authorised to sign on Your behalf.

ANNEX 3

COLLABORATION AGREEMENT

1. OVERVIEW

This document sets out:

- (a) the Minimum Requirements for the Collaboration Agreement; and
- (b) the Template Collaboration Agreement.

2. MINIMUM REQUIREMENTS

Subject to clause 5.2 of ANNEX 2 (Terms and Conditions), the Minimum Requirements for the Collaboration Agreement are as follows:

#	Minimum Requirement	Description
1.	Party Particulars	The Collaboration Agreement must set out the particulars of the Collaboration Agreement Parties (including name, address, key contacts, role) and the Accountable Officer.
2.	Responsibilities	The Collaboration Agreement must describe: <ul style="list-style-type: none"> (a) the responsibilities of the Collaboration Agreement Parties; and (b) how the Collaboration Agreement Parties will achieve the Project Description, Milestones and other requirements of the Grant Agreement.
3.	Incorporation and priority of Grant Agreement	This Grant Agreement must be incorporated into the Collaboration Agreement (attaching the Grant Agreement to the Collaboration Agreement is encouraged). The Grant Agreement must take priority to the extent there is any inconsistency between the Grant Agreement and the Collaboration Agreement and any other agreement between the Collaboration Agreement Parties.
4.	Term	The Collaboration Agreement must have a term that runs for the duration of the Term and any Extension Period, pursuant to clause 5.5 of ANNEX 2 (Terms and Conditions).
5.	Compliance	Each Collaboration Agreement Party must be obliged to comply with their relevant obligations, and to grant the relevant licences, set out in Grant Agreement, so as to give effect to the Grant Agreement.
6.	Grant Funding and Additional Funding (including contributions by the parties)	The Collaboration Agreement must describe any Additional Funding secured for the Project, broken down to show in detail the sources of the Additional Funding, including any contributions by the Collaboration Agreement Parties, and how the Grant Funding and Additional Funding will be used.

#	Minimum Requirement	Description
7.	Commitments relating to monitoring and evaluation	<p>The Collaboration Agreement must describe the Collaboration Agreement Parties' commitments to:</p> <ul style="list-style-type: none"> (a) sharing information, knowledge and outcomes associated with the Project; (b) collaboration and joint working with the Authority, other Government bodies, other relevant projects funded by the Authority and the Supply Chain Diversification Ecosystem; and (c) meet the monitoring, evaluation, reporting and sharing requirements of the Grant Agreement, including as required by section 2 of ANNEX 1 (Project Description), reflecting the position in the Grant Agreement.
8.	Financial management, reporting and audit	<p>The Collaboration Agreement must:</p> <ul style="list-style-type: none"> (a) describe the Collaboration Agreement Parties' responsibilities for financial management, including pursuant to clauses 11.1-11.2 (Accountable Officer) and 12.1-12.2 (Grant Management) of ANNEX 2 (Terms and Conditions); and (b) give effect to the reporting and audit requirements of the Grant Agreement, including clauses 10.1-10.2.1 (Reporting), 10.4-10.5 (Monitoring Reports) and 13 (Accounts and Audit) of ANNEX 2 (Terms and Conditions).
9.	Intellectual Property Rights and Research Outcomes	<p>The Collaboration Agreement must:</p> <ul style="list-style-type: none"> (a) describe how Background IPR and Developed IPR will be owned (as between the Collaboration Agreement Parties) and licensed (as between the Collaboration Agreement Parties, to the Authority and to any third parties) in a manner that is consistent with and gives effect to the Grant Agreement, including clause 14 of ANNEX 2 (Terms and Conditions); and (b) give effect to the research, dissemination and publication provisions of the Grant Agreement, including clauses 14.7-14.8 (Research Outcomes) of ANNEX 2 (Terms and Conditions).
10.	Personal Data	The Collaboration Agreement must describe how Personal Data will be processed by the Collaboration Agreement Parties.
11.	Withdrawal and removal of parties	If the Collaboration Agreement includes a process for Collaboration Agreement Parties to withdraw, or be removed, from the Collaboration Agreement and/or the Project, that process must be consistent with the Grant Agreement. The same principle applies to any process for adding new/additional parties to the Collaboration Agreement and/or the Project.

#	Minimum Requirement	Description
12.	Governing law	The governing law of the Collaboration Agreement must be the laws of England and Wales.

3. TEMPLATE COLLABORATION AGREEMENT

The form of the Template Collaboration Agreement is set out at APPENDIX 1 TO ANNEX 3.

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APPENDIX 1 TO ANNEX 3

TEMPLATE COLLABORATION AGREEMENT

 Drafting Note (to be removed)

This Template Collaboration Agreement has been drafted as a simple starting point that the consortium may choose to copy and use for its Collaboration Agreement, either in its current form or with Project-specific amendments. Please note that there are missing fields to be agreed and populated, and the Recipient / Lead Partner and the Project Partners must ensure that the Collaboration Agreement terms (including those relating to the protection of Personal Data) are fit for purpose and accurately relate to the nature of the Project and how it will be run in practice.

Note that there is no requirement to obtain the Authority's approval of the Project's Collaboration Agreement, but the Collaboration Agreement Parties must still ensure that their Collaboration Agreement is compliant with the requirements set out at clause 5.1 of the Grant Agreement and the Minimum Requirements.

The Authority considers this Template Collaboration Agreement to be consistent with the Grant Agreement and the Minimum Requirements. Although the vast majority of competition applicants typically base their Collaboration Agreement on this template, it is recognised that: (a) this document may not be appropriate in all instance, including for projects that are highly complex or have many parties; and (b) in some cases substantial amendments will be required to this document to make it fit for use. It is the responsibility of the Recipient, in conjunction with the Project Partners, to amend the Template Collaboration Agreement as may be necessary in light of the specific proposals in the Application whilst ensuring that the proposed Collaboration Agreement still meets the Minimum Requirements.

As this document contains automatic cross-references between its provisions and to provisions of the Grant Agreement, those cross-references will need to be checked and updated if this Appendix 1 is extracted for use in this document or in another document.

PLEASE NOTE: The Template Collaboration Agreement set out in this Appendix 1 to Annex 3 of the Grant Agreement will remain in the Grant Agreement in unamended, unpopulated template form, notwithstanding that the actual Collaboration Agreement to be entered into by the Recipient and the Project Partners will be populated with all relevant information and may contain deviations from the Template Collaboration Agreement that have been agreed between the Recipient / Lead Partner and the Project Partners.

THIS COLLABORATION AGREEMENT is made on [insert date] 2023

BETWEEN:

- (1) [Insert Lead Partner name], whose address for service is set out at Schedule 2 (Party Particulars) (the **Lead Partner**); and
- (2) the other Parties set out at Schedule 2 (Party Particulars) (each a **Project Partner**).

BACKGROUND

- (A) The Lead Partner signed the Conditional Grant Offer Letter and thereby entered into an agreement with the Authority for the provision of Grant Funding for the Project as set out at Schedule 1 (Grant Agreement) to this Collaboration Agreement (the **Grant Agreement**).

- (B) It is a Grant Pre-condition that the Authority receives a signed Collaboration Agreement, governing the relationship between the Parties in relation to the Project, which complies with clause 5 of ANNEX 2 (Terms and Conditions) to the Grant Agreement.
- (C) The Parties have agreed to be bound by the terms and conditions of this Collaboration Agreement in relation to the Project for the purpose set out in paragraph (B) above.

TERMS AND CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Collaboration Agreement, the terms **Accountable Officer, Applicable Law, Accounting Records, Additional Funding, Authority, Change of Control, Controller, Data Protection Laws, Data Subject, Financial Distress Event, GDPR, Grant, Grant Funding, Grant Pre-condition, Intellectual Property Rights (or IPRs), Joint Controller, Material, Milestone, Processing, Project, Project Description, Quarterly Review, Representative, Supervisory Authority** and **Working Day** each have their meanings given in the Grant Agreement, and in addition:

Additional Party	has the meaning given in clause 15.1;
Background IPRs	means any and all IPRs that subsist in Materials and other items which are owned by a Party prior to the Start Date or which are developed by the Party during the Term but not in connection with the Project;
Budget	means the budget for the Project as described in Schedule 3 (Budget and Contributions), including the Contributions to be made by each Party, the Distributions to be made to each Party, and the allocation of Grant Funding against Milestones and other activities;
Collaboration Agreement	means this document and its Schedules;
Conditional Grant Offer Letter	means the Conditional Grant Offer Letter for the Project signed by the Lead Partner on [insert full date];
Confidential Information	means any information provided by a Party or Parties (or the Authority) to another Party or other Parties in connection with this Collaboration Agreement that is clearly designated as being confidential (whether or not it is marked "confidential") or which ought reasonably be considered to be confidential;
Contribution	means a financial or non-financial contribution made by a Party to the Project as set out in Schedule 3 (Budget and Contributions);
Data Loss Event	means any event that results, or may result, in unauthorised access to Personal Data held by a Party under this Collaboration Agreement, and/or actual or potential loss and/or destruction of Personal Data in breach of this Collaboration Agreement, including any Personal Data Breach;
Developed IPRs	means any and all IPRs that subsist in Materials and other items which are developed by or on behalf of a Party in connection with the Project;

Disclosing Party	means a Party that discloses Confidential Information, directly or indirectly, to another Party or other Parties in connection with this Collaboration Agreement;
Distribution	means any distribution by the Lead Partner to a Project Partner of Grant Funding received from the Authority;
Grant Agreement	has the meaning given in paragraph (A) of the 'Background' section;
Grant Re-payment	has the meaning given in clause 6.4;
Insolvency Event	in respect of a Party means that: <ul style="list-style-type: none">(a) the Party is subject to a proposal for a voluntary arrangement or have a petition for an administration order or a winding up order brought against it;(b) a resolution is passed to wind up the Party's business;(c) the Party ceases to operate and/or changes the nature of its operations;(d) the Party makes any composition, arrangement, conveyance or assignment for the benefit of its creditors, or purports to do the same;(e) the Party is subject to the appointment of a receiver, administrator or liquidator;(f) the Party ceases or threatens to cease to carry on business; and/or(g) anything analogous to any of the events in items (a) to (f) above occurs in relation to the Party under Applicable Law;
Initial Project Plan	means the plan set out at Appendix 1 of Annex 5 (Milestones, Deliverables and Grant Claim Schedule) to the Grant Agreement;
Lead Partner	has the meaning given in the 'Parties' section;
Licensee	means a person who is granted a licence in respect of IPRs (including Background IPRs and/or Developed IPRs) from a Licensor;
Licensor	means a person who owns IPRs (including Background IPRs and/or Developed IPRs) and who grants a licence in respect of those IPRs;
Party	means a party to this Collaboration Agreement, and collectively the Lead Partner and Project Partners are referred to as the Parties;
Party Particulars	means the details relating to the Parties as set out in in Schedule 2 (Party Particulars);
Project Board	has the meaning given clause 8.1;
Project Partner	has the meaning given in the 'Parties' section;

Project Plan	means: (a) the Initial Project Plan; or (b) an updated Project plan that has been approved by the Authority (including following a Quarterly Review) in accordance with the Grant Agreement;
Protective Measures	means appropriate technical and organisational measures designed to ensure compliance with obligations of the Parties arising under Data Protection Laws and this Collaboration Agreement, which may include: pseudonymising and encrypting Personal Data, ensuring confidentiality, integrity, availability and resilience of systems and services, ensuring that availability of and access to Personal Data can be restored in a timely manner after an incident, and regularly assessing and evaluating the effectiveness of the such measures adopted by it;
Protection	means the identification, protection, application for registration, prosecution, registration and maintenance of registerable IPRs;
Receiving Party	means a Party that receives Confidential Information, directly or indirectly, from a Disclosing Party in connection with this Collaboration Agreement;
Responsible Party	has the meaning given in clause 5.1;
Schedule	means a schedule to this Collaboration Agreement;
Start Date	means [insert];
Term	means the period commencing on the Start Date and ending on the latter of: (a) the date which is [insert] years from the Start Date; or (b) the expiry of the Grant Agreement; and
Withdrawing Party	has the meaning given in clause 16.2.

1.2. In this Collaboration Agreement:

- 1.2.1. use of the singular includes the plural (and vice versa) and use of any gender includes the other genders;
- 1.2.2. references to numbered clauses, sections or paragraphs are references to clauses, sections or paragraphs of this Collaboration Agreement, unless a reference to another document is stated;
- 1.2.3. headings are for information only and will not affect interpretation; and
- 1.2.4. any phrase introduced by the words "including", "includes", "in particular", "for example" or similar, will be construed as illustrative and without limitation to the generality of the related general words.

- 1.3. To the extent of any conflict or inconsistency between this Collaboration Agreement and the Grant Agreement, the Grant Agreement will prevail. Subject to the foregoing, this Collaboration Agreement will take precedence over any other agreement entered into between the Parties (past, current or future) in relation to the Project.

2. TERM

This Collaboration Agreement commences on the Start Date and will remain in full force and effect for the Term, subject to early termination in accordance with clause 16.

3. SCOPE AND REQUIREMENTS OF THE PROJECT

The scope of the Project and the Project Description are set out in the Grant Agreement. This Collaboration Agreement governs the rights and obligations of the Parties (as between them) in connection with the Project.

4. COMPLIANCE WITH THE GRANT AGREEMENT

- 4.1. Each Party agrees to:

- 4.1.1. comply with any obligations in the Grant Agreement:

- (a) that are stated in the Grant Agreement as applying to the Party individually or collectively with other Parties; and/or
- (b) for which it is allocated as the Responsible Party in accordance with clause 5;

- 4.1.2. observe the Authority's rights and remedies under the Grant Agreement;

- 4.1.3. grant any licences and other rights to the Authority and/or any third party as required by the Grant Agreement; and

- 4.1.4. respond to any lawful request or demand issued by the Authority or HM Government in connection with the Grant Agreement,

so as to give effect to the Grant Agreement.

- 4.2. The Parties agree that they will not, together or individually, act in a manner that is inconsistent with, conflicts with, or undermines or circumvents, the Grant Agreement.

5. RESPONSIBILITIES

- 5.1. Each Party is responsible for carrying out its allocated responsibilities described in Schedule 4 (Responsibilities) in accordance with clause 3, and in each case the Party who is allocated a responsibility is the "**Responsible Party**".

- 5.2. The allocation of any responsibility to a Responsible Party may be varied in accordance with clause 19.

- 5.3. The allocation of responsibility for additional obligations required by:

- 5.3.1. a variation to the Grant Agreement; or

- 5.3.2. a written notice, consent or direction from the Authority,

will be as agreed by the Parties (acting reasonably and without undue delay) in accordance with clause 19 to appoint a Responsible Party.

6. BUDGET, CONTRIBUTIONS, DISTRIBUTIONS AND RE-PAYMENT

- 6.1. The Budget for the Project is set out at Schedule 3 (Budget and Contributions).
- 6.2. Each Party agrees to make the Contributions towards the Project as specified in Schedule 3 (Budget and Contributions). Those Contributions may be subject to conditions (including timescales) described in the Budget and/or the Project Plan.
- 6.3. The Lead Partner is responsible for making Distributions of Grant Funding to the Project Partners in accordance with the Budget. When Grant Funding is received by the Lead Partner from the Authority:
 - 6.3.1. the Lead Partner will notify any Project Partners who are to receive a Distribution from the Grant Funding;
 - 6.3.2. the Project Partners notified under clause 6.3.1 will submit an invoice to the Lead Partner for the Distribution;
 - 6.3.3. the Lead Partner will transfer the appropriate Distributions to the Project Partners as soon as possible and in any event within [30] days of receipt of a valid invoice; and
 - 6.3.4. the Project Partners will notify the Lead Partner of the receipt of the Distribution as soon as possible and in any event within [10] days of receipt.
- 6.4. If a re-payment of any Grant Funding is required in accordance with the Grant Agreement (**Grant Re-payment**), each Party agrees (acting reasonably and in good faith) to transfer its portion of the Grant Re-payment to the Lead Partner as soon as possible and in any event within any period specified in the notice for the Grant Re-payment.

7. PROJECT PLAN

- 7.1. The Parties agree to comply with the Initial Project Plan.
- 7.2. Prior to each Quarterly Review, the relevant Responsible Party (or Responsible Parties) will prepare an updated Project Plan to be submitted to the Authority and considered at the Quarterly Review. Once the Authority has approved a Project Plan, the Parties agree to comply with the approved Project Plan.

8. PROJECT BOARD

- 8.1. The Parties agree to establish a board for the strategic and operational governance of the Project in accordance with this clause 8 (**Project Board**).

Chair and Representatives

- 8.2. The chair of the Project Board will be [insert] and each Party may appoint:
 - 8.2.1. [one] voting Representative to the Project Board; and
 - 8.2.2. [one] non-voting Representative to act as an observer at Project Board meetings,

and each Party will provide written notice to the other Parties of the name, title and contact details of its voting and non-voting Representatives prior to the first meeting of the Project Board and on replacement of any Representative.

- 8.3. The Authority will be invited to attend each meeting of the Project Board in accordance with clause 11.3 (Meetings of the Project Board) of Annex 2 (Terms and Conditions) of the Grant Agreement.

Meetings and decisions

- 8.4. All significant matters relating to the Project will be decided by the Project Board which will also put in place any structure to manage the Project that it agrees, provided it is consistent with the Grant Agreement.
- 8.5. Quorum for a meeting of the Project Board will be not less than [50%] of the Parties' voting Representatives (or their proxies) which must include the Lead Partner's voting Representative (or its proxy).
- 8.6. The Project Board will first meet on [insert]. Following the first meeting, the Project Board will meet every [insert] months at a venue and time agreed by Parties at the first meeting or at the previous meeting. Meetings of the Project Board will normally coincide with times of reporting or submissions to the Authority. Additional meetings of the Project may be convened with at least [insert] days' prior written notice to all other Parties, which notice must include a draft agenda.
- 8.7. The chair will circulate an agenda, board papers and other supporting documents for each meeting of the Project Board no less the [five] days prior to the meeting.
- 8.8. Each Party, through its voting Representative, will have [one] vote on decisions of the Project Board. Decisions will be taken by a majority vote. In the event of a tied vote, the chair will have the deciding vote.
- 8.9. The chair will draft minutes of each meeting of the Project Board and share those minutes to the other Parties within [five] days of the meeting. The minutes will be considered as accepted by the Parties if, within [10] days of receipt of the minutes, no Party has objected in writing to the chair.

9. FINANCIAL MANAGEMENT, REPORTING AND AUDIT

- 9.1. Each Party is responsible for keeping all books of accounts and Accounting Records of its own financial affairs in relation to the Project and for dealing with its own tax affairs.
- 9.2. Without limiting the generality of clause 3, each Project Partner agrees to:
- 9.2.1. provide to the Authority or the Lead Partner any data, information, Materials, access to personnel, access to facilities, undertaking, statement and/or other items requested by the Authority or the Lead Partner;
 - 9.2.2. procure from third parties any other data, information, Materials, access to personnel, access to facilities, undertaking, statement and/or other items; and
 - 9.2.3. submit to any audit, review, inspection or examination,
- as required for compliance with the Grant Agreement.

10. CHANGES TO FINANCIAL STANDING AND CONSTITUTIONAL MATTERS

10.1. Each Project Partner shall notify the Lead Partner of any:

10.1.1. proposed Change of Control of that Project Partner;

10.1.2. actual or anticipated change to that Project Partner's constitution, legal form, membership structure (if applicable) or ownership, and of any complaint or investigation by any regulatory body or the police into its activities or those of its staff, officers or volunteers; or

10.1.3. Financial Distress Event or Insolvency Event of that Project Partner, or any fact, circumstance or matter which could reasonably be expected to cause a Financial Distress Event or Insolvency Event of that Project Partner,

in such a manner as is necessary to enable the Lead Partner to comply with its obligations under clauses 33 and 34 of ANNEX 2 (Terms and Conditions) to the Grant Agreement.

11. INTELLECTUAL PROPERTY RIGHTS



Drafting Note (to be removed)

This IPRs provision is provided as a balanced clause that might be adapted on a case-by-case basis, provided the final provision is consistent with the Grant Agreement.

Background IPRs

11.1. All rights (including Intellectual Property Rights) and title in and to any Background IPRs will remain the property of the relevant Party. This Agreement does not affect the ownership of any Background IPRs.

Developed IPRs

11.2. All rights (including Intellectual Property Rights) and title in and to any Developed IPRs will vest on creation in the Party that developed the Developed IPRs. If a third party (e.g. a student or contractor) is involved in the Project, the Party engaging that third party will ensure that the third party maintains adequate records and assigns any Intellectual Property Rights associated with the Project to the Party in order to give full effect to this clause 11.

11.3. If any Parties are jointly responsible for developing Developed IPRs, those Developed IPRs will be jointly owned by those Parties with the ownership interest of each Party being proportional to the contribution made by each relevant Party to the Developed IPRs (e.g. inventive or creative contribution).

11.4. Each Party that owns Developed IPRs will promptly disclose the nature of those Developed IPRs to the other Parties for the purposes of the Project. Developed IPRs that are disclosed under this clause 11.4 will be treated as Confidential Information.

Licensing and exploitation of IPRs

11.5. Each Party (being a Licensor) grants to the other Parties (being Licensees) a non-exclusive, royalty-free licence for the Term to use the Licensor's:

11.5.1. Developed IPRs for the purpose of undertaking the Project; and

11.5.2. Background IPRs (subject to any existing obligations to third parties) for the purpose of undertaking the Project and to enable the use of the Developed IPRs under clause 11.5.1,

but not for commercial exploitation except if permitted under this clause 11.

- 11.6. Without limiting clause 4.1.3, each Party grants (and must ensure that any relevant third party grants) to the Authority the licence described in clause 14.3 (Licence and use of Materials) of Annex 2 (Terms and Conditions) to the Grant Agreement.
- 11.7. If any Party wishes to commercially exploit Developed IPRs owned by another Party with a broader scope than permitted under clause 11.5, the Parties concerned will enter into good faith commercial discussions to agree on the terms of a non-exclusive licence to use the Developed IPRs, including a royalty and/or other appropriate form of remuneration which is fair and reasonable having regard to:
- 11.7.1. the respective financial and technical contributions of the Parties concerned to the development of the Developed IPRs;
 - 11.7.2. the expenses incurred in securing Protection of the Developed IPRs (if applicable);
 - 11.7.3. the costs of its commercial exploitation; and
 - 11.7.4. any use of Background IPRs.
- 11.8. If a Party wishes to commercially exploit any Developed IPRs that it owns with a third party (who is not a Party), that Party must:
- 11.8.1. notify the other Parties before it approaches the third party; and
 - 11.8.2. ensure that any disclosure of information to the third party is subject to the obligations of confidentiality at least equivalent to those under clause 12.
- 11.9. If a Party is a joint owner of Developed IPRs, that Party may commercially exploit the Developed IPRs subject to the negotiation in good faith of a licence with the other joint owners of the Developed IPRs taking into consideration the factors set out clause 11.7.
- 11.10. If a Party who is assigned any Developed IPRs pursuant to clause 11.11.3 wishes to commercially exploit the Developed IPRs, that Party will pay to the assigning Party a royalty and/or other appropriate form of remuneration which is fair and reasonable taking into consideration the factors set out clause 11.7.

Protection of Developed IPRs

- 11.11. In relation to the Protection of Developed IPRs:
- 11.11.1. each Party agrees to undertake and continue at its expense the timely Protection of Developed IPRs that it owns;
 - 11.11.2. joint owners of Developed IPRs will agree between them on who will be responsible for the Protection of the jointly owned Developed IPRs and the nominated Party or Parties may charge the other joint owners for the actual costs of Protection as agreed between the joint owners (and in the absence of any agreement, the costs will be shared between the owners according to their ownership interest in the Developed IPRs); and

11.11.3. if the owner or owners of Developed IPRs is unable or unwilling to comply with either clause 11.11.1 or 11.11.2, the Project Board will be notified as soon as possible and the Project Board will decide how best to Protect those Developed IPRs, which may include an assignment of the Developed IPRs to another Party.

12. CONFIDENTIALITY

12.1. In consideration for a Disclosing Party agreeing to disclose Confidential Information to a Receiving Party, the Receiving Party undertakes to the Disclosing Party that, with respect to any Confidential Information disclosed to the Receiving Party or its Representatives by or on behalf of the Disclosing Party, the Receiving Party must:

12.1.1. treat all Confidential Information as strictly confidential and keep it in safe and secure custody as is appropriate depending upon the form in which such information is recorded and stored and the nature of the Confidential Information;

12.1.2. use all such Confidential Information solely in connection with this Collaboration Agreement;

12.1.3. comply with any protective markings and related requirements notified to the Receiving Party in relation to the Confidential Information from time to time;

12.1.4. not disclose, copy, reproduce, publish or distribute the Confidential Information (or any part thereof) to any person except as expressly permitted under this Collaboration Agreement or the Grant Agreement, or as otherwise authorised by the Disclosing Party in writing;

12.1.5. respect any existing proprietary rights in the Confidential Information; and

12.1.6. inform the Disclosing Party immediately upon becoming aware of or suspecting any unauthorised access, copying, use or disclosure in any form of any Confidential Information.

12.2. Clause 12.1 will not apply, or will cease to apply, to the extent that any Confidential Information:

12.2.1. is or becomes available to the public other than as a direct or indirect result of a disclosure in breach of this Collaboration Agreement or any confidentiality undertaking given by any other person;

12.2.2. is already known to the Receiving Party prior to disclosure by the Disclosing Party and such prior knowledge can be evidenced by the written records of the Receiving Party;

12.2.3. is or becomes known to the Receiving Party by disclosure from a third party other than where such disclosure is itself subject to an obligation of confidentiality;

12.2.4. is not required to be treated as Confidential Information, as expressly confirmed by the Disclosing Party in writing; or

12.2.5. is required to be disclosed by any Applicable Law or the order of a court of competent jurisdiction, governmental or regulatory authority, or any other person or body having a legal right or duty to have access to or knowledge of the Confidential Information.

12.3. The Receiving Party will be entitled to disclose Confidential Information to its Representatives for use exclusively in connection with this Collaboration Agreement and the Grant Agreement, provided that the Receiving Party will procure that the Representatives to whom disclosure of Confidential Information is made:

12.3.1. are aware of the undertakings in this Collaboration Agreement; and

12.3.2. comply with the obligations of confidentiality and the terms and conditions of this Collaboration Agreement as if they were directly a party to this Collaboration Agreement.

12.4. The Parties agree that they may disclose the Lead Partner's Confidential Information to the Authority and its Representatives if permitted under this Collaboration Agreement or the Grant Agreement.

13. DATA PROTECTION

Arrangement Between the Parties

13.1. The Parties acknowledge that the factual arrangements between them in connection with this Collaboration Agreement dictate the role and classification of each Party in respect of the Data Protection Laws. Notwithstanding the foregoing, the Parties anticipate that each of them may Process Personal Data as an independent Controller.

13.2. The Parties each acknowledge that they have duly and mutually concluded that:

13.2.1. Article 28 GDPR is not applicable to the Processing of the Personal Data as neither Party shall act as a Processor on behalf of the other in respect of such Processing; and

13.2.2. Article 26 GDPR is not applicable to the Processing of the Personal Data as the Parties shall not act as Joint Controllers in respect of such Processing.

13.3. The Lead Partner and the Project Partners will each comply with their respective obligations under the Data Protection Laws in respect of Personal Data that they each Process in relation to the Lead Partner's application of the Grant or which each of the Lead Partner and the Project Partners otherwise Process in connection with the Project.

13.4. The Lead Partner and the Project Partners will implement the Protective Measures which are appropriate to protect against a Data Loss.

13.5. Upon receipt of a written request by the Authority to the Lead Partner, the Lead Partner will, and will procure that the other Project Partners will, provide to the Authority full details of the data protection procedures, measures and arrangements that are in place in connection with the application of the Grant and during the operation of the Project to ensure compliance with the Data Protection Laws. The Lead Partner and Project Partners' response should include, and not be limited to, procedures, measures and arrangements:

13.5.1. to ensure ongoing confidentiality, integrity, availability and resilience of processing systems and services;

13.5.2. to comply with the rights of Data Subjects in respect of receiving privacy information, and access, rectification, deletion and portability of Personal Data;

13.5.3. to ensure that any consent-based processing meets standards of active, informed

consent, and that such consents are recorded and auditable;

- 13.5.4. to ensure legal safeguards are in place to legitimise transfers of Personal Data outside the UK or the EU (if such transfers will take place);
- 13.5.5. to maintain records of Personal Data Processing activities; and
- 13.5.6. to regularly test, assess and evaluate the effectiveness of the above procedures, measures and arrangements.

Controller Obligations

- 13.6. To the extent that a Party is acting as a Controller in relation to Personal Data (including Sensitive Personal Data) collected by it which may be shared with another Party, the Controller will ensure that:
 - 13.6.1. all fair processing notices have been given and/or (as applicable) all consents have been obtained that are sufficient in scope to allow:
 - (a) disclosure of the Personal Data to the other Party in accordance with the Data Protection Laws;
 - (b) the other Party to Process such Personal Data for the purposes set out in this Collaboration Agreement; and
 - (c) if applicable, that such consents are recorded and auditable; and
 - 13.6.2. the Controller is not subject to any prohibition or restriction which would prevent or restrict it from disclosing or transferring the Personal Data to the other Party in accordance with this Collaboration Agreement.
- 13.7. Each Party will notify the other promptly (and in any case within 72 hours), if it becomes aware of:
 - 13.7.1. a Data Loss Event;
 - 13.7.2. a breach of this clause 13.7; or
 - 13.7.3. a breach of the Data Protection Laws, whether committed by that Party or its Subcontractors, andthereafter implement measures necessary to restore the security of compromised Personal Data and assist the other Party to make notifications to the Supervisory Authority and affected Data Subjects.

14. INSURANCE

Unless otherwise agreed by the Parties, each Party will individually take out and/or maintain insurance coverage as required in clause 22 of ANNEX 2 (Terms and Conditions) to the Grant Agreement against all liabilities arising out of or in connection with the performance, or otherwise, of its obligations under this Collaboration Agreement.



Drafting Note (to be removed)



Drafting Note (to be removed)

No liability provision is included in this template. The Parties may agree to include a liability provision in a Collaboration Agreement, provided it is consistent with the Grant Agreement.

15. ADDITIONAL PARTIES

- 15.1. Additional parties to this Collaboration Agreement may be appointed with the unanimous consent of the existing Parties in accordance with clause 19 (**Additional Parties**). For the avoidance of doubt, the Authority must provide its prior written consent to any appointment of an Additional Party under this clause 15.1.
- 15.2. Once duly appointed, any Additional Party will be bound by the terms of this Collaboration Agreement and any other conditions required by the Project Board, including in relation to Contributions by and Distributions to the Additional Party.

16. WITHDRAWAL, REMOVAL AND TERMINATION

- 16.1. No Party may withdraw from, be removed from, or terminate this Collaboration Agreement except in accordance with this clause 16.

Withdrawal of a Party

- 16.2. Any Party may withdraw from the Collaboration Agreement with the unanimous consent of the other Parties in accordance with clause 19 (a **Withdrawing Party**) which consent may be subject to such conditions as the other Parties may unanimously decide including the conditions specified in clause 16.5. For the avoidance of doubt, the Authority must be given prior written notice of the withdrawal and the withdrawal will not impact or limit the other Parties obligations in connection with the Collaboration Agreement or the Grant Agreement.
- 16.3. The remaining Parties will use reasonable endeavours to promptly reallocate the responsibilities of the Withdrawing Party either between the remaining Parties or through the appointment of one or more Additional Parties in accordance with clause 15.
- 16.4. A Withdrawing Party will not be entitled to recover any of its costs incurred in connection with the Project including its Contribution already made to the Project.
- 16.5. A Withdrawing Party will comply with any conditions imposed on the Withdrawing Party including pursuant to clause 16.2, which may include conditions that:
- 16.5.1. the rights granted to the other Parties in respect of the Withdrawing Party's Background IPRs and Developed IPRs under clause 11 continue for the duration of the Project;
- 16.5.2. the Withdrawing Party grants to any other Party a non-exclusive licence, on fair and reasonable terms to be agreed, for any other Party to commercially exploit:
- (a) the Developed IPRs of the Withdrawing Party;
- (b) the Developed IPRs of the Withdrawing Party who is a joint owner of the Developed IPRs; and/or

- (c) the Background IPRs of the Withdrawing Party (subject to third party obligations), to the extent the other Party's ability to commercially exploit its Developed IPRs is dependent on the Withdrawing Party's Background IPRs,

so as to give effect to the exploitation provision in clause 11.

Removal of a Party for breach or insolvency



Drafting Note (to be removed)

This provision is provided as a balanced clause that might be adapted on a case-by-case basis, provided the final provision is consistent with the Grant Agreement.

- 16.6. If any Party (in this clause 16.6, a **Breaching Party**) commits a material breach of this Collaboration Agreement:
- 16.6.1. the other Parties who are not in breach (in this clause 16.6, each being a **Non-Breaching Party**) may, if they unanimously agree and in consultation with the Authority, serve a written notice on the Breaching Party (with a copy to the Authority) setting out the particulars of the breach and the timescales for remedy of the breach if it is remediable (which must be no less than [30] days after receipt of the written notice);
- 16.6.2. if the breach is remediable, and the Breaching Party fails to remedy the breach within the timescales in the notice issued under clause 16.6.1, then any Non-Breaching Party may with the Authority's written consent send a further written notice to the Breaching Party (with a copy to the Authority) that removes the Breaching Party from the Collaboration Agreement with immediate effect;
- 16.6.3. if the breach is non-remediable, the notice issued under clause 16.6.1 will remove the Breaching Party from the Collaboration Agreement with immediate effect provided the Non-Breaching Parties have obtained the Authority's prior written consent to the removal of the Breaching Party;
- 16.6.4. if a Breaching Party is removed from the Collaboration Agreement, the Non-Breaching Parties will use reasonable endeavours to promptly reallocate the responsibilities of the Breaching Party either between the other Parties or through the appointment of an Additional Party in accordance with clause 15; and
- 16.6.5. clause 16.5 will apply to any removed Breaching Party as if the Party were a Withdrawing Party.
- 16.7. If an Insolvency Event occurs in respect of any Party, the other Parties will promptly meet with the Authority to discuss the Insolvency Event at which meeting those Parties may resolve to send a written notice to the Party that suspends the Party's involvement in the Project or removes the Party from the Collaboration Agreement with immediate effect. Clause 16.5 will apply to any removed Party as if the Party were a Withdrawing Party.

Termination of the Collaboration Agreement

- 16.8. This Collaboration Agreement may be terminated on terms agreed to by all of the Parties and the Authority in writing.

- 16.9. The termination of the Grant Agreement by the Authority will have the effect of terminating this Collaboration Agreement unless otherwise agreed by the Authority in writing.

Effect of withdrawal, removal, termination or expiry

- 16.10. The withdrawal or removal of any Party will not otherwise affect the continued operation of this Collaboration Agreement or the Grant Agreement.
- 16.11. Any withdrawal or removal of a Party, or termination or expiry of this Collaboration Agreement, is without prejudice to any other rights or remedies of the Parties under this Collaboration Agreement or Applicable Law and will not affect any accrued rights or obligations of the Parties.
- 16.12. Unless a Party is permitted under this Collaboration Agreement or under Applicable Laws to retain copies of any Confidential Information:
- 16.12.1. each Party will promptly return or destroy the Confidential Information of a Withdrawing Party or a removed Party on the withdrawal or removal of a Party; or
- 16.12.2. each Receiving Party will promptly return or destroy the Confidential Information of a Disclosing party on termination or expiry of this Collaboration Agreement.
- 16.13. On the withdrawal or removal of a Party, or termination or expiry of this Collaboration Agreement, any provision of this Collaboration Agreement which expressly or by implication is intended to come into or continue in force on or after expiry or termination of this Collaboration Agreement will remain in full force and effect.

17. DISPUTE RESOLUTION PROCEDURE

- 17.1. If a dispute arises out of or in connection with this Collaboration Agreement or its performance, validity or enforceability, then except as expressly provided otherwise in this Collaboration Agreement, the Parties in dispute will follow the procedure set out in this clause 17 before commencing court proceedings in relation to the dispute.
- 17.2. A Party to a dispute will send a written notice of the dispute to other Parties, setting out the nature of the dispute, the Parties involved, full particulars of the dispute and relevant supporting documentation. On receipt of the dispute notice, senior Representatives of the Parties in dispute will meet to attempt in good faith to resolve the dispute. Representatives of Parties who are not in dispute may be present at the meetings.
- 17.3. If the Parties in dispute are unable to resolve the dispute in accordance with clause 17.2 within 10 Working Days of receipt of the dispute notice, the dispute will be escalated to more senior Representatives of the Parties in dispute who will meet to attempt in good faith to resolve the dispute. Representatives of Parties who are not in dispute may be present at the meetings.

- 17.4. If the Parties in dispute are unable to resolve the dispute in accordance with clause 17.3 within 15 Working Days of referral, the Parties in dispute will attempt to settle the dispute by mediation in accordance with the Centre for Effective Dispute Resolution (in this clause 17, **CEDR**) model mediation procedure. Unless otherwise agreed between the Parties, the mediator will be nominated by CEDR and Representatives of Parties who are not in dispute may be present at the mediation and receive all documentation relating to the mediation. To initiate the mediation, the Party requesting mediation must serve notice in writing (in this clause 17, an **ADR Notice**) to the other Parties in dispute with a copy of the ADR Notice sent to CEDR and other parties who are not in dispute. The mediation will commence no later than 30 Working Days after the date of service of the ADR Notice on the other Parties in dispute. Unless otherwise agreed by the Parties in dispute, CEDR, in conjunction with the appointed mediator, will make the necessary arrangements for the mediation including:
- 17.4.1. nominating, and obtaining the agreement of the Parties in dispute to, the mediator;
 - 17.4.2. organising a suitable venue and dates for the mediation;
 - 17.4.3. organising exchange of documents;
 - 17.4.4. meeting with the Parties (and the mediator if appointed), either together or separately, to discuss any matters or concerns relating to the mediation; and
 - 17.4.5. general administration in relation to the mediation.
- 17.5. No Party may commence court proceedings in relation to a dispute until 60 days after the appointment of a mediator under clause 17.4, provided that the right to issue proceedings is not prejudiced by a delay in appointment.

18. NOTICES AND COMMUNICATIONS

- 18.1. All notices, invoices and other communications relating to this Collaboration Agreement will be in writing, in English and served on the other Parties using the contact details set out in Schedule 2 (Party Particulars).
- 18.2. A Party may change its contact details by giving written notice to the other Parties.
- 18.3. Notices will be deemed to be delivered:
- 18.3.1. if delivered by hand on receipt;
 - 18.3.2. if sent by pre-paid registered first class post (providing it is not returned as undelivered to the sender), two Working Days after posting; or
 - 18.3.3. if sent by electronic mail, on the date of delivery, provided that if an electronic mail is sent on a day which is not a Working Day or after 3:00pm on a Working Day, the electronic mail is deemed to have been received on the next Working Day.
- 18.4. Notwithstanding anything else in this Collaboration Agreement, any communications with the Authority or its Representatives will be conducted through the Lead Partner unless otherwise required or permitted by the Authority.

19. VARIATIONS

- 19.1. Subject to clause 19.2, a variation to this Collaboration Agreement will only be valid if it is in writing and signed by authorised representatives of each of the Parties.

- 19.2. If a variation to this Collaboration Agreement requires notification to the Authority, the variation will not be effective until such time as the notification is given to the Authority.

20. ENTIRE AGREEMENT

This Collaboration Agreement sets out the entire agreement between the Parties in relation to the Project. It replaces all previous negotiations, agreements, understandings and representations between the Parties, whether oral or in writing, on the subject matter of the Collaboration Agreement. Each Party agrees that it is not entering into the Collaboration Agreement as a result of any representations made to it by the other.

21. GOVERNING LAW AND JURISDICTION

This Collaboration Agreement is governed by and construed in accordance with the laws of England and Wales and each of the Parties submits to the exclusive jurisdiction of the courts of England and Wales.

22. ASSIGNMENT AND NOVATION

- 22.1. No Party may assign, novate, create a charge of the benefit of, otherwise dispose of, or create any trust in relation to, any or all of its rights and obligations under this Collaboration Agreement without the prior written consent of the other Parties (such consent not to be unreasonably withheld or delayed).
- 22.2. A change in the legal status of a Party will not affect the validity of this Collaboration Agreement and it will be binding on any successor body to the Party.

23. CONTRACT (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Collaboration Agreement except for the Authority will have no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Collaboration Agreement.

24. NO PARTNERSHIP OR AGENCY

This Collaboration Agreement will not create any partnership or joint venture between any or all of the Parties, nor any relationship of principal and agent, nor authorise any Party to make or enter into any commitments for or on behalf of another Party.

25. WAIVER AND CUMULATIVE REMEDIES

- 25.1. The rights and remedies provided by this Collaboration Agreement may be waived only in writing by an authorised representative of the relevant Party in a manner that expressly states that a waiver is intended, and such waiver will only be operative with regard to the specific circumstances referred to.
- 25.2. Unless a right or remedy of a Party is expressed to be an exclusive right or remedy, the Party's exercise of that right or remedy is without prejudice to its other rights and remedies.
- 25.3. Any failure to exercise or any delay in exercising a right or remedy by a Party will not constitute a waiver of that right or remedy or of any other rights or remedies.
- 25.4. The rights and remedies provided by this Collaboration Agreement are cumulative and, unless otherwise provided in this Collaboration Agreement, are not exclusive of any right or remedy provided at law or in equity or otherwise under this Collaboration Agreement.

26. SEVERANCE

If any provision of this Collaboration Agreement is held to be invalid, illegal or unenforceable for any reason by a court of competent jurisdiction, the provision will be severed without effect to the remaining provisions.

27. COUNTERPARTS

- 27.1. This Collaboration Agreement may be signed in any number of counterparts, each of which when signed and delivered will constitute a duplicate original, but all the counterparts will together constitute a single agreed Collaboration Agreement.
- 27.2. Transmission of a signed counterpart of this Collaboration Agreement by email in PDF format will take effect on delivery of the signed counterpart. If this method of delivery is adopted, without prejudice to the validity of the agreement so made, each Party agrees to provide the other Parties with an original of the signed counterpart on request.

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SCHEDULE 1 – GRANT AGREEMENT

! Drafting Note (to be removed)

Signed Grant Agreement to be attached, embedded, or otherwise clearly incorporated (e.g. “The content of this Schedule 1 shall be the grant agreement entered into between the Secretary of State for Science, Innovation and Technology and [full name of Recipient / Lead Partner] in relation to [insert name of Project] and signed by [full name of Recipient / Lead Partner] on [insert date]).

Note that the Grant Agreement must be signed by the Recipient / Lead Partner before the Collaboration Agreement is signed by the Lead Partner and the Project Partners, as it is essential that the Collaboration Agreement Parties understand what terms and conditions apply in relation to the Grant Funding for the Project.

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SCHEDULE 2 – PARTY PARTICULARS

! Drafting Note (to be removed)

Details of Collaboration Agreement Parties to be added. First row completed as an example – please delete prior to signature.

Party name (Company registration number)	Role	Address for service	Contact person (designation)	Email address / Phone number
ABC Limited (Company number 1234567)	Lead Partner	221a Butcher Street, London, NW1 6XE	Dr A. Myname.	amymname@abc.org 07123 45678
	Lead Partner			
	Project Partner			

SCHEDULE 3 – BUDGET AND CONTRIBUTIONS



Drafting Note (to be removed)

A table should be developed that specifies the budget for the Project, including the Contributions to be made by each Party, the Distributions to be made to each Party, and the allocation of Grant Funding against Milestones and other activities.

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SCHEDULE 4 – RESPONSIBILITIES

 **Drafting Note (to be removed)**

Parties to include a comprehensive list of roles and responsibilities in relation to the Project.

Note that the content of this Schedule 4 should set out what the Lead Partner and each Project Partner should be doing in order to contribute to the Project. Clause 5.1 makes clear that each of the Parties needs to comply with the roles / obligations / responsibilities / activities set out in this Schedule 4, in order to deliver the Project in accordance with the agreed Project Description set out in the Grant Agreement.

Clause 5.1 and the content of this Schedule 4 are, therefore, the key mechanism via which the Project can be managed, and how the Parties can hold each other liable for failing to fulfil their Project obligations.

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ANNEX 4

ELIGIBLE EXPENDITURE

1. BACKGROUND

- 1.1. This document sets out the categories of Eligible Expenditure for which Grant Funding may be claimed by the Recipient.
- 1.2. Unless otherwise stated, any capitalised terms in this document have the meanings ascribed to them in clause 1.1 of ANNEX 2 (Terms and Conditions).

2. ELIGIBLE EXPENDITURE

- 2.1. The only costs that will amount to Eligible Expenditure are those which:
 - 2.1.1. are incurred within the Grant Funding Period;
 - 2.1.2. are net of VAT recoverable from HM Revenue and Customs and gross of irrecoverable VAT;
 - 2.1.3. are directly attributable to the delivery of the Project for the Purpose;
 - 2.1.4. are incurred by or Distributed to UK-based organisations (non-UK organisations may be Project Participants but cannot receive Distributions of Grant Funding);
 - 2.1.5. are capable of being capitalised and/or treated as capital expenditure in line with the Consolidated Budgeting Guidance; and
 - 2.1.6. otherwise meet the requirements of this section 2.
- 2.2. Eligible Expenditure can only be within the following categories and at all times subject to any limitations in guidance or rules published or notified by the Authority or HM Government:

#	Eligible Expenditure	Description and comments
1.	Personnel costs	<p>This category covers employed staff (on your payroll and subject to PAYE) working directly on the Project, such as researchers, technicians and other supporting staff to the extent employed on the Project. This category also covers contractors and temporary staff on your project team who are working directly on the Project. Labour costs include relevant national insurance and standard pension expenditure.</p> <p>Under this category you cannot claim:</p> <ul style="list-style-type: none"> ▪ blended labour rates inclusive of overheads (see the next item for overheads); ▪ discretionary bonuses or performance related payments; ▪ time spent not working directly on the Project; ▪ dividend payments; or ▪ forecasted pay increases.

#	Eligible Expenditure	Description and comments
2.	Overheads	<p>This category covers direct and indirect labour overheads.</p> <p>Other than for Project Partners which are higher education institutions, up to 20% of 'labour costs' (as set out above) can be claimed towards overheads. No further claim will be permitted. Overheads cannot be claimed for any Subcontractor costs.</p> <p>For Project Partners which are higher education institutions, overheads may exceed 20% in accordance with UK Research and Innovation (UKRI) 80% Full Economic Costs (FEC) methodology.</p>
3.	Materials costs	<p>The category covers the cost of materials used directly on the Project and purchased from third parties, other than where such materials are considered capital assets (see next category <i>Capital usage costs</i>). Examples of materials include hardware (such as instruments, tools and equipment), software, connectivity, civil engineering work directly associated with the Project, materials used by Subcontractors in their work directly associated with the Project, and capitalised research, development and innovation. If any materials have residual or resale value at the end of the Project, the costs in this category should be reduced accordingly.</p> <p>Any costs incurred by companies/individuals who are associated with/related parties of the Project team must be charged at cost (without profit or margin).</p>
4.	Capital usage costs	<p>This category covers the usage costs of capital assets (e.g. equipment and tools) purchased for use on the Project, provided that:</p> <ul style="list-style-type: none"> ▪ the assets have a useful life of at least one year; ▪ the assets are stand alone, clearly definable and moveable; and ▪ the accounting treatment for calculating usage costs (depreciation) conforms to the Recipient's capitalisation policy. <p>Capital usage costs are calculated using the following series of equations. First calculate the monthly depreciation charge:</p> $\text{Monthly depreciation charge} = \frac{\text{Original purchase price (ex VAT*)}}{\text{Effective life of asset in months}}$ <p>Then calculate the Project capital usage cost:</p> $\text{Project capital usage cost} = \text{Monthly depreciation charge} \times \text{Number of months in the claim period} \times \text{Percentage of time used on Project in claim period}$

#	Eligible Expenditure	Description and comments
		<p>Then calculate the overall capital usage costs for all assets.</p> <p>*Any VAT paid on the asset can be included to the extent that it is not recoverable from HMRC.</p> <p>Where equipment and tools are not used for their full life for the project and have a useful life or residual value beyond the period of the project then the residual value should be deducted when calculating the eligible costs.</p> <p>In the case of small and medium enterprises (SMEs) the remaining value of new equipment and tools purchased for the project may be a fully eligible cost providing they are used for the rest of their useful life after the project for research, development and innovation activities and to improve research, development and innovation capability.</p>
5.	Travel and subsistence costs	<p>This category only covers reasonable travel and subsistence costs for staff already identified as working directly on the Project, to the extent those costs are <u>necessary</u> and <u>incurred exclusively for the progression of the Project</u>.</p> <p>By way of example, travel by taxi in London will not generally be regarded as Eligible Expenditure where the journey could reasonably have been made at a lower cost using public transport and without significantly increasing the journey's duration.</p> <p>The Authority has provided its Travel and Subsistence Policy to the Recipient, and this will inform the approach that will generally be accepted as reasonable and necessary.</p>
6.	Costs of buildings and land	Solely to the extent and for the duration period used for the Project (also see paragraph 3.2.15).
7.	Other direct Project costs	<p>Other Project costs that meet the general criteria in section 2.1 of this ANNEX 4 (Eligible Expenditure) may be claimed provided they have been agreed to in writing by the Authority before they are incurred.</p> <p>Examples would include other costs of conducting research and of external consultancy and contractual research or other knowledge assets, including patents bought or licensed from outside sources.</p>

- 2.3. All Eligible Expenditure must be permitted by UK GAAP and/or international accounting and financial reporting standards.
- 2.4. In relation to the levels of expenditure:
- 2.4.1. the total Subcontracting cost for the Project must be limited to 30% of the Total Project Costs;

- 2.4.2. no single Project Partner (including the Lead Partner) may incur more than 70% of the total Eligible Expenditure;
 - 2.4.3. at least 70% of the Eligible Expenditure must be incurred by private sector business organisations;
 - 2.4.4. no single Project Partner can receive more than £3,000,000 in subsidy award in this competition; and
 - 2.4.5. research organisations and public sector organisations involved in the Project may not incur more than 30% of the total Eligible Expenditure, and if the Project includes more than one research or public sector organisation, this limit will be shared between them.
- 2.5. The Recipient can claim costs relating to work undertaken by Subcontractors, but the work must:
- 2.5.1. be essential to the success of the Project;
 - 2.5.2. involve expertise that does not exist within the Project team (including within a Project Partner); and
 - 2.5.3. involve skills that it is not practical to develop in-house for the Project.
- 2.6. Additional guidance in relation to Subcontractor costs (including the extent to which a Project Partner can, in exceptional circumstances, also be a Subcontractor within a Project) is set out in the Eligible Costs Guidance document which is provided by the Authority.
- 2.7. The Recipient must not deliberately incur liabilities for Eligible Expenditure in advance of need, nor pay for Eligible Expenditure sooner than the due date for payment.
- 2.8. A payment is defined as taking place when money passes out of the Recipient's control, including when:
- 2.8.1. legal tender is passed to a supplier (or, for wages, to an employee);
 - 2.8.2. a letter is posted to a supplier or employee containing a cheque; or
 - 2.8.3. an electronic instruction is sent to a bank/building society to make a payment to a supplier or employee by direct credit or bank transfer.
- 2.9. All Eligible Expenditure must be consistent with the approach to Subsidy Control Rules agreed between the Parties as documented in section 3 of ANNEX 1 (Project Description).
- 2.10. In cases of doubt about what constitutes Eligible Expenditure, the Recipient shall contact the Authority at the earliest opportunity.

3. WHAT IS NOT ELIGIBLE EXPENDITURE

- 3.1. Any costs that are not Eligible Expenditure as described in section 2 will not be considered to be Eligible Expenditure for the purposes of this Grant Agreement.
- 3.2. Without limiting section 3.1, the following costs are not Eligible Expenditure:

- 3.2.1. non-capital operating costs (including pay and accommodation costs) other than the sums permitted in accordance with section 2;
- 3.2.2. capital usage costs other than as permitted in accordance with section 2. Any costs that are claimed as materials costs but are for capital must be claimed as capital usage costs;
- 3.2.3. payments that support lobbying or activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants, or attempting to influence legislative or regulatory action;
- 3.2.4. payments for activities of a political or exclusively religious nature;
- 3.2.5. payments of costs that have been reimbursed or are to be reimbursed from funding provided by other public authorities or from the private sector;
- 3.2.6. payments to cover interest (including service charge payments for finance leases);
- 3.2.7. payments of statutory fines, fines issued by a regulator, criminal fines or penalties;
- 3.2.8. costs to petition for additional funding;
- 3.2.9. input VAT reclaimable from HM Revenue and Customs;
- 3.2.10. goods or services that the Recipient has a statutory duty to provide;
- 3.2.11. contributions in kind (i.e. a contribution in goods or services, as opposed to money);
- 3.2.12. gifts to individuals;
- 3.2.13. entertaining (entertaining for this purpose means anything that would be a taxable benefit to the person being entertained, according to current UK tax regulations);
- 3.2.14. liabilities incurred before the issue of this Grant Agreement unless agreed in writing by the Authority;
- 3.2.15. with regard to buildings only the depreciation costs corresponding to the life of the project, as calculated on the basis of generally accepted accounting principles are considered as eligible; and
- 3.2.16. payments or costs (or portions thereof) that are subject to ongoing formal dispute proceedings (including alternative dispute resolution proceedings).

ANNEX 5

MILESTONES, DELIVERABLES AND GRANT CLAIM SCHEDULE

1. BACKGROUND

1.1. This document sets out:

- 1.1.1. the Grant Claim Dates on which the Recipient may submit a Grant Claim to the Authority;
- 1.1.2. the Milestones that must be achieved by the Recipient, failing which the Authority may require the Recipient to re-pay Grant Funding in accordance with ANNEX 2 (Terms and Conditions) and the Deliverables associated with those Milestones; and
- 1.1.3. the Initial Project Plan.

1.2. Unless otherwise stated, any capitalised terms in this document have the meanings ascribed to them in clause 1.1 of ANNEX 2 (Terms and Conditions).

2. GRANT CLAIM DATES

	Drafting Note (to be removed)
<p>The content of the tables in sections 2 and 3, including Grant Claim Dates, Milestones and Deliverables, will be provided by the Recipient for review by DSIT before being incorporated into these sections.</p>	

The Grant Claim Dates are set out in the table below:

Grant Instalment	Grant Claim Date	Linked Milestones
Grant Claim Date – 1	[Instalment date or Milestone]	[Name of linked Milestones]
Grant Claim Date – 2	[Instalment date or Milestone]	[Name of linked Milestones]
Grant Claim Date – 3	[Instalment date or Milestone]	[Name of linked Milestones]
Grant Claim Date – 4	[Instalment date or Milestone]	[Name of linked Milestones]

3. MILESTONES AND DELIVERABLES

The Milestones and the Deliverables associated with those Milestones, are set out in the table below:

#	Due Date	Milestone	Deliverables	Estimated cost value (£ range)
MS1	[Date]	[Name of Milestone]	[Description of Deliverable(s) associated with Milestone]	

MS2	[Date]	[Name of Milestone]	[Description of Deliverable(s) associated with Milestone]	
MS[X]	[Date 10 days following Effective Date]	Security Lead	Security Lead appointed	
MS[X]	[Date 8 weeks following Effective Date]	Security Strategy	Security Strategy prepared and submitted to the Authority	
MS[X]	[Date 12 weeks following Effective Date]	Draft Benefits Realisation Plan	Draft benefits realisation framework (based on DSIT realisation spreadsheets) produced and submitted to the Authority, to include benefits targets and measures for the Project, appropriate for the Project's scope (including the 5G use cases).	
MS[X]	[At the end of each quarter following production of the Draft Benefits Realisation Plan]	Updated Benefits Realisation Plan	Draft benefits realisation framework (based on DSIT realisation spreadsheets) produced and submitted to the Authority, to include benefits targets and measures for the Project, appropriate for the Project's scope (including the 5G use cases).	
MS[X]	End of 1st quarter of Grant Funding Period	Dissemination and communications plan	Draft Dissemination and communications plan document	
MS[X]	End of 2nd quarter of Grant Funding Period	Dissemination and communications plan	Finalised Dissemination and communications plan document - for further iteration throughout the project	
MS[X]	[End of the Term / Grant Funding Period]	Final Benefits Realisation Report	Final benefits realisation framework (based on DSIT realisation spreadsheets) produced, to include benefits targets and measures for the Project, appropriate for the Project's scope (including the 5G	

			use cases).	
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4. INITIAL PROJECT PLAN

The Recipient will deliver the Project in accordance with the Project Plan. APPENDIX 1 TO ANNEX 5 (Initial Project Plan) sets out the Initial Project Plan for the Project.

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APPENDIX 1 TO ANNEX 5

INITIAL PROJECT PLAN

 **Drafting Note (to be removed)**

Initial Project Plan to be included here.

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ANNEX 6

GRANT CLAIM PROCEDURE

1. BACKGROUND

- 1.1. This document sets out the Grant Claim Procedure that the Recipient must follow to receive Grant Funding from the Authority.
- 1.2. Unless otherwise stated, any capitalised terms in this document have the meanings ascribed to them in clause 1.1 of ANNEX 2 (Terms and Conditions).
- 1.3. Subject to the terms of this Grant Agreement, Grant Claims are payable in arrears on the basis of Eligible Expenditure incurred by the Recipient.
- 1.4. The terms of this ANNEX 6 are subject to clause 7 of ANNEX 2 (Terms and Conditions).

2. GRANT CLAIM PROCEDURE

- 2.1. Within 20 Working Days of a Grant Claim Date, the Recipient may submit a Grant Claim to the Authority for payment of a Grant Instalment using the Grant Claim Form described in section 3 and otherwise in accordance with this Grant Agreement.
- 2.2. After receiving a Grant Claim, the Authority may reject the Grant Claim for failure to comply with this Grant Agreement, in which case the Recipient may re-submit a compliant Grant Claim. The Authority may also request, and the Recipient must promptly supply to the Authority, additional supporting information and documentation to assess the Grant Claim, including:
 - 2.2.1. additional details of Eligible Expenditure incurred;
 - 2.2.2. documentary evidence such as copies of invoices, receipts, timesheets, payroll records and other Accounting Records; and
 - 2.2.3. a brief report summarising progress against each Milestone linked to the Grant Instalment and any risks or issues arising or forecast to arise in relation to future Milestones,which must be sufficiently detailed to enable the Authority to assess the Grant Claim.
- 2.3. The Authority will use reasonable endeavours to assess Grant Claims that are submitted in accordance with this Grant Agreement within 20 Working Days of receipt.
- 2.4. If the Authority is satisfied that a Grant Claim meets the requirements of this Grant Agreement, the Authority will approve the Grant Claim and pay the relevant Grant Instalment to the Recipient's bank account as set out in the Conditional Grant Offer Letter (or such other bank account as is notified to the Authority by the Recipient).
- 2.5. The Recipient must promptly notify the Authority if, at any time and for whatever reason, the Recipient become aware that it is unable to submit a Grant Claim in accordance with this Grant Agreement.

3. GRANT CLAIM FORM

- 3.1. APPENDIX 1 TO ANNEX 6 (Grant Claim Form) sets out the Grant Claim Form to be used by the Recipient (unless otherwise agreed between the Parties in writing).
- 3.2. Each expense for which Grant Funding is sought must be itemised in the Grant Claim Form.
- 3.3. The narrative for each expense must include the category of the Eligible Expenditure in accordance with section 2.2 of ANNEX 4 (Eligible Expenditure).
- 3.4. The narrative for each expense must also state the specific details of the expense and must be incurred on an individual basis (e.g. for a specific capital expense, a specific contractor), and must not be for an aggregated expense.

4. CLAIMS FOR GRANT FUNDING IN EXCESS OF THE BASE GRANT FUNDING

- 4.1. Without prejudice to the requirements of this Grant Agreement in connection with the payment of Grant Claims, this section 4 deals with additional requirements in relation to claims for Grant Funding amounts which are in excess of the Base Grant Funding.
- 4.2. Grant Claims for Grant Funding amounts which are in excess of the Base Grant Funding shall only be payable by the Authority where the Authority has given its prior written consent to such costs being incurred, such consent not to be unreasonably delayed.
- 4.3. The Recipient shall submit timely requests for written consent to the Authority in advance of incurring costs which exceed the Base Grant Funding. All such requests for consent shall be supported by the following written material:
 - 4.3.1. a clear and appropriately detailed explanation of:
 - (a) the activities which the Recipient proposes to carry out; and
 - (b) how such activities fit within the scope of the Project;
 - 4.3.2. the amount of funding sought in excess of the Base Grant Funding; and
 - 4.3.3. any other supporting information reasonably requested by the Authority.

APPENDIX 1 TO ANNEX 6

GRANT CLAIM FORM

 **Drafting Note (to be removed)**

DSIT will provide a copy of the Grant Claim Form in due course.

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ANNEX 7

CASH FLOW PROFILE

1. BACKGROUND

- 1.1. This ANNEX 7 sets out the requirements for, and the content and form of, the Cash Flow Profile to be developed, maintained and submitted to the Authority by the Recipient.
- 1.2. Unless otherwise stated, any capitalised terms in this document have the meanings ascribed to them in clause 1.1 of ANNEX 2 (Terms and Conditions).

2. CASH FLOW PROFILE

- 2.1. The Cash Flow Profile must, at any point in time, show actual spend of Grant Funding and Additional Funding on the Project to date and a forecast spend of Grant Funding and Additional Funding on the Project to the end of the Grant Funding Period.
- 2.2. The Initial Cash Flow Profile is set out at APPENDIX 1 TO ANNEX 7 (Initial Cash Flow Profile).
- 2.3. Prior to submitting a Grant Claim for the First Grant Instalment, the Recipient must, if required by the Authority, provide the Authority with an updated Cash Flow Profile in accordance with section 3 with a forecast of all expenditure for the Project, as required in the Conditional Grant Offer Letter.
- 2.4. The Recipient must provide an updated Cash Flow Profile to the Authority:
 - 2.4.1. prior to each Quarterly Review;
 - 2.4.2. in the event of any change to the Cash Flow Profile, including in the case of:
 - (a) an underspend of Grant Funding, subject to clauses 9.4 and 9.5 of ANNEX 2 (Terms and Conditions); or
 - (b) an overspend of Grant Funding of ten per cent or more against the Cash Flow Profile, subject to clauses 9.6 and 9.7 of ANNEX 2 (Terms and Conditions);
 - 2.4.3. after each Grant Claim Date; and
 - 2.4.4. at least one month prior to the commencement of each new Financial Year.
- 2.5. Any updated Cash Flow Profile must clearly show any changes from the previous version (including departures from any estimates) with reasonable explanations for those changes.
- 2.6. The Recipient acknowledges that the information required in the Cash Flow Profile is important for enabling the Authority to manage its cash requirements and budgets and the Cash Flow Profile will be analysed as part of any review conducted by the Authority under this Grant Agreement (including the Quarterly Review). The Authority may reject an updated Cash Flow Profile if it is not reasonably satisfied with the explanations for any changes in an updated Cash Flow Profile. The Authority may also reject a Grant Claim if it does not accord to an approved Cash Flow Profile.

3. FORM OF CASH FLOW PROFILE

- 3.1. Each Cash Flow Profile must be submitted to the Authority using the form set out in APPENDIX 2 TO ANNEX 7 (Cash Flow Profile Form).
- 3.2. The Authority may update the form for the Cash Flow Profile from time to time in consultation with the Recipient.

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APPENDIX 1 TO ANNEX 7

INITIAL CASH FLOW PROFILE

 **Drafting Note (to be removed)**

The Recipient's Initial Cash Flow Profile will be included here prior to the Grant Agreement being finalised.

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APPENDIX 2 TO ANNEX 7

CASH FLOW PROFILE FORM



Drafting Note (to be removed)

DSIT will provide a copy of the Cash Flow Profile Form in due course.

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ATTACHMENT

APPLICATION

 **Drafting Note (to be removed)**

The Application will be included with or embedded in the final Grant Agreement. The Application falls towards the end of the priority list of documents for interpreting the Grant Agreement in the event of any inconsistency between the documents.

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