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THE SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY

and

GRANT RECIPIENT

GRANT FUNDING AGREEMENT FOR **PHASE 1/PHASE 2** OF THE INDUSTRIAL HEAT
RECOVERY SUPPORT PROGRAMME

IMPORTANT NOTE

THIS DOCUMENT IS A TEMPLATE OF THE GRANT FUNDING AGREEMENT WHICH SUCCESSFUL APPLICANTS WILL BE REQUIRED TO SIGN. IT IS PROVIDED FOR INFORMATION PURPOSES ONLY. THE FINAL DOCUMENT WHICH SUCCESSFUL APPLICANTS WILL BE REQUIRED TO SIGN MAY VARY FROM THIS TEMPLATE.

In this document there are several sections highlighted

Green: to indicate IHRS project specific information that will be needed to complete a section highlighted green with the relevant information e.g. a timescale, party information a relevant date.

| | |
|--|----|
| 1. INTRODUCTION | 1 |
| 2. DEFINITIONS AND INTERPRETATION | 1 |
| 3. DURATION AND PURPOSE OF THE GRANT | 7 |
| 4. PAYMENT OF GRANT | 7 |
| 5. ELIGIBLE AND INELIGIBLE EXPENDITURE | 9 |
| 6. ANNUAL GRANT REVIEW | 10 |
| 7. MONITORING AND REPORTING | 10 |
| 8. AUDITING AND ASSURANCE | 11 |
| 9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY | 12 |
| 10. CONFLICTS OF INTEREST | 13 |
| 11. CONFIDENTIALITY | 13 |
| 12. TRANSPARENCY | 14 |
| 13. STATUTORY DUTIES | 14 |
| 14. DATA PROTECTION, PUBLIC PROCUREMENT AND STATE AID | 14 |
| 15. INTELLECTUAL PROPERTY RIGHTS | 15 |
| 16. ENVIRONMENTAL REQUIREMENTS | 16 |
| 17. ASSETS | 16 |
| 18. INSURANCE | 17 |
| 19. ASSIGNMENT | 18 |
| 20. SPENDING CONTROLS – MARKETING, ADVERTISING, COMMUNICATIONS AND CONSULTANCY | 18 |
| 21. LOSSES, GIFTS AND SPECIAL PAYMENTS | 18 |
| 22. BORROWING | 18 |
| 23. PUBLICITY | 19 |
| 24. CHANGES TO THE AUTHORITY’S REQUIREMENTS | 19 |
| 25. CLAWBACK, EVENTS OF DEFAULT, TERMINATION AND RIGHTS RESERVED FOR BREACH AND TERMINATION | 19 |
| 26. EXIT PLAN | 23 |
| 27. DISPUTE RESOLUTION | 23 |
| 28. LIMITATION OF LIABILITY | 23 |
| 29. VAT | 23 |
| 30. CODE OF CONDUCT FOR GRANT RECIPIENTS | 24 |
| 31. NOTICES | 24 |

| | |
|---|-----------|
| 32. GOVERNING LAW | 24 |
| ANNEX 1 – GRANT OFFER LETTER and grant application | 26 |
| PART A – GRANT OFFER LETTER..... | 26 |
| PART B – GRANT RECIPIENT’S APPLICATION..... | 27 |
| ANNEX 2 – THE FUNDED ACTIVITIES | 28 |
| ANNEX 3 – PAYMENT SCHEDULE | 32 |
| ANNEX 4 – GRANT RECIPIENT’S BANK DETAILS..... | 35 |
| ANNEX 5 – ELIGIBLE EXPENDITURE SCHEDULE..... | 37 |
| ANNEX 6 – AGREED OUTPUTS AND LONG-TERM OUTCOMES AND KEY PERFORMANCE INDICATORS | 38 |
| ANNEX 7 – CONTACT DETAILS | 43 |
| ANNEX 8 – DATA PROTECTION PROVISIONS (OPTIONAL)..... | 44 |
| ANNEX 8 PART 1: SCHEDULE OF PROCESSING, PERSONAL DATA AND DATA SUBJECTS | 48 |
| ANNEX 9 – STATE AID..... | 50 |

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This Grant Funding Agreement is made on **[insert date of signature]**

Between:

- (1) THE SECRETARY OF STATE FOR BUSINESS, ENERGY AND INDUSTRIAL STRATEGY, acting on behalf of the Crown whose principal address is at 1 Victoria Street, London SW1H 0ET (the “**Authority**”)
- (2) **[INSERT THE NAME OF THE GRANT RECIPIENT], [RELEVANT DETAILS OF LEGAL STRUCTURE]** whose principal address is at **[ADDRESS]** (the “**Grant Recipient**”).

In relation to:

Programme Name: The Industrial Heat Recovery Support Programme (IHRS)

Project Number: [x]

BACKGROUND

- (A) The Grant is made pursuant to section 98 of the Natural Environment and Rural Communities Act 2006. If the payment of the Grant is subject to the satisfaction of conditions, those conditions precedent and the date for satisfaction are set out in the Grant Offer Letter;
- (B) The Authority is running a number of competitions for grant applications in respect of the IHRS Programme.
- (C) The Grant Recipient was successful in a competition and the Authority awarded it a grant to participate in the IHRS Programme.
- (D) The Authority will provide the Grant to the Grant Recipient as provided for in this Grant Funding Agreement; and
- (E) the Grant Recipient will use the Grant for the Funded Activities

1. INTRODUCTION

- 1.1. This Grant Funding Agreement sets out the conditions which apply to the Grant Recipient receiving the Grant from the Authority up to the Maximum Sum.
- 1.2. The Authority and the Grant Recipient have agreed that the Authority will provide the Grant up to the Maximum Sum as long as the Grant Recipient uses the Grant in accordance with this Grant Funding Agreement.
- 1.3. The Authority makes the Grant to the Grant Recipient on the basis of the Grant Recipient’s grant application a copy of which is attached at Annex 1 Part B to assist the Authority to further understand the identified challenges and barriers to adoption, and to increase industrial confidence in deploying heat recovery technologies by working with industry to address these barriers.
- 1.4. The Parties acknowledge and agree that nothing in this agreement or the provision of Grant monies gives or is intended to give rise to contractual relations.

2. DEFINITIONS AND INTERPRETATION

2.1. Where they appear in these Conditions:

Annex means the annexes attached to these Conditions which form part of the Funding Agreement;

Asset means any assets that are to be purchased or developed using the Grant including equipment or any other assets which a Fixed Asset or Major Asset may be as appropriate in the relevant context, and **Assets** will be construed accordingly;

Asset Owning Period means the period during which the Assets are recorded as Assets in Grant Recipient's accounts;

Authority Personal Data means any Personal Data supplied for the purposes of, or in connection with, the Grant Funding Agreement by the Authority to the Grant Recipient;

Bribery Act means the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning this legislation;

Capital Grants means the sum or sums of money provided by a grant making body to a grant recipient for items such as buildings, equipment, land or machinery;

Commencement Date means the date on which the Grant Funding Agreement comes into effect, being the **[Insert commencement date]**;

Confidential Information means any information (however conveyed, recorded or preserved) disclosed by a Party or its personnel to another Party (and/or that Party's personnel) whether before or after the date of the Grant Funding Agreement, including but not limited to:

- (a) any information that ought reasonably to be considered to be confidential (whether or not it is so marked) relating to:
 - (i) the business, affairs, customers, clients, suppliers or plans of the disclosing Party; and
 - (ii) the operations, processes, product information, know-how, designs, trade secrets or software of the disclosing Party; and
- (b) any information developed by the Parties in the course of delivering the Funded Activities;
- (c) the Authority Personal Data;
- (d) any information derived from any of the above.

Confidential Information shall not include information which:

- (a) was public knowledge at the time of disclosure (otherwise than by breach of paragraph 11 of these Conditions;
- (b) was in the possession of the receiving Party, without restriction as to its disclosure, before receiving it from the disclosing Party;
- (c) is received from a Third Party (who lawfully acquired it) without restriction as to its disclosure; or
- (d) is independently developed without access to the Confidential Information."

Contracting Authority means any contracting authority (other than the Authority) as defined in regulation 3 of the Public Contracts Regulations 2015 (as amended);

Controller and Processor take the meaning given in the GDPR;

Change of Control means the sale of all or substantially all the assets of a Party; any merger, consolidation or acquisition of a party with, by or into another corporation, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of a party in one or more related transaction.

Crown Body means the government of the United Kingdom (including the Northern Ireland Assembly and Executive Committee, the Scottish Executive and the National Assembly for Wales), including, but not limited to, government ministers and government departments and particular bodies, persons, commissions or agencies from time to time carrying out functions on its behalf;

Disposal means the disposal, sale, transfer of the Grant or any interest in any Asset and includes any contract for disposal;

Data Protection Legislation means (i) the GDPR, and any applicable national implementing Law as amended from time to time (ii) the Data Protection Act 2018 to the extent that it relates to the processing of Personal Data and privacy (iii) all applicable Law about the processing of Personal Data and privacy;

DPA 2018 means the Data Protection Act 2018;

Domestic Law means an applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation which replaces EU law as a consequence of the UK leaving the European Union;

Domestic Successor means:

- (a) a body that takes over the functions of the EU Commission in the UK on the date the UK withdraws from the European Union; or
- (b) the relevant courts in England or Wales which take over the functions of the Court of Justice of the European Union in England or Wales on the date the UK withdraws from the European Union

Duplicate Funding means funding provided by a Third Party to the Grant Recipient which is for the same purpose as the Grant, but has not been declared to the Authority;

Eligibility Criteria mean the Authority's selection criteria used to determine who should be grant recipients including the Grant Recipient;

Eligible Expenditure means the payments made by the Grant Recipient during the Funding Period for the purposes of delivering the Funded Activities which comply in all respects with the eligibility rules set out in paragraph 5 of these Conditions;

EIR means the Environmental Information Regulations 2004;

Event of Default means an event or circumstance as defined by paragraph 25.3;

Financial Year means from 1 April to 31 March;

Fixed Assets means any Asset which consists of land, buildings, plant and equipment acquired, developed, enhanced, constructed in connection with the Funded Activities;

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FOIA means the Freedom of Information Act 2000 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Funded Activities means the activities set out in Annex 2 of these Conditions;

Funding Period means the period for which the Grant is awarded starting on the Commencement Date and ending on **[INSERT]**;

General Data Protection Regulations and GDPR means (Regulation (EU) 2016/679);

Grant means the sum or sums the Authority will pay to the Grant Recipient in accordance with paragraph 4 of these Conditions and subject to the provisions set out at paragraph 25.

Grant Claim means the payment request **claim form** set out in Appendix 1 to the **Grant Offer Letter** submitted by the Grant Recipient to the Authority for payment of the Grant;

Grant Funding Agreement means these Conditions together with its annexes and schedules including but not limited to the Annex 1 Grant Offer Letter;

Grant Offer Letter means the letter the Authority issued to the Grant Recipient dated **[]**, a copy of which is set out in Annex 1;

Grant Manager means the individual who has been nominated by the Authority to be the single point of contact for the Grant Recipient in relation to the Grant;

HRA means the Human Rights Act 1998 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation;

Ineligible Expenditure means expenditure which is not Eligible Expenditure and as set out in paragraph 5 of these Conditions;

Information Acts means the Data Protection Legislation, FOIA and the EIR, as amended from time to time;

Intellectual Property Rights or IPRs means copyright, rights related to or affording protection similar to copyright, rights in databases, patents and rights in inventions semi-conductor topography rights, trade marks, rights in internet domain names and website addresses and other rights in trade names, designs, know-how, trade secrets and any modifications, amendments, updates and new releases of the same and all similar or equivalent rights or forms of protection which subsist or will subsist now or in the future in any part of the world;

IPR Material means all material produced by the Grant Recipient or its Representatives during the Funding Period (including but not limited to, materials expressed in any form of report, database, design, document, technology, information, know how, system or process);

Instalment Period means the intervals set out in Table 2 of Annex 3 when the Authority will release payment of the Grant to the Grant Recipient during the Funding Period;

Joint Controllers means where two or more Controllers jointly determine the purposes and means of processing;

Law mean any applicable law, statute, bye-law, regulation, order, regulatory policy, guidance or industry code, judgment of a relevant court of law, or directives or requirements of any regulatory body, delegated or subordinate legislation;

Losses means all losses, liabilities, damages, costs, expenses (including legal fees), disbursements, costs of investigation, litigation, settlement, judgment, interest and penalties whether arising in contract, tort (including negligence), breach of statutory duty, misrepresentation or otherwise and **Loss** will be interpreted accordingly;

Major Asset means an Asset being used for the Funded Activities which is not a Fixed Asset but has a value as at the date of this funding Agreement of at least £10,000;

Match Funding means any contribution to the Funded Activities from a Third Party to the Grant Recipient to meet the balance of the Eligible Expenditure not supported by the Grant;

Maximum Sum means the maximum amount of the Grant the Authority will provide to the Grant Recipient for the Funded Activities subject to paragraph 25;

Party means the Authority or Grant Recipient and **Parties** shall be each Party together;

Personal Data has the meaning given to it in the Data Protection Legislation as amended from time to time;

Procurement Regulations means the Public Contracts Regulations 2015, Concession Contracts Regulations 2016, Defence Security Public Contracts Regulations 2011 and the Utilities and Contracts Regulations 2016 together with their amendments, updates and replacements from time to time;

Prohibited Act means:

- (a) directly or indirectly offering, giving or agreeing to give to any servant of the Authority or the Crown any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of the Funding Agreement; or
 - (ii) showing or not showing favour or disfavour to any person in relation to the Funding Agreement;
- (b) committing any offence:
 - (iii) under the Bribery Act;
 - (iv) under legislation creating offences in respect of fraudulent acts; or
 - (v) at common law in respect of fraudulent acts in relation to the Funding Agreement; or
- (c) defrauding or attempting to defraud or conspiring to defraud the Authority or the Crown;

Remedial Action Plan means the plan of action submitted by the Grant Recipient to the Authority following an Event of Default pursuant to the Remedial Plan process set out in paragraphs 25.6 to 25.11;

Representatives means any of the Parties' duly authorised directors, employees, officers, agents, professional advisors and consultants;

Special Payments means ex gratia expenditure by the Grant Recipient to a Third Party where no legal obligations exists for the payment and/or other extra-contractual expenditure. Special Payments may include, but is not limited to, out-of-court settlements, compensation or additional severance payments to the Grant Recipient's employees;

State Aid Law means the law embodied in Article 107- 109 of section 2, Title VII of the Common

Rules on Competition, Taxation and Approximation of Laws – Consolidated Versions of the Treaty on European Union and the Treaty for the Functioning of the European Union or any Domestic Law which replaces such State Aid Law following the UK's exit from the European Union;

Third Party means any person or organisation other than the Grant Recipient or the Authority;

Unspent Monies means any monies paid to the Grant Recipient in advance of its Eligible Expenditure, which remains unspent and uncommitted at the end of the Financial Year, the Funding Period or because of termination or breach of these Conditions;

VAT means value added tax chargeable in the UK;

Working Day means any day from Monday to Friday (inclusive) which is not specified or proclaimed as a bank holiday in England and Wales pursuant to section 1 of the Banking and Financial Dealings Act 1971 including Christmas Day and Good Friday;

2.2. In these Conditions, unless the context otherwise requires:

- (i) the singular includes the plural and vice versa;
- (ii) reference to a gender includes the other gender and the neuter;
- (iii) references to a person include an individual, company, body corporate, corporation, unincorporated association, firm, partnership or other legal entity or Crown Body;
- (iv) a reference to any Law includes a reference to that Law as amended, extended, consolidated or re-enacted from time to time;
- (v) the words "including", "other", "in particular", "for example" and similar words will not limit the generality of the preceding words and will be construed as if they were immediately followed by the words "without limitation";
- (vi) references to "writing" include typing, printing, lithography, photography, display on a screen, electronic and facsimile transmission and other modes of representing or reproducing words in a visible form, and expressions referring to writing will be construed accordingly;
- (vii) references to "representations" will be construed as references to present facts, to "warranties" as references to present and future facts and to "undertakings" as references to obligations under the Grant Funding Agreement;
- (viii) references to "paragraphs" and "Annexes" are, unless otherwise provided, references to the paragraphs and annexes of these Conditions and references in any Annex to parts, paragraphs and tables are, unless otherwise provided, references to the parts, paragraphs and tables of the Annex in which these references appear; and
- (ix) the headings in these Conditions are for ease of reference only and will not affect the interpretation or construction of these Conditions.

2.3. Where there is any conflict between the documents that make up this Grant Funding Agreement the conflict shall be resolved in accordance with the following order of precedence:

- 2.3.1. the Conditions set out within this Grant Funding Agreement;
- 2.3.2. Schedule 1 – The Authority's Grant Offer Letter;

CONDITIONS

3. DURATION AND PURPOSE OF THE GRANT

- 3.1. The Funding Period starts on [xx Month 20xx] (the **Commencement Date**) and ends on [xx Month 20xx] unless terminated earlier in accordance with this Grant Funding Agreement.
- 3.2. The Grant Recipient will ensure that the Funded Activities start on [xx Month 20xx] but where this has not been possible, that they start no later than 3 months after the Commencement Date.
- 3.3. The Grant Recipient shall use the Grant solely for the delivery of the Funded Activities. The Grant Recipient may not make any changes to the Funded Activities.
- 3.4. If the Authority wants to make a change to the Funded Activities (including for example reducing the Grant or removing some of the Funded Activities from the Grant) it may do so on 21 calendar days written notice to the Grant Recipient.

4. PAYMENT OF GRANT

- 4.1. Subject to the remainder of this paragraph 4 the Authority shall pay the Grant Recipient an amount not exceeding [insert the total Grant amount in words and pound sterling]. The Authority shall pay the Grant in pound sterling (GBP) and into a bank located in the UK.
- 4.2. The Grant Recipient must complete and sign the Confirmation of Bank Details and Signatories (Annex 4) as part of their acceptance of the Grant. No payment can be made in advance of receipt of a correctly completed and signed form.
- 4.3. The signatory must be the Chief Financial Officer or someone with proper delegated authority. Any change of bank details must be notified immediately on the same form, signed by an approved signatory. Any change of signatory must be notified to the Authority for approval, as soon as known.
- 4.4. The Grant represents the Maximum Sum the Authority will pay to the Grant Recipient under the Grant Funding Agreement. The Maximum Sum will not be increased in the event of any overspend by the Grant Recipient in its delivery of the Funded Activities.
- 4.5. The Authority will only pay the Grant to the Grant Recipient in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities. The Authority will not pay the Grant until it is satisfied that the Grant Recipient has paid for the Funded Activities in full and the Funded Activities have been delivered during the Funding Period.
- 4.6. The Grant Recipient will provide the Authority with evidence of the costs/payments, which are classified as Eligible Expenditure in paragraph 5.2, which may include (but will not be limited to) receipts and invoices or any other documentary evidence specified by the Authority.
- 4.7. The Grant Recipient shall declare to the Authority any Match Funding which has been approved or received, before the Commencement Date. If the Grant Recipient intends to apply for, is offered or receives any further Match Funding during the Funding Period, the Grant Recipient shall notify the Authority before accepting or using any such Match Funding. On notifying the Authority of the Match Funding the Grant Recipient shall confirm the amount, purpose and source of the Match Funding and the Authority shall confirm whether it is agreeable to the Grant

Recipient accepting the Match Funding. If the Authority does not agree to the use of Match Funding the Authority shall be entitled to terminate the Grant Funding Agreement in accordance with paragraph 25.3.8 and where applicable, require all or part of the Grant to be repaid.

- 4.8. Where the use of Match Funding is permitted the Grant Recipient shall set out any Match Funding it receives in the format required by Annex 3 and send that to the Authority. This is so the Authority knows the total funding the Grant Recipient has received for the Funded Activities.
- 4.9. The Grant Recipient agrees that:
 - 4.9.1. it will not apply for or obtain Duplicate Funding in respect of any part of the Funded Activities which have been paid for in full using the Grant;
 - 4.9.2. the Authority may refer it to the police should it dishonestly and intentionally obtain Duplicate Funding for the Funded Activities;
 - 4.9.3. The Authority will not make the first payment of the Grant and/or any subsequent payments of the Grant unless or until, the Authority is satisfied that:
 - (i) The Grant Recipient will use the Grant payment for Eligible Expenditure only; and
 - (ii) if applicable, any previous Grant payments have been used for the Funded Activities or, where there are Unspent Monies, have been repaid to the Authority.
- 4.10. The Grant Recipient shall submit by the tenth Working Day of the month following the end of the relevant Instalment Period the Grant Claim together with a copy of Annex 5 of these Conditions (Eligible Expenditure) and any other documentation as prescribed by the Authority, from time to time.
- 4.11. Unless otherwise stated in these Conditions, payment of the Grant will be made within 30 days of the Authority approving the Grant Recipient's Grant Claim.
- 4.12. The Authority will have no liability to the Grant Recipient for any Losses caused by a delay in the payment of a Grant Claim howsoever arising.
- 4.13. The Authority reserves the right not to pay any Grant Claims not submitted within the period set out in paragraph 4.10 or Grant Claims which are incomplete, incorrect or submitted without the full supporting documentation.
- 4.14. The Grant Recipient shall promptly notify and repay immediately to the Authority any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where the Grant Recipient is paid in error before it has complied with its obligations under the Grant Funding Agreement. Any sum, which falls due under this paragraph 4.14, shall fall due immediately. If the Grant Recipient fails to repay the due sum immediately or within any a timeframe specified by the Authority the sum will be recoverable summarily as a civil debt.
- 4.15. Where the Grant Recipient enters into a contract with a Third Party in connection with the Funded Activities, the Grant Recipient will remain responsible for paying that Third Party. The Authority has no responsibility for paying Third Party invoices.
- 4.16. Onward payment of the Grant and the use of sub-contractors shall not relieve the Grant Recipient of any of its obligations under the Grant Funding Agreement, including any obligation to repay the Grant.

- 4.17. The Grant Recipient may not retain any Unspent Monies without the Authority's prior written permission.
- 4.18. If at the end of the relevant Financial Year there are Unspent Monies, the Grant Recipient shall repay such Unspent Monies to the Authority no later than 30 days of the Authority's request for repayment.

5. ELIGIBLE AND INELIGIBLE EXPENDITURE

- 5.1. The Authority will only pay to the Grant in respect of Eligible Expenditure incurred by the Grant Recipient to deliver the Funded Activities and the Grant Recipient will use the Grant solely for delivery of the Funded Activities (as set out in Annex 2 of these Conditions).
- 5.2. The following costs/payments will be classified as Eligible Expenditure if incurred for the purposes of the Funded Activity:
 - 5.2.1. Fees charged or to be charged to the Grant Recipient by the external auditors/accountants for reporting/certifying that the grant paid was applied for its intended purposes.
 - 5.2.2. giving evidence to Parliamentary Select Committees;
 - 5.2.3. attending meetings with government ministers or civil servants to discuss the progress of a taxpayer funded grant scheme;
 - 5.2.4. responding to public consultations, where the topic is relevant to the objectives of the Funded Activities. To avoid doubt, Eligible Expenditure does not include the Grant Recipient spending the Grant on lobbying other people to respond to any such consultation (unless explicitly permitted in the Grant Funding Agreement);
 - 5.2.5. providing independent, evidence-based policy recommendations to local government, departments or government ministers, where that is the objective of a taxpayer funded grant scheme, for example, 'What Works Centres'; and
 - 5.2.6. providing independent evidence-based advice to local or national government as part of the general policy debate, where that is in line with the objectives of the Grant.
- 5.3. The Grant Recipient may not in any circumstance claim the following non-exhaustive list as Eligible Expenditure: The list below does not override activities which are deemed eligible in these Conditions:
 - 5.3.1. Paid for lobbying, which means using the Grant to fund lobbying (via an external firm or in-house staff) in order to undertake activities intended to influence or attempt to influence Parliament, government or political activity; or attempting to influence legislative or regulatory action;
 - 5.3.2. using the Grant to directly enable one part of government to challenge another on topics unrelated to the agreed purpose of the grant;
 - 5.3.3. using the Grant to petition for additional funding;
 - 5.3.4. expenses such as for entertaining, specifically aimed at exerting undue influence to change government policy;
 - 5.3.5. input VAT reclaimable by the grant recipient from HMRC;

5.3.6. payments for activities of a political or exclusively religious nature;

5.4. Other examples of expenditure, which are prohibited, include the following:

- 5.4.1. contributions in kind;
- 5.4.2. interest payments or service charge payments for finance leases;
- 5.4.3. gifts;
- 5.4.4. statutory fines, criminal fines or penalties civil penalties, damages or any associated legal costs;
- 5.4.5. payments for works or activities which the grant recipient, or any member of their Partnership has a statutory duty to undertake, or that are fully funded by other sources;
- 5.4.6. bad debts to related parties;
- 5.4.7. payments for unfair dismissal or other compensation;
- 5.4.8. depreciation, amortisation or impairment of assets owned by the Grant Recipient;
- 5.4.9. the acquisition or improvement of Assets by the Grant Recipient (unless the Grant is explicitly for capital use – this will be stipulated in the Grant Offer Letter); and
- 5.4.10. liabilities incurred before the commencement of the Grant Funding Agreement unless agreed in writing by the Authority.

6. ANNUAL GRANT REVIEW

- 6.1. The Authority will review the Grant annually. It will take into account the Grant Recipient's delivery of the Funded Activities against the agreed outputs set out in Annex 6 of this Grant Funding Agreement. As part of the annual review the Authority will review the reports produced by the Grant Recipient in accordance with paragraph 7.2 of these Conditions.
- 6.2. Each annual review may result in the Authority deciding that (for example a non-exclusive list includes):
 - 6.2.1. the Funded Activities and the Grant Funding Agreement should continue in line with existing plans;
 - 6.2.2. there should be an increase or decrease in the Grant for the subsequent Financial Year;
 - 6.2.3. the outputs should be re-defined and agreed;
 - 6.2.4. the Grant Recipient should provide the Authority with a draft remedial action plan setting out the steps the Grant Recipient will take to improve delivery of the Funded Activities;
 - 6.2.5. the Authority should recover any Unspent Monies;
 - 6.2.6. the Grant be terminated in accordance with paragraph 25.17 of these Conditions.
- 6.3. If the Grant Recipient is required to submit a draft remedial action plan in accordance with paragraph 6.2.4 the Remedial Action Plan process set out in paragraph 25.6 to 25.11 shall apply.
- 6.4. The Grant Recipient may make representations to the Authority regarding the Authority's decision made in accordance with paragraph 6.2. The Authority is not however obliged to take such representations into account when making its decision as any such decision will be final and at the Authority's absolute discretion.

7. MONITORING AND REPORTING

- 7.1. The Grant Recipient shall closely monitor the delivery and success of the Funded Activity throughout the Funding Period to ensure that the aims and objectives of the Funded Activity are achieved.
- 7.2. The Grant Recipient shall provide the Authority with all reasonable assistance and co-operation in relation to any ad-hoc information, explanations and documents as the Authority may require, from time to time, so the Authority may establish if the Grant Recipient has used the Grant in accordance with the Grant Funding Agreement. As well, the Grant Recipient shall also provide the Authority with a monthly report on:
 - 7.2.1. the progress made towards achieving the agreed outputs and the defined longer-term outcomes set out in Annex 6 of this Grant Funding Agreement. Where possible, the report will quantify what has been achieved by reference to the Funded Activities' targets; and
 - 7.2.2. if relevant, provide details of any Assets either acquired or improved using the Grant.
- 7.3. The Grant Recipient will permit any person authorised by the Authority reasonable access, with or without notice, to its employees, agents, premises, facilities and records, for the purpose of discussing, monitoring and evaluating the Grant Recipient's fulfilment of its obligations under the Grant Funding Agreement and will, if so required, provide appropriate oral or written explanations to such authorised persons as required during the Funding Period.
- 7.4. The Grant Recipient will record in its financial reports the amount of Match Funding it receives together with details of what it has used that Match Funding for.
- 7.5. The Grant Recipient will notify the Authority as soon as reasonably practicable of:
 - 7.5.1. any actual or potential failure to comply with any of its obligations under the Grant Funding Agreement, which includes those caused by any administrative, financial or managerial difficulties; and
 - 7.5.2. actual or potential variations to the Eligible Expenditure set out in Annex 5 of these Conditions and/or any event which materially affects the continued accuracy of such information.
- 7.6. The Grant Recipient represents and undertakes (and shall repeat such representations on delivery of its monthly report):
 - 7.6.1. that the reports and information it gives pursuant to this paragraph 7 are accurate;
 - 7.6.2. that it has diligently made full and proper enquiry of the matter pertaining to the reports and information given; and
 - 7.6.3. that any data it provided pursuant to an application for the Grant may be shared within the powers conferred by legislation with other organisations for the purpose of preventing or detecting crime.

8. AUDITING AND ASSURANCE

- 8.1. Within six months of the end of each Financial Year the Grant Recipient will provide the Authority with independent assurance that the Grant has been used for delivery of the Funded Activities. To satisfy this requirement the Grant Recipient will provide annual accounts audited by an independent and appropriately qualified auditor where the Grant is clearly segregated from other funds.

- 8.2. The Authority may, at any time during and up to 10 years after the end of the Grant Funding Agreement, conduct additional audits or ascertain additional information where the Authority considers it necessary. The Grant Recipient agrees to grant the Authority or its Representatives access, as required, to all Funded Activity sites and relevant records. The Grant Recipient will ensure that necessary information and access rights are explicitly included within all arrangements with sub-contractors.
- 8.3. If the Authority requires further information, explanations and documents, in order for the Authority to establish that the Grant has been used properly in accordance with the Grant Funding Agreement, the Grant Recipient will, within 5 Working Days of a request by the Authority, provide the Authority, free of charge, with the requested information.
- 8.4. The Grant Recipient shall:
- 8.4.1. if applicable nominate an independent auditor to verify the final statement of expenditure and income submitted to the Authority;
 - 8.4.2. identify separately the value and purpose of the Grant Funding in its audited accounts and its annual report; and
 - 8.4.3. maintain a record of internal financial controls and procedures and provide the Authority with a copy if requested.

Retention of documents

- 8.5. Subject to the provisions of Annex 8 which require a long retention period, the Grant Recipient shall retain all invoices, receipts, accounting records and any other documentation (including but not limited to correspondence) relating to the Eligible Expenditure and all income generated by the Funded Activity during the Funding Period, and retain all accounting records relating to that expenditure and income for a period of 10 years from the date on which the Funding Period ends.
- 8.6. The Grant Recipient shall ensure that all its sub-contractors retain each record, item of data and document relating to the Funded Activity for a period of 7 years from the date on which the Funding Period ends.
- 8.7. The Grant Recipient will promptly provide revised forecasts of income and expenditure:
- 8.7.1. when these forecasts increase or decrease by more than 5 % of the original expenditure forecasts; and/or
 - 8.7.2. at the request of the Authority.
- 8.8. Where the Grant Recipient is a company registered at Companies House, the Grant Recipient must file their annual return and accounts by the dates specified by Companies House.
- 8.9. Where the Grant Recipient is a registered charity, the Grant Recipient must file their charity annual return by the date specified by the Charity Commissioner.
- 8.10. The Grant Recipient shall provide the Authority with copies of their annual return, accounts and charity annual return (as applicable) within five days of filing them at Companies House and/or the Charity Commissioner. If a Grant Recipient fails to comply with clause 8.8 or 8.9 the Authority may suspend funding or terminate the Grant Funding Agreement in accordance with clause 25.
- 9. FINANCIAL MANAGEMENT AND PREVENTION OF BRIBERY, CORRUPTION, FRAUD AND OTHER IRREGULARITY**

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- 9.1. The Grant Recipient will at all times comply with all applicable laws, statutes and regulations relating to anti-bribery and anti-corruption, including but not limited to the Bribery Act.
- 9.2. The Grant Recipient must have a sound administration and audit process, including internal financial controls to safeguard against fraud, theft, money laundering, counter terrorist financing or any other impropriety, or mismanagement in connection with the administration of the Grant. The Grant Recipient shall require that the internal/external auditors report on the adequacy or otherwise of that system.
- 9.3. All cases of fraud or theft (whether proven or suspected) relating to the Funded Activities must be notified to the Authority as soon as they are identified and explain to the Authority what steps are being taken to investigate the irregularity and keep the Authority informed about the progress of such investigation. The Authority may then request their referral (which the Grant Recipient is obliged to carry out) to external auditors or other third parties as required.
- 9.4. The Authority will have the right, at its absolute discretion, to insist that Grant Recipient take additional steps to address any actual or suspected fraud, theft or other financial irregularity and/or to suspend future payment of the Grant to the Grant Recipient. Any grounds for suspecting financial irregularity includes what the Grant Recipient, acting with due care, should have suspected as well as what it actually proven.
- 9.5. The Grant Recipient agrees and accepts that it may become ineligible for grant support and be required to repay all or part of the Grant if it engages in tax evasion or aggressive tax avoidance in the opinion of HMRC.
- 9.6. For the purposes of paragraph 9.4 "financial irregularity" includes (but is not limited to) potential fraud or other impropriety, mismanagement, and the use of the Grant for any purpose other than those stipulated in the Grant Funding Agreement. The Grant Recipient may be required to provide statements and evidence to the Authority or the appropriate organisation as part of pursuing sanctions, criminal or civil proceedings.

10. CONFLICTS OF INTEREST

- 10.1. Neither the Grant Recipient nor its Representatives shall engage in any personal, business or professional activity which conflicts or could conflict with any of their obligations in relation to the Grant Funding Agreement.
- 10.2. The Grant Recipient must have and will keep in place adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest.

11. CONFIDENTIALITY

- 11.1. Except to the extent set out in this paragraph 11 or where disclosure is expressly permitted, the Grant Recipient shall treat all Confidential Information belonging to the Authority as confidential and shall not disclose any Confidential Information belonging to the Authority to any other person without the prior written consent of the Authority, except to such persons who are directly involved in the provision of the Funded Activities and who need to know the information.
- 11.2. The Grant Recipient gives its consent for the Authority to publish the Grant Funding Agreement in any medium in its entirety (but with any information which is Confidential Information belonging to the Authority or the Grant Recipient redacted), including from time to time agreed changes to the Grant Funding Agreement.
- 11.3. Nothing in this paragraph 11 shall prevent the Authority disclosing any Confidential Information obtained from the Grant Recipient:

11.3.1. for the purpose of the examination and certification of the Authority's accounts; or pursuant to section 6(1) of the National Audit Act 1983 of the economy, efficiency and effectiveness with which the Authority has used its resources; or

11.3.2. to any government department, consultant, contractor or other person engaged by the Authority, provided that in disclosing information under the Authority only discloses the information which is necessary for the purpose concerned and requests that the information is treated in confidence and that a confidentiality undertaking is given where appropriate;

11.3.3. where disclosure is required by Law, including under the Information Acts.

11.4. Nothing in this paragraph 11 shall prevent either Party from using any techniques, ideas or know-how gained during the performance of its obligations under the Grant Funding Agreement in the course of its normal business, to the extent that this does not result in a disclosure of the other Party's Confidential Information or an infringement of the other Party's Intellectual Property Rights.

12. TRANSPARENCY

12.1. The Authority and the Grant Recipient acknowledge that, except for any information, which is exempt from disclosure in accordance with the provisions of the Information Acts, the content of the Grant Funding Agreement is not confidential.

13. STATUTORY DUTIES

13.1. The Grant Recipient agrees to adhere to its obligations under the Law not limited to the Information Acts and the HRA.

13.2. The Grant Recipient hereby acknowledges that the Authority is subject to requirements under the Information Acts. Where requested by the Authority, the Grant Recipient will provide reasonable assistance and cooperation to the Authority to assist the Authority's compliance with its information disclosure obligations.

13.3. On request from the Authority, the Grant Recipient will provide the Authority with all such relevant documents and information relating to the Grant Recipient's data protection policies and procedures as the Authority may reasonably require.

13.4. The Grant Recipient acknowledges that the Authority, acting in accordance with the codes of practice issued and revised from time to time under the Information Acts, may disclose information concerning the Grant Recipient and the Grant Funding Agreement without consulting the Grant Recipient.

13.5. The Authority will take reasonable steps to notify the Grant Recipient of a request for information to the extent that it is permissible and reasonably practical for it to do so. Notwithstanding any other provision in the Grant Funding Agreement, the Authority will be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the Information Acts.

14. DATA PROTECTION, PUBLIC PROCUREMENT AND STATE AID

Data Protection

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- 14.1. The Grant Recipient and the Authority will comply at all times with their respective obligations under Data Protection Legislation.
- 14.2. The Parties agree that for the purposes of the Data Protection Legislation the Grant Recipient is a Processor and the Authority is the Controller unless otherwise specified in Annex 8 of these Conditions.
- 14.3. The only processing that the Processor is authorised to do under this Grant Funding Agreement will be determined by the Controller and is set out in Annex 9 of these Conditions.
- 14.4. Each Party shall, with respect to its processing of Personal Data as independent Controller, implement and maintain appropriate technical and organisational measures to ensure a level of security appropriate to that risk, including, as appropriate, the measures referred to in Article 32(1)(a), (b), (c) and (d) of the GDPR, and the measures shall, at a minimum, comply with the requirements of the Data Protection Legislation, including Article 32 of the GDPR.

Public Procurement

- 14.5. The Grant Recipient will ensure that any of its Representatives involved in the Funded Activities will, adopt such policies and procedures that are required in order to ensure that value for money has been obtained in the procurement of goods or services funded by the Grant.
- 14.6. Where the Grant Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Grant Recipient will comply, as necessary, with the Procurement Regulations when procuring goods and services in connection with the Grant Funding Agreement and the Authority shall not be liable for the Grant Recipient's failure to comply with its obligations under the Procurement Regulations.

State aid

- 14.7. The Grant Recipient will make sure the Funded Activities are structured so they are compatible with State Aid Law.
- 14.8. The Grant Recipient will maintain appropriate records of compliance with the State Aid Law and will take all reasonable steps to assist the Authority to comply with State Aid Law requirements and respond to any investigation(s) instigated by the European Commission (or its Domestic Successor) into the Funded Activities or any equivalent regulatory body as the case may be.
- 14.9. The Grant is awarded under the EU State Aid General Block Exemption Regulation ("GBER")¹ and is subject to the conditions in Annex 8 of these Conditions.

15. INTELLECTUAL PROPERTY RIGHTS

- 15.1. Intellectual Property in all IPR Material will be the Property of the Grant Recipient. Other than as expressly set out in these Conditions, neither Party will have any right to use any of the other Party's names, logos or trade marks on any of its products or services without the other Party's prior written consent.
- 15.2. The Grant Recipient grants to the Authority a non-exclusive irrevocable and royalty-free, sub-licensable, worldwide licence to use all the IPR Material for the purpose of supporting other projects.

¹ Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187, 26.06.14, p.1).

- 15.3. Ownership of Third-Party software or other IPR necessary to deliver Funded Activities will remain with the relevant Third Party.
- 15.4. The Grant Recipient must ensure that they have obtained the relevant agreement from the Third-Party proprietor before any additions or variations are made to the standard 'off-the-shelf' versions of any Third-Party software and other IPR. The Grant Recipient will be responsible for obtaining and maintaining all appropriate licences to use the Third-Party software.

16. ENVIRONMENTAL REQUIREMENTS

- 16.1. The Grant Recipient shall perform the Funded Activity in accordance with the Authority's environmental policy, which is to conserve energy, water, wood, paper and other resources, reduce waste and phase out the use of ozone depleting substances and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.
- 16.2. The Grant Recipient shall pay due regard to the use of recycled products, so long as they are not detrimental to the provision of the Funded Activity or the environment, to include the use of all packaging, which should be capable of recovery for re-use or recycling.
- 16.3. The Grant Recipient shall take all possible precautions to ensure that any equipment and materials used in the provision of the Funded Activity do not contain chlorofluorocarbons, halons or any other damaging substances, unless unavoidable, in which case the Authority shall be notified in advance of their use. The Grant Recipient shall endeavour to reduce fuel emissions wherever possible.

17. ASSETS

Inventory of the Assets

- 17.1. The Grant Recipient shall agree in advance with the Authority any plans to purchase or improve any Fixed Assets at a cumulative cost exceeding £1,000 and must keep a register of all Fixed Assets and/or Major Assets acquired or improved at a cost exceeding £ 1,000, wholly or partly using the Grant provided under the Grant Funding Agreement. Where the cost of purchasing or improving the Fixed Assets and/or Major Assets is less than £ 1,000 authorisation is not required, but the Asset should be recorded on the fixed asset register.
- 17.2. Assets purchased with Grant funding must only be used for delivery of the Funded Activities.
- 17.3. For each entry in the register the following particulars must be shown where appropriate:
 - 17.3.1. date of acquisition or improvement;
 - 17.3.2. description of the Asset;
 - 17.3.3. cost, net of recoverable VAT;
 - 17.3.4. location of the Asset;
 - 17.3.5. serial or identification numbers;
 - 17.3.6. location of the title deeds;

- 17.3.7. date of any Disposal;
- 17.3.8. depreciation/amortisation policy applied;
- 17.3.9. proceeds of any Disposal net of VAT; and
- 17.3.10. the identity of any person to whom the Asset has been transferred or sold.

17.4. The Authority reserves the right to require the Grant Recipient to maintain the above particulars as set out in 17.3.1-17.3.10 for any additional items which the Authority considers material to the overall Grant.

Disposal of Asset

- 17.5. Where the Grant Recipient uses any of the Grant to develop, improve or purchase any Assets, the Grant Recipient must ensure that the Assets are maintained in good condition over the Asset Owning Period.
- 17.6. The Grant Recipient must not dispose of any Assets that have been totally or partly bought, restored, conserved (maintained or protected from damage) or improved with the Grant without the prior written consent of the Authority. If the Authority grants consent to the Disposal, such consent may be subject to satisfaction of certain conditions, to be determined by the Authority.
- 17.7. If the Grant Recipient disposes of any Asset without the prior written consent of the Authority, the Grant Recipient must use all reasonable endeavours to achieve the market price for the Assets and must pay to the Authority a proportion of the proceeds of such sale, equivalent to the proportion of the purchase or development costs of the Assets that was funded by the Grant, provided that the Authority may at its discretion allow the Grant Recipient to keep all or a part of the relevant proceeds where:
 - 17.7.1. the sale of the Assets takes place after the end of the Asset Owning Period;
 - 17.7.2. the proceeds of sale are to be applied directly to the purchase by the Grant Recipient of assets that are equivalent to or replacements for the Assets; or
 - 17.7.3. the Authority is otherwise satisfied that the Recipient will apply those proceeds for purposes related to the Funded Activities.
- 17.8. The Grant Recipient shall hold the proceeds from the Disposal of any Asset on trust for the Authority.

Charging of any Asset

- 17.9. The Grant Recipient shall not create any charge, legal mortgage, debenture or lien over any Asset without the prior written consent of the Authority.

18. INSURANCE

- 18.1. The Grant Recipient will during the term of the Funding Period and for 6 years after termination or expiry of these Conditions, ensure that it has and maintains, at all times adequate insurance with an insurer of good repute to cover claims under the Grant Funding Agreement or any other

claims or demands which may be brought or made against it by any person suffering any injury damage or loss in connection with the Funded Activities or the Grant Funding Agreement

- 18.2. The Grant Recipient will upon request produce to the Authority its policy or policies of insurance or where this is not possible, a certificate of insurance issued by the Grant Recipient's insurance brokers confirming the insurances are in full force and effect together with confirmation that the relevant premiums have been paid.
- 18.3. Where the Grant Recipient receives more than 50% per cent of the Grant Recipient's total income from public funds, the Grant Recipient will notify the Authority. The Authority will review the nature of the control of Grant Recipient's organisation to determine any resulting requirement for reclassification which may in turn change the insurance requirements under the Grant Funding Agreement.

19. ASSIGNMENT

- 19.1. The Grant Recipient will not transfer, assign, novate or otherwise dispose of the whole or any part of the Grant Funding Agreement or any rights under it, to another organisation or individual, without the Authority's prior approval.
- 19.2. Any approval given by the Authority will be subject to a condition that the Grant Recipient has first entered into a Grant Funding Agreement, authorised by the Authority, requiring the Grant Recipient to work with another organisation in delivering the Funded Activities.

20. SPENDING CONTROLS – MARKETING, ADVERTISING, COMMUNICATIONS AND CONSULTANCY

- 20.1. The Grant Recipient must seek permission from the Authority prior to any proposed expenditure on advertising, communications, consultancy or marketing either in connection with, or using the Grant.
- 20.2. The Grant Recipient should provide evidence that any marketing, advertising, communications and consultancy expenditure carried out in connection with, or using the Grant will deliver measurable outcomes that meet government objective to secure value for money.

21. LOSSES, GIFTS AND SPECIAL PAYMENTS

- 21.1. The Grant Recipient must obtain prior written consent from the Authority before:

- 21.1.1. writing off any debts or liabilities;
- 21.1.2. offering to make any Special Payments; and
- 21.1.3. giving any gifts.

in connection with this Grant Funding Agreement.

- 21.2. The Grant Recipient will keep a record of all gifts, both given and received, in connection with the Grant or any Funded Activity.

22. BORROWING

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- 22.1. In accordance with paragraph 17.10 and this 22, the Grant Recipient must obtain prior written consent from the Authority before:
- 22.1.1. borrowing or lending money from any source in connection with the Grant Funding Agreement; and
 - 22.1.2. giving any guarantee, indemnities or letters of comfort that relate to the Grant Funding Agreement or have any impact on the Grant Recipient's ability to deliver the Funded Activities set out in the Grant Funding Agreement.

23. PUBLICITY

- 23.1. The Grant Recipient gives consents to the Authority to publicise in the press or any other medium the Grant and details of the Funded Activities using any information gathered from the Grant Recipient's initial Grant Application or any monitoring reports submitted to the Authority in accordance with paragraph 7.2 of these Conditions.
- 23.2. The Grant Recipient will comply with all reasonable requests from the Authority to facilitate visits, provide reports, statistics, photographs and case studies that will assist the Authority in its promotional and fundraising activities relating to the Funded Activities.
- 23.3. The Authority consents to the Grant Recipient carrying out any reasonable publicity about the Grant and the Funded Activities as required, from time to time.
- 23.4. Any publicity material for the Funded Activities must refer to the programme under which the Grant was awarded and must feature the Authority's logo. If a Third Party wishes to use the Authority's logo, the Grant Recipient must first seek permission from the Authority.
- 23.5. The Grant Recipient will acknowledge the support of the Authority in any materials that refer to the Funded Activities and in any written or spoken public presentations about the Funded Activities. Such acknowledgements (where appropriate or as requested by the Authority) will include the Authority's name and logo (or any future name or logo adopted by the Authority) using the templates provided by the Authority from time to time.
- 23.6. In using the Authority's name and logo, the Grant Recipient will comply with all reasonable branding guidelines issued by the Authority from time to time.

24. CHANGES TO THE AUTHORITY'S REQUIREMENTS

- 24.1. The Authority will notify the Grant Recipient of any changes to their activities, which are supported by the Grant.
- 24.2. The Grant Recipient will accommodate any changes to the Authority's needs and requirements under these Conditions.

25. CLAWBACK, EVENTS OF DEFAULT, TERMINATION AND RIGHTS RESERVED FOR BREACH AND TERMINATION

- 25.1. Without prejudice to the Authority's other rights and remedies, if the Grant Recipient fails to comply with any of its obligations in the Grant Funding Agreement the Authority may in preference to the standard notice period set out in paragraph 25.17 and at its discretion, reduce, suspend, or terminate payments of Grant, or require any part or all of the Grant to be repaid.

- 25.2. Where the Authority requires any part or all of the Grant to be repaid in accordance with paragraph 25.1 above, the Grant Recipient shall repay this amount no later than 30 calendar days of the date it received the demand for repayment. If the Grant Recipient fails to repay the Grant within 30 calendar days of a demand from the Authority for payment, the sum will be recoverable summarily as a civil debt.
- 25.3. The Authority may exercise its rights set out in paragraph 25.1 if, in particular, any of the following events occur:
- 25.3.1. the Grant Recipient uses the Grant for a purpose other than the Funded Activities or fails to comply with any of the other obligations of the Grant Funding Agreement;
 - 25.3.2. the delivery of the Funded Activity does not start within two (2) months of the Commencement Date and the Grant Recipient has failed to provide the Authority with a satisfactory explanation for the delay, or failed to agree a new Commencement Date with the Authority;
 - 25.3.3. the Grant Recipient uses the Grant for Ineligible Expenditure;
 - 25.3.4. the Grant Recipient fails, in the Authority's opinion, to make satisfactory progress with the Funded Activity and in particular, with meeting the Agreed Outputs set out in Annex 6 of these Conditions;
 - 25.3.5. the Grant Recipient fails to:
 - (i) submit an adequate Remedial Action Plan to the Authority following a request by the Authority pursuant to paragraph 6.2.4; or
 - (ii) improve delivery of the Funded Activity in accordance with the Remedial Action Plan approved by the Authority;
 - 25.3.6. the Grant Recipient is, in the opinion of the Authority, delivering the Funded Activities in a negligent manner (in this context negligence includes but is not limited to failing to prevent or report actual or anticipated fraud or corruption);
 - 25.3.7. the Grant Recipient fails to declare Duplicate Funding;
 - 25.3.8. the Grant Recipient obtains Match Funding or funding from a Third Party which, in the opinion of the Authority, undertakes activities that are likely to bring the reputation of the Funded Activities or the Authority into disrepute;
 - 25.3.9. the Grant Recipient provides the Authority with any materially misleading or inaccurate information and/or any of the information provided in their grant application or in any subsequent supporting correspondence is found to be incorrect or incomplete to an extent which the Authority considers to be significant;
 - 25.3.10. the Grant Recipient commits or committed a Prohibited Act or fails to report a Prohibited Act to the Authority, whether committed by the Grant Recipient or a Third Party, as soon as they become aware of it;
 - 25.3.11. the Authority determines (acting reasonably) that any director or employee of the Grant Recipient has:
 - (i) acted dishonestly or negligently at any time during the term of the Grant Funding Agreement and to the detriment of the Authority; or
 - (ii) taken any actions which unfairly bring or are likely to unfairly bring the Authority's name or reputation and/or the Authority into disrepute. Actions include omissions in this context;
 - (iii) transferred, assigns or novates the Grant to any Third Party without the Authority's consent;
 - (iv) ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
 - (v) become Insolvent as defined by section 123 of the Insolvency Act 1986, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement

- or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due;
- (vi) incurred expenditure on activities that breach the Law;
- (vii) the European Commission (or a Domestic Successor) or the Court of Justice of the European Union (or Domestic Successor) requires any Grant paid to be recovered by reason of a breach of State Aid Law or the Grant Recipient fails to comply with the provisions of the exemption or scheme under State Aid Law that applies to the Funded Activity and the Grant;

25.3.12. The Grant Recipient breaches the Code of Conduct for Grant Recipients (the **Code of Conduct**) and/or fails to report an actual or suspected breach of the Code of Conduct by the Grant Recipient or its Representatives in accordance with paragraph 30.2.

Rights reserved for the Authority in relation to an Event of Default

- 25.4. Where, the Authority determines that an Event of Default has or may have occurred, the Authority may by written notice to the Grant Recipient take any one or more of the following actions:
- 25.4.1. suspend the payment of Grant for such period as the Authority shall determine; and/or
 - 25.4.2. reduce the Maximum Sum in which case the payment of Grant shall thereafter be made in accordance with the reduction and notified to the Grant Recipient; and/or
 - 25.4.3. cease to make payments of Grant to the Grant Recipient under the Grant Funding Agreement and (in addition) require the Grant Recipient to repay the Authority the whole or any part of the amount of Grant previously paid to the Grant Recipient. Such sums shall be recovered as a civil debt; and/or
 - 25.4.4. terminate the Grant Funding Agreement.

Opportunity for the Grant Recipient to remedy an Event of Default

- 25.5. If the Authority gives written notice to the Grant Recipient pursuant to paragraph 25.4 to suspend payment of Grant, such notice shall specify the relevant Event of Default and give the Grant Recipient an opportunity to rectify the relevant Event of Default by submitting a Draft Remedial Action Plan for approval by the Authority.
- 25.6. Where the Grant Recipient is required to submit a draft Remedial Action Plan in accordance with paragraph 25.5, the draft Remedial Action Plan shall be submitted to the Authority for approval, within 5 Working Days of the Grant Recipient receiving notice from the Authority.
- 25.7. The draft Remedial Action Plan shall set out:
- 25.7.1. full details of the Event of Default; and
 - 25.7.2. the steps which the Grant Recipient proposes to take to rectify the Event of Default including timescales for such steps.
- 25.8. On receipt of the draft Remedial Action Plan and as soon as reasonably practicable, the Authority will submit its comments on the draft Remedial Action Plan to the Grant Recipient.
- 25.9. The Authority shall have the right to accept or reject the draft Remedial Action Plan. If the Authority rejects the draft Remedial Action Plan, the Authority shall confirm, in writing, the reasons why they have rejected the draft Remedial Action Plan and will confirm whether the Grant Recipient is required to submit an amended Remedial Action Plan to the Authority.

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- 25.10. If the Authority directs the Grant Recipient to submit an amended draft Remedial Action Plan, the Parties shall agree a timescale for the Grant Recipient to amend the draft Remedial Action Plan to take into account the Authority's comments.
- 25.11. If the Authority does not approve the draft Remedial Action Plan the Authority may at its absolute discretion terminate the Grant Funding Agreement.
- 25.12. The Authority shall not by reason of the occurrence of an Event of Default which is, in the opinion of the Authority, capable of remedy, exercise its rights under either paragraph 25.4.3 or 25.4.4 unless the Grant Recipient has failed to rectify the default pursuant to paragraph 25.5 to the satisfaction of the Authority.

Change of Control

- 25.13. The Grant Recipient shall notify the Authority immediately in writing and as soon as the Grant Recipient is aware (or ought reasonably to be aware) that it is anticipating, undergoing, undergoes or has undergone a Change of Control and provided such notification does not contravene any Law.
- 25.14. The Grant Recipient shall ensure that any notification made pursuant to paragraph 25.13 shall set out full details of the Change of Control including the circumstances suggesting and/or explaining the Change of Control.
- 25.15. If the Authority, acting reasonably, considers that:
- 25.15.1. the Change of Control will be materially detrimental to the Funded Activities and/or;
 - 25.15.2. the new body corporate cannot continue to receive the Grant because they do not meet the Eligibility Criteria used to award the Grant to the Grant Recipient;
 - 25.15.3. the Authority believes that the Change of Control would raise national security concerns and/or;
 - 25.15.4. the new body corporate intends to make fundamental change(s) to the purpose for which the Grant was given;

the Authority shall be entitled to exercise its rights under paragraph 25.1 of these Conditions to reduce, suspend, or terminate payments of Grant, require any part or all of the Grant to be repaid and/or terminate the Grant Funding Agreement by providing the Grant Recipient with notification of its proposed action in writing within one (1) months of:

- (i) being notified in writing that a Change of Control is anticipated or is in contemplation or has occurred; or
 - (ii) where no notification has been made, the date that the Authority becomes aware that a Change of Control is anticipated or is in contemplation or has occurred,
- 25.16. The Authority shall not be entitled to terminate where an Approval was granted prior to the Change of Control.

General Termination rights

- 25.17. Notwithstanding the Authority's right to terminate the Grant Funding Agreement pursuant to paragraph 25.4.4 above, either Party may terminate the Grant Funding Agreement at any time by giving at least 3 months written notice to the other Party.
- 25.18. If applicable, all Unspent Monies (other than those irrevocably committed in good faith before the date of termination, in line with the Grant Funding Agreement and approved by the Authority

as being required to finalise the Funded Activities) shall be returned to the Authority within 30 days of the date of receipt of a written notice of termination from the Authority.

25.19. If the Authority terminates the Grant Funding Agreement in accordance with paragraph 25.17 the Authority may choose to pay the Grant Recipient's reasonable costs in respect of the delivery of the Funded Activities performed up to the termination date. Reasonable costs will be identified by the Grant Recipient and will be subject to the Grant Recipient demonstrating that they have taken adequate steps to mitigate their costs. For the avoidance of doubt, the amount of reasonable costs payable will be determined solely by the Authority.

25.20. The Authority will not be liable to pay any of the Grant Recipient's costs or those of any contractor/supplier of the Grant Recipient related to any transfer or termination of employment of any employees engaged in the provision of the Funded Activities.

26. EXIT PLAN

26.1. Where the Authority requires the Grant Recipient to prepare an Exit Plan to allow the cessation or seamless transfer of the Funded Activities, the Grant Recipient shall prepare the Exit Plan within three (3) months of the signing of the Grant Funding Agreement.

27. DISPUTE RESOLUTION

27.1. The Parties will use all reasonable endeavours to negotiate in good faith, and settle amicably, any dispute that arises during the continuance of the Grant Funding Agreement.

27.2. All disputes and complaints (except for those which relate to the Authority's right to withhold funds or terminate the Grant Funding Agreement) shall be referred in the first instance to the Parties Representatives.

27.3. If the dispute cannot be resolved between the Parties Representatives within a maximum of 30 days, then the matter will be escalated to formal meeting between the Grant Manager and the Grant Recipient's chief executive (or equivalent).

28. LIMITATION OF LIABILITY

28.1. The Authority accepts no liability for any consequences, whether direct or indirect, that may come about from the Grant Recipient running the Funded Activities, the use of the Grant or from withdrawal, withholding or suspension of the Grant. The Recipient shall indemnify and hold harmless the Authority, its Representatives with respect to all actions, claims, charges, demands Losses and proceedings arising from or incurred by reason of the actions and/or omissions of the Grant Recipient in relation to the Funded Activities, the non-fulfilment of obligations of the Grant Recipient under this Grant Funding Agreement or its obligations to Third Parties.

28.2. Subject to this paragraph 28, the Authority's liability under this Grant Funding Agreement is limited to the amount of Grant outstanding.

29. VAT

29.1. If VAT is held to chargeable in respect of the Grant Funding Agreement, all payments shall be deemed to be inclusive of all VAT and the Authority shall not be obliged to pay any additional amount by way of VAT.

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- 29.2. All sums or other consideration payable to or provided by the Grant Recipient to the Authority at any time shall be deemed to be exclusive of all VAT payable and where any such sums become payable or due or other consideration is provided the Grant Recipient shall at the same time or as the case may be on demand by the Secretary of State in addition to such sums or other consideration pay to the Secretary of State all the VAT so payable upon the receipt of a valid VAT invoice.

30. CODE OF CONDUCT FOR GRANT RECIPIENTS

- 30.1. The Grant Recipients acknowledges that by signing the Grant Funding Agreement it agrees to take account of the Code of Conduct for Grant Recipients (the **Code of Conduct**) and that it will ensure that its Representatives undertake their duties in a manner consistent with the principles set out in the Code of Conduct.
- 30.2. The Grant Recipient shall immediately notify the Authority if it becomes aware of any actual or suspected breaches of the principles outlined in the Code of Conduct.
- 30.3. The Grant Recipient acknowledges that a failure to notify the Authority of an actual or suspected breach of the Code of Conduct may result in the Authority immediately suspending the Grant funding, terminating the Grant Funding Agreement and taking action to recover some or all of the funds paid to the Grant Recipient as a civil debt in accordance with paragraph 25.3.12

31. NOTICES

- 31.1. All notices and other communications in relation to this Grant Funding Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, e-mailed, or mailed (first class postage prepaid) to the address of the relevant party, as referred to in Annex 7 or otherwise notified in writing. All notices and other communications must be marked for the attention of the contact specified in Annex 7 (Contact Details). If personally delivered or if e-mailed all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00 pm on any Working Day they shall be deemed received on the next Working Day) and if mailed all such communications shall be deemed to have been given and received on the second Working Day following such mailing.

32. GOVERNING LAW

- 32.1. These Conditions will be governed by and construed in accordance with the law of England and Wales and the Parties irrevocably submit to the exclusive jurisdiction of the English and Welsh courts.

SIGNED by:

[.....]

Signature

[insert authorised
signatory's
name]

for and on behalf of the
Department for Business,
Energy and Industrial
Strategy

[.....]

Title

[.....]

Date

SIGNED by:

[.....]

Signature

[insert authorised
signatory's
name]

for and on behalf of [insert
name of Recipient]

[.....]

Title

[.....]

Date

ANNEX 1 – GRANT OFFER LETTER AND GRANT APPLICATION

PART A – GRANT OFFER LETTER

[Include a copy of your signed Grant Offer Letter]

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[DRAFT]

ANNEX 1

PART B – GRANT RECIPIENT’S APPLICATION

[Include the Grant Recipient’s application workbook here]

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ANNEX 2 –THE FUNDED ACTIVITIES

1. Background/purpose of the Grant

1.1. Background

This grant is awarded as part of the IHRS Programme. The IHRS Programme has been developed to further understand the challenges and barriers to adoption of industrial heat recovery, and to increase industrial confidence in deploying heat recovery technologies.

[Brief summary of the specific proposed activities to be undertaken in the project to be inserted, as provided in IHRS Grant Application]

1.2. Aims and objectives of the Funded Activity

[Specific Aims and Objectives for the IHRS Project to be inserted, as specified in the IHRS Grant Application]

(i) [Aim and Objective 1 for the IHRS Project to be inserted, as specified in the IHRS Grant Application]

(ii) [Aim and Objective 2 for the IHRS Project to be inserted, as specified in the IHRS Grant Application]

(iii) [Aim and Objective 3 for the IHRS Project to be inserted, as specified in the IHRS Grant Application]

(iv) [Further Aims and Objectives to be inserted, as required]

2. Funded Activities

The Funded Activities/IHRS Project is described by the key information set out in the table below and within the latest version of the IHRS Grant Application provided by the Grant Recipient. If the information in the table below differs from the information within the latest version of the IHRS Grant Application, the table below prevails. **In completing this table Grant Recipients may refer to the version of their Application appended to this document in Annex 1B.**

| Table 1 | |
|----------------------|-------|
| General | |
| Project title | |
| Project location | |
| Project site address | |
| Company details | Name: |

[DRAFT]

| | |
|---|---------------------|
| | Registered address: |
| Industry Sector | |
| Project life (expected duration of the Project) [months] | |
| Technical Concept | |
| Narrative describing project scope of works | |
| <p>(Narrative to include key project characteristics e.g.:</p> <ul style="list-style-type: none"> • Site description, • Heat source(s) identified, and energy source used to provide its heat, • Heat sinks/loads identified, and the potential uses of the recovered heat, • The technology and process you planned to deploy recovered heat, • How heat recovery will be integrated into existing purposes • Timescale and delivery plans • Initial yearly heat demand, heat generated, and estimated heat wasted • Project benefits (heat recovered, lower fuel costs, carbon savings, new income streams etc.) • Name of main stakeholders (main contractors & consultants, suppliers, potential customers etc.) | |
| Table 2A | |
| Project Concept Activities | |
| Narrative describing the including scope of works for these activities | |
| <p>Narrative will differ depending upon the specific project.</p> <p>For Grant Recipients of Phase 1 funding this should describe the scope of activities that will be required to undertake the Feasibility Study. This should include:</p> <ul style="list-style-type: none"> • The objectives of the Feasibility Study, • How the activities will be undertaken and the scope of the activities, • Timescale and delivery plans, • The main stakeholders (project team, main contractors & consultants, suppliers, potential customers etc.), • The key resource requirements (equipment, other non-personnel resources etc.) | |
| Table 2B | |
| Project Definition and Design Activities | |
| Narrative describing the including scope of works for these activities | |
| <p>Narrative will differ depending upon the specific project.</p> <p>For Grant Recipients of Phase 1 funding this should describe the scope of activities that will be required to undertake the Preliminary Engineering. This should include:</p> | |

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| |
|---|
| <ul style="list-style-type: none">• The objectives of the Preliminary Engineering,• How the activities will be undertaken and the scope of the activities,• Timescale and delivery plans,• The main stakeholders (project team, main contractors & consultants, suppliers, potential customers etc.),• The key resource requirements (equipment, other non-personnel resources etc.) <p>For Grant Recipients of Phase 2 funding this should describe the scope of activities that will be required to undertake the Detailed Engineering work. This should include:</p> <ul style="list-style-type: none">• The objectives of the Detailed Engineering work,• How the activities will be undertaken and the scope of the activities,• Timescale and delivery plans, |
| Table 3 |
| Project Construction, Commissioning, and Operational Activities |
| Narrative describing the including scope of works for these activities |
| <p>This table will be required only for Grant Recipients of Phase 2 funding. This should include:</p> <ul style="list-style-type: none">• The potential heat source, the energy source used to provide the heat (including quantification)• The heat sink, its demand load profile and the heat to be recovered (including quantification)• The technical solution to be implemented to recover the heat and integrate into site processes (including key design considerations)• The technology and process you planned to deploy recovered heat,• How heat recovery will be integrated into existing purposes• Timescale and delivery plans• Initial yearly heat demand, heat generated, and estimated heat wasted• Project benefits (heat recovered, lower fuel costs, carbon savings, new income streams etc.)• Name of main stakeholders (main contractors & consultants, suppliers, potential customers etc.)• The key resource requirements (equipment, other non-personnel resources etc.) |
| Table 4 |
| Monitoring and Evaluation Activities |
| <p>(As detailed in Annex 6) Scope of Monitoring and Evaluation Activities to be undertaken will include:</p> <ul style="list-style-type: none">• Providing regular reports of project progress toward milestones and production of outputs• Providing reports on benefits realised by the programme,• Providing 12 months of operational data following commissioning of heat recovery project (Phase 2) |

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- **Completing relevant programme evaluation surveys (including programme exit)**

Forecast Costs

(These costs must be consistent with those detailed in Annex 5 Eligible Expenditure Schedule (breakdown of forecast grant expenditure))

| | |
|--|------------------------------|
| Total Costs for Feasibility Study | Phase 1 projects only |
| Total Costs for Preliminary Engineering | Phase 1 projects only |
| Total Costs for Detailed Design | Phase 2 projects only |
| Total Costs for Construction, Commissioning and Operational Start-up | Phase 2 projects only |

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ANNEX 3 – PAYMENT SCHEDULE

The maximum amount of Grant offered is up to **£ [insert amount in figures (insert amount in words)]** for undertaking the Funded Activities identified in Annex 2. This is the total amount of Grant that the Authority may pay, and this amount will not be increased as a result of any overspend or otherwise. This will be paid as follows:

- a. up to **£ [insert amount in figures (insert amount in words)]** for undertaking the Funded Activities specified in Table 2A of Annex 2 in relation to project concept activities *(Phase 1 projects only)*; and/or
- b. up to **£ [insert amount in figures (insert amount in words)]** for undertaking the Funded Activities specified in Table 2B of Annex 2 in relation to project definition and design activities *(Phase 1 or Phase 2 projects)*; and/or
- c. up to **£ [insert amount in figures (insert amount in words)]** for undertaking the Funded Activities specified in Table 3 of Annex 2 in relation to project construction, commissioning, and operational activities *(Phase 2 projects only)*;

The Grant will be made available to the Recipient in milestone payments which will be made upon completion of each project milestone and the Recipient is required to provide evidence of this completion before the payment can be made by the Authority. The payment schedule below sets out when the milestone payments will be paid and is informed by the IHRS project plan within the latest version of the IHRS Grant Application provided by the Recipient. If the information in the table below differs from the information within the latest version of the IHRS Grant Application, the table below prevails.

| | | | | |
|-------------------------|--|--------------------------|---|--|
| Name of grant recipient | | Grant size requested (£) | £ | For project concept activities (described in Table 2A of Annex 2 Funded Activities) |
| | | | £ | For project definition and design activities (described in Table 2B of Annex 2 Funded Activities) |
| | | | £ | For project construction, commissioning, and operational activities (described in Table 3 of Annex 2 Funded Activities) <i>Phase 2 projects only</i> |
| | | | £ | Total |
| Name of project | | Grant size awarded (£) | £ | For project concept activities (described in Table 2A of Annex 2 Funded Activities) |
| | | | £ | For project definition and design activities (described in Table 2B of Annex 2 Funded Activities) |
| Date | | | £ | For project construction, commissioning, and operational activities (described in Table 3 of Annex 2 Funded Activities) <i>Phase 2 projects only</i> |
| | | | £ | Total |

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Table 1

| Milestone number | Milestone Name and Description of Outputs | Date Due | Maximum Grant Sum Payable | Evidence of achievement to be provided | Verification criterion |
|--|---|----------|---------------------------|--|--|
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| [] | [Name of Milestone] [Description of Output] | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| Final Milestone | Final Evaluation Milestone – appropriate evaluation activities (<i>depending on stage a project exits the IHRS</i>) to be completed | [MM/YY] | £ [] | [Evidence required] | Sufficient content and quality to the reasonable satisfaction of the Authority |
| Total Grant Payable for project concept, definition and design activities (described in Table 2A of Annex 1 Funded Activities) | | | £ [] | | |
| Total Grant Payable for project concept, definition and design activities (described in Table 2B of Annex 1 Funded Activities) | | | £ [] | | |
| Total Grant Payable for project construction, commissioning, and operational activities (described in Table 3 of Annex 1 Funded Activities) <i>Phase 2 projects only</i> | | | £ [] | | |

[DRAFT]

| | | |
|-----------------------------|---|--|
| Total Maximum Grant Payable | £ | |
|-----------------------------|---|--|

Table 2

| Approved Match Funding | | | |
|------------------------|------------------------------|--|--|
| GRANT FUNDING PERIOD | TOTAL MATCH FUNDING RECEIVED | | |
| Year 1 | | | |
| Year 2 | | | |
| Year 3 | | | |

Table 3

Guidance: The Grant Recipient must complete parts 1 to 5. Part 5 must only be completed by the person who signed the Grant Letter/ Agreement with the Authority, or their replacement.

Part 1: Grant recipient details *(to be completed by the Grant Recipient)*

| |
|--|
| |
|--|

Postcode:

$$\boxed{} - \boxed{} - \boxed{}$$

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|--|

| |
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| |
|--|

Postcode:

10

| |
|--|
| |
|--|

Part 4: Authorised signatories (to be completed by the Grant Recipient)

The names and specimen signatures of people authorised to sign claim forms on behalf of the person who signed the Grant Funding Agreement are shown below. These signatures are binding on this organisation in respect of the Agreement.

Name

Position in the organisation

Signature

Date

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Name

Position in the organisation

Signature

Date

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Part 5: Grant recipient declaration (to be completed by the Grant Recipient)

To be completed by the person who signed the Grant Letter/ Grant Funding Agreement

- I certify that the information given on this form is correct.
- I agree that following discussions, any overpayments can be automatically recovered from future payments.

Name

Signature (the person who signed the agreement)

Date

| | | | | |
|--|--|--|--|--|
| | | | | |
|--|--|--|--|--|

Return this form to the address indicated in the Grant Letter, alongside a signed Grant Funding Agreement.

General Data Protection Regulation (2018): The information on this form will be recorded on the Authority's computer system. The information provided will be used for paying your fees and will not be passed to anyone outside of the Authority without the permission of the Grant Recipient.

ANNEX 5 – ELIGIBLE EXPENDITURE SCHEDULE**(Breakdown of forecast grant expenditure)**

The Grant will be made available to the Recipient for the purchase of the items and/or services detailed in the table below for the purposes of completion of the Funded Activities. The Grant will not be made available to the Recipient for Ineligible Activities detailed in this Annex and for items and/or services which are not required for the purposes of the Funded Activities. The Recipient is required to provide evidence of their grant expenditure.

The Eligible Expenditure is described by the key information set out in the table below and within the latest version of the IHRS Grant Application provided by the Recipient. If the information in the table below differs from the information within the latest version of the IHRS Grant Application, the table below prevails.

Insert table from "Project Costs and Finance" spreadsheet from the successful applicant's IHRS Application Finance Workbook.

ANNEX 6 – AGREED OUTPUTS AND LONG-TERM OUTCOMES AND KEY PERFORMANCE INDICATORS

The Grant Recipient is required to achieve the milestones and performance measures set out below in connection with the Grant:

Agreed Outputs and Milestones

Table 1: Phase 1

| Output and milestones measured | Description | Frequency |
|---------------------------------------|--|--|
| Feasibility Study progress report | <p>A monthly project progress report containing:</p> <ul style="list-style-type: none"> • Updates on progress against agreed milestones and project delivery plan • Updates on project finances and budget spend to date • Updated project risk management including details of risks that may cause, or issues that are causing, any delay or challenges to the project • Critical corrective actions • Any inconsistencies in project resource plan reported <p><u>Note:</u> Within the month progress report, Grant Recipient shall:</p> <ul style="list-style-type: none"> • Notify the Authority should the forecast increase or decrease above 5% for each milestone payment, or for the total project cost, against the actual cost incurred (as per Article 8.7 of this Agreement). • Highlight any actual or potential failure to comply with any of its obligations under this Agreement, which includes those caused by any administrative, financial or managerial difficulties (as per Article 7.5.1 of this Agreement) <p>Monthly project progress report shall be submitted by the last working day of each calendar month. Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> | <p>Monthly</p> <p>(unless remedial action is required, in which case frequency may increase)</p> |
| Feasibility Study summary report | <p>Summary report highlighting the key findings and decisions from the feasibility study report.</p> <p>Reports should be delivered to an acceptable quality level, as outlined in Table 3.</p> | <p>Provided to the Authority's Delivery Partner by Payment Milestone (PM)</p> |

| | | |
|---|--|--|
| | <p>The report should be submitted within 15 working days of completion date.</p> <p>This report should be made publishable (i.e. without commercially sensitive information).</p> | 1 as specified in Annex 3 |
| Completion of Feasibility Study | <p>The completed feasibility study must be provided with the completed Checkpoint 1 form. The feasibility study must, in the opinion of the Authority be fit for purpose, and sufficiently well developed to allow the project to progress to preliminary engineering.</p> <p>The feasibility study must be submitted within 15 working days of completion, as specified in Annex 3.</p> | Provided to the Authority's Delivery Partner by PM 1 as specified in Annex 3 |
| Preliminary engineering progress report | <p>A monthly project progress report containing:</p> <ul style="list-style-type: none"> • Updates on progress against agreed milestones and project delivery plan • Updates on project finances and budget spend to date • Updated project risk management including details of risks that may cause, or issues that are causing, any delay or challenges to the project • Critical corrective actions • Any inconsistencies in resource plan reported <p><u>Note:</u> Within the monthly progress report, Grant Recipient shall:</p> <ul style="list-style-type: none"> • Notify the Authority should the forecast increase or decrease above 5% for each milestone payment, or for the total project cost, against the actual cost incurred (as per Article 8.7 of this Agreement). • Highlight any actual or potential failure to comply with any of its obligations under this Agreement, which includes those caused by any administrative, financial or managerial difficulties (as per Article 7.5.1 of this Agreement) <p>Monthly project progress report shall be submitted by the last working day of each calendar month. Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> | Monthly |
| Preliminary engineering summary report | Summary report highlighting the key outputs from the preliminary engineering report. The | Provided to the Authority's Delivery |

| | | |
|--------------------------------|--|---|
| | <p>report shall be submitted within 15 working days of completion date.</p> <p>Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> <p>This report should be made publishable (e.g. without commercially sensitive information).</p> | Partner by PM 2 as specified in Annex 3 |
| Preliminary engineering report | <p>The completed preliminary engineering report must be provided with the completed Checkpoint 2 form.</p> <p>The report shall be submitted within 15 working days of completion date.</p> <p>Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> | <p>Provided to the Authority's Delivery Partner by PM 2 as specified in Annex 3</p> |

Table 2: Phase 2

| Output and milestones measured | Description | Frequency |
|--------------------------------|---|--|
| Project Progress report | <p>A monthly project progress report containing:</p> <ul style="list-style-type: none"> • Updates on progress against agreed milestones and project delivery plan • Updates on project finances and budget spend to date • Updated project risk management including details of risks that may cause, or issues that are causing, any delay or challenges to the project • Critical corrective actions • Any inconsistencies in resource plan reported • Update on key project deliverables, including: <ul style="list-style-type: none"> ○ Development of the technical design and specification (including modification), ○ Permits and Planning permissions, ○ Procurement of key materials and series contracts <p><u>Note:</u> Within the month progress report, Grant Recipient shall:</p> <ul style="list-style-type: none"> • Notify the Authority should the forecast increase or decrease above 5% for each milestone payment, or for the total project cost, against the actual cost | <p>Monthly</p> <p>(unless remedial action is required, in which case frequency may increase)</p> |

| | | |
|--------------------------------|---|---|
| | <p>incurred (as per Article 8.7 of this Agreement).</p> <ul style="list-style-type: none"> Highlight any actual or potential failure to comply with any of its obligations under this Agreement, which includes those caused by any administrative, financial or managerial difficulties (as per Article 7.5.1 of this Agreement) | |
| Milestone delivery | <p>Upon delivery of a Project Milestone, the following items (where applicable) shall be submitted:</p> <ul style="list-style-type: none"> Updates to the technical specification of the capital delivery item (equipment, construction, service, etc.) Relevant detailed engineering report Updates to technical design and specification from Detailed Design Study and the Phase 2 Grant application Update when the necessary permits and planning approvals have been received, with delivery plan updates Completion certificate Factory test reports On-site commissioning reports Invoice Payment confirmation <p>These items shall be submitted to the Authority within 15 working days of completion date.</p> | <p>Provided to the Authority's Delivery Partner by date specified in the Project Delivery plan set out in Annex 1</p> |
| Monitoring and Verification | <p>Provision of the following data for a period of 12 months after operation start-up:</p> <ul style="list-style-type: none"> Parameters related to waste heat production output (operation hours, temperature, industrial process output); Waste heat recovered by the project; Waste heat utilised by the heat user; Associated energy savings; Associated wider benefits (GHG reduction, economic benefits, environmental, social) <p>Monitoring and Verification report shall be submitted by the last working day of each calendar month. Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> | <p>Monthly following operation start-up</p> |
| Phase 2 project summary report | <p>Summary report highlighting the key learning, outputs, and benefits of the project.</p> <p>The report should be submitted within 15 working days of completion date.</p> | <p>Provided to the Authority's Delivery Partner at CP3</p> |

| | | |
|----------------------------|---|---|
| | Reports should be delivered to an acceptable quality level, as outlined in Table 3. | |
| Phase 2 Project Case study | <p>The case study should be made publishable (i.e. without commercially sensitive information).</p> <p>The report shall be submitted within 15 working days of completion date.</p> <p>Reports shall be delivered to an acceptable quality level, as outlined in Table 3.</p> | Provided to the Authority's Delivery Partner at CP3 |
| Project evaluation | <p>Complete a written survey (to be provided) and telephone interview post project completion.</p> <p>Reports should be delivered to an acceptable quality level, as outlined in Table 3.</p> | Upon project completion |

Table 3: Criteria determining Quality Level

| | |
|---|---|
| 1 | Free of material errors (e.g. all references are correct) |
| 2 | All numbers sense checked and auditable |
| 3 | All required outputs included |
| 4 | Flexible and responsive to the request/situation |
| 5 | Easy to understand |
| 6 | Provide information that helps understand progress against outputs/milestones |
| 7 | Cost transparency |

ANNEX 7 – CONTACT DETAILS

The main departmental contact at the Authority in connection with the Grant is:

| | |
|--------------------------|------------|
| Name of contact | [REDACTED] |
| Position in organisation | [REDACTED] |
| Email address | [REDACTED] |
| Telephone number | [REDACTED] |
| Fax number | [REDACTED] |
| Postal address | [REDACTED] |

Your first point of contact for all administrative purposes should be our Delivery Partner. The main departmental contact at the Authority's Delivery Partner in connection with the Grant is:

| | |
|-------------------------------|------------|
| Delivery Partner organisation | ICF |
| Name of contact | [REDACTED] |
| Position in organisation | [REDACTED] |
| Email address | [REDACTED] |
| Telephone number | [REDACTED] |
| Fax number | [REDACTED] |
| Postal address | [REDACTED] |

This information is correct at the date of the Grant Funding Agreement. The Authority will send you a revised contact sheet if any of the details changes.

The Grant Recipient's main contact in connection with the Grant Funding Agreement is:

| | |
|--------------------------|------------|
| Reference | [REDACTED] |
| Organisation | [REDACTED] |
| Name of contact | [REDACTED] |
| Position in organisation | [REDACTED] |
| Email address | [REDACTED] |
| Telephone number | [REDACTED] |
| Fax number | [REDACTED] |
| Postal address | [REDACTED] |

Please inform the Authority and their Delivery Partner if the Grant Recipient's main contact changes.

ANNEX 8 – DATA PROTECTION PROVISIONS (OPTIONAL)

DATA PROTECTION LEGISLATION PARAGRAPH DEFINITIONS:

Breach, Data Protection Officer and Data Subject, take the meaning given in the GDPR.

Data Protection Impact Assessment: an assessment by the Controller of the impact of the envisaged processing on the protection of Personal Data.

Data Loss Event: any event that results, or may result, in unauthorised access to Personal Data held by the Processor under these Conditions, and/or actual or potential loss and/or destruction of Personal Data in breach of these Conditions, including any Personal Data Breach.

Data Subject Request: a request made by, or on behalf of, a Data Subject in accordance with rights granted pursuant to the Data Protection Legislation to access their Personal Data.

GDPR: the General Data Protection Regulation (*Regulation (EU) 2016/679*).

LED: Law Enforcement Directive (*Directive (EU) 2016/680*).

Processor Personnel: means all directors, officers, employees, agents, consultants and Recipients of the Processor and/or of any Sub-Processor engaged in the performance of its obligations under these Conditions.

Protective Measures: appropriate technical and organisational measures 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 including those outlined in Schedule [x] (Security).

Sub-processor: any Third Party appointed to process Personal Data on behalf of that Processor related to these Conditions.

DATA PROTECTION

1. DATA PROTECTION

1. The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Grant Recipient is the Processor unless otherwise specified in Annex A. The only processing that the Processor is authorised to do is listed in Annex A by the Controller and may not be determined by the Processor.

2. The Processor shall notify the Controller immediately if it considers that any of the Controller's instructions infringe the Data Protection Legislation.

3. The Processor shall provide all reasonable assistance to the Controller in the preparation of any Data Protection Impact Assessment prior to commencing any processing. Such assistance may, at the discretion of the Controller, include:

- a. a systematic description of the envisaged processing operations and the purpose of the processing;
- b. an assessment of the necessity and proportionality of the processing operations in relation to the Services;
- c. an assessment of the risks to the rights and freedoms of Data Subjects; and

- d. the measures envisaged to address the risks, including safeguards, security measures and mechanisms to ensure the protection of Personal Data.
4. The Processor shall, in relation to any Personal Data processed in connection with its obligations under these Conditions:
 - a. process that Personal Data only in accordance with Annex A, unless the Processor is required to do otherwise by Law. If it is so required the Processor shall promptly notify the Controller before processing the Personal Data unless prohibited by Law;
 - b. ensure that it has in place Protective Measures, which are appropriate to protect against a Data Loss Event, which the Controller may reasonably reject (but failure to reject shall not amount to approval by the Controller of the adequacy of the Protective Measures), having taken account of the:
 - i.nature of the data to be protected;
 - ii.harm that might result from a Data Loss Event;
 - iii.state of technological development; and
 - iv.cost of implementing any measures;
 - c. ensure that :
 - i.the Processor Personnel do not process Personal Data except in accordance with these Conditions (and in particular Part 1 of Annex A);
 - ii.it takes all reasonable steps to ensure the reliability and integrity of any Processor Personnel who have access to the Personal Data and ensure that they:
 - A. are aware of and comply with the Processor's duties under this paragraph;
 - B. are subject to appropriate confidentiality undertakings with the Processor or any Sub-processor;
 - C. are informed of the confidential nature of the Personal Data and do not publish, disclose or divulge any of the Personal Data to any Third Party unless directed in writing to do so by the Controller or as otherwise permitted by these Conditions; and
 - D. have undergone adequate training in the use, care, protection and handling of Personal Data; and
 - d. not transfer Personal Data outside of the EU unless the prior written consent of the Controller has been obtained and the following conditions are fulfilled:
 - i.the Controller or the Processor has provided appropriate safeguards in relation to the transfer (whether in accordance with GDPR Article 46 or LED Article 37) as determined by the Controller;
 - ii.the Data Subject has enforceable rights and effective legal remedies;
 - iii.the Processor complies with its obligations under the Data Protection Legislation by providing an adequate level of protection to any Personal Data that is transferred (or, if it is not so bound, uses its best endeavours to assist the Controller in meeting its obligations); and
 - iv.the Processor complies with any reasonable instructions notified to it in advance by the Controller with respect to the processing of the Personal Data;
 - e. at the written direction of the Controller, delete or return Personal Data (and any copies of it) to the Controller on termination of the Agreement unless the Processor is required by Law to retain the Personal Data.
5. Subject to paragraph 1.6, the Processor shall notify the Controller immediately if it:
 - a. receives a Data Subject Request (or purported Data Subject Request);
 - b. receives a request to rectify, block or erase any Personal Data;
 - c. receives any other request, complaint or communication relating to either Party's obligations under the Data Protection Legislation;

- d. receives any communication from the Information Commissioner or any other regulatory authority in connection with Personal Data processed under these Conditions;
 - e. receives a request from any Third Party for disclosure of Personal Data where compliance with such request is required or purported to be required by Law; or
 - f. becomes aware of a Data Loss Event.
- 6. The Processor's obligation to notify under paragraph 1.5 shall include the provision of further information to the Controller in phases, as details become available.
- 7. Taking into account the nature of the processing, the Processor shall provide the Controller with full assistance in relation to either Party's obligations under Data Protection Legislation and any complaint, communication or request made under paragraph 1.5 (and insofar as possible within the timescales reasonably required by the Controller) including by promptly providing:
 - a. the Controller with full details and copies of the complaint, communication or request;
 - b. such assistance as is reasonably requested by the Controller to enable the Controller to comply with a Data Subject Request within the relevant timescales set out in the Data Protection Legislation;
 - c. the Controller, at its request, with any Personal Data it holds in relation to a Data Subject;
 - d. assistance as requested by the Controller following any Data Loss Event;
 - e. assistance as requested by the Controller with respect to any request from the Information Commissioner's Office, or any consultation by the Controller with the Information Commissioner's Office.
- 8. The Processor shall maintain complete and accurate records and information to demonstrate its compliance with this paragraph. This requirement does not apply where the Processor employs fewer than 250 staff, unless:
 - a. the Controller determines that the processing is not occasional;
 - b. the Controller determines the processing includes special categories of data as referred to in Article 9(1) of the GDPR or Personal Data relating to criminal convictions and offences referred to in Article 10 of the GDPR; or
 - c. the Controller determines that the processing is likely to result in a risk to the rights and freedoms of Data Subjects.
- 9. The Processor shall allow for audits of its Data Processing activity by the Controller or the Controller's designated auditor.
- 10. Each Party shall designate its own data protection officer if required by the Data Protection Legislation.
- 11. Before allowing any Sub-processor to process any Personal Data related to these Conditions, the Processor must:
 - a. notify the Controller in writing of the intended Sub-processor and processing;
 - b. obtain the written consent of the Controller;
 - c. enter into a written agreement with the Sub-processor which give effect to the terms set out in this paragraph 1.11 such that they apply to the Sub-processor; and
 - d. provide the Controller with such information regarding the Sub-processor as the Controller may reasonably require.
- 12. The Processor shall remain fully liable for all acts or omissions of any of its Sub-processors.
- 13. The Controller may, at any time on not less than 30 Working Days' notice, revise this paragraph by replacing it with any applicable controller to processor standard paragraphs or similar terms forming part of an applicable certification scheme (which shall apply when incorporated by attachment to these Conditions).
- 14. The Parties agree to take account of any guidance issued by the Information Commissioner's Office. The Controller may on not less than 30 Working Days' notice to the Processor amend these Conditions to ensure that it complies with any guidance issued by the Information Commissioner's Office.

15. Where the Parties include two or more Joint Controllers as identified in Part 1 of Annex A in accordance with GDPR Article 26, those Parties shall enter into a Joint Controller Agreement based on the terms outlined in Part 2 of Annex A in replacement of paragraphs 1.1-1.14 for the Personal Data under Joint Control.

ANNEX 8 PART 1: SCHEDULE OF PROCESSING, PERSONAL DATA AND DATA SUBJECTS

1. This Annex shall be completed by the Controller, who may take account of the view of the Processors, however the final decision as to the content of this Annex shall be with the Controller at its absolute discretion.
2. The contact details of the Controller's Data Protection Officer are:
 BEIS Data Protection Officer
 Department for Business, Energy and Industrial Strategy
 1 Victoria Street
 London
 SW1H 0ET
 Email: dataprotection@beis.gov.uk
3. The contact details of the Processor's Data Protection Officer are: **Insert Grant recipient Contact details**
4. The Processor shall comply with any further written instructions with respect to processing by the Controller.
5. Any such further instructions shall be incorporated into this Annex.

| Description | Details |
|--|--|
| Identity of the Controller and Processor | The Parties acknowledge that for the purposes of the Data Protection Legislation, the Authority is the Controller and the Grant Recipient is the Processor in accordance with paragraph 1.1. |
| Subject matter of the processing | <p>The processing of names and business contact details (including email addresses and phone numbers) of staff of companies from which the Grant Recipient has purchased equipment, materials or services for the purpose of completing the Funded Activities set out in Annex 2 to the Grant Funding Agreement. The processing is needed in order to verify that Grant Claims have been made for Eligible Expenditure only.</p> <p>The processing of names and business contact details (including email addresses and phone numbers) of staff of the Authority, its Delivery Partner and the Grant Recipient will be necessary to the Funded Activities undertake Contract and performance management.</p> <p>The Grant Funding Agreement and the Grant Offer Letter will include the names and business contact details of staff of the Authority, its Delivery Partner and the Grant Recipient involved in managing and administering the Grant.</p> |
| Duration of the processing | Processing will take place from the Commencement Date for the duration of the Funding Period, and for the period of time need to undertake Monitoring and Evaluation activities of the IHRS programme. Some processing will be required in order to complete the Audit and Assurance activities described in paragraphs 8.1 to 8.10 of the Grant Funding Agreement, which may require data to be retained for up to 10 years. |
| Nature and purposes of the processing | The nature of the processing will include collection, recording, organisation, structuring, storage, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, restriction, erasure or destruction of data. |

| | |
|---|---|
| | Processing takes place for the purposes of assessing, validating and processing Grant Claims, for the administration of the IHRS programme, for conducting Monitoring and Evaluation activities of the IHRS programme and for the purposes of undertaking Audit and Assurance activities as described in paragraphs 8.1 to 8.10 of the Grant Funding Agreement. |
| Type of Personal Data being Processed | <p>Names and business telephone numbers and email addresses, business location and possibly position of staff of companies from which the Grant Recipient has purchased equipment, materials or services for the purpose of completing the Funded Activities. The processing is needed in order to verify that Grant Claims have been made for Eligible Expenditure only.</p> <p>Names and business telephone numbers and email addresses, office location and position of staff of the Authority, its Delivery Partner and the Grant Recipient will be necessary to the Funded Activities undertake Contract and performance management.</p> <p>The Grant Funding Agreement and the Grant Offer Letter will include the names and business contact details of staff of the Authority, its Delivery Partner and the Grant Recipient involved in managing and administering the Grant.</p> |
| Categories of Data Subject | <p>Staff of companies from which the Grant Recipient has purchased equipment, materials or services for the purpose of completing the Funded Activities.</p> <p>Staff of the Authority, its Delivery Partner and the Grant Recipient, including where those employees are named within the Grant Funding Agreement and Grant Offer Letter.</p> |
| Plan for return and destruction of the data once the processing is complete UNLESS requirement under union or member state law to preserve that type of data | <p>Following the completion of the Funding Period and the Evaluation on Monitoring activities of the IHRS programme the Grant Recipient and/or the Delivery Partner will provide the Authority with a complete and uncorrupted version of the Personal Data required for the purposes of Audit and Assurance activities in electronic form (or such other format as reasonably required by the Authority) and erase from any computers, storage devices and storage media that are to be retained by the Delivery Partner after the expiry of the Delivery Partner. The Delivery Partner will certify to the Authority that it has completed such deletion.</p> <p>Where Personal Data is contained within the Grant Funding Agreement and Grant Offer Letter this will be retained in line with the Department's privacy notice found within the Application Workbook².</p> |

² <https://www.gov.uk/government/publications/industrial-heat-recovery-support-programme-guidance-and-application-forms/industrial-heat-recovery-support-programme-privacy-notice>

ANNEX 9 – STATE AID General Block Exemptions (GBER)

Section 1

Award of aid

[FOR PHASE 1 PROJECTS FOR FEASIBILITY STUDY]

1. The Grant is awarded as aid for feasibility studies in accordance with Article 25 (aid for research and development projects) of the EU State Aid General Block Exemption Regulation (“**GBER**”).
2. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You in respect of eligible costs permitted under [Article 25(3) of GBER], where these are incurred in a part of the Funded Activities constituting [experimental development as defined in Article 2(86) of GBER]. The amount of public funding (including the Grant) that You may receive for the Project must not exceed:
 - a. in accordance with Article 4(1)(i)(vi) of GBER, €7.5m (seven point five million Euros) in total; and
 - b. in accordance with Article 25(5) (d) an aid intensity being [insert percentage] of Your total Eligible Expenditure incurred on the Funded Activities.
3. For the purpose of paragraph 2, public funding includes any funding from, or attributable to, any public authority or EU institution. [Please note that the maximum aid intensity permitted under [paragraph 2 b)] has been increased from [50% of Your Eligible Expenditure] to [the percentage set out in that paragraph] on the basis that [insert justification for increase under the relevant paragraph of Article 25(6)]. Please inform the Authority in writing, and as soon as possible, if these circumstances cease to apply or the Grant Recipient has grounds to consider that they are likely to do so. The Grant Recipient must also provide the Authority with any evidence requested to satisfy it that the Grant Recipient has complied with the aid intensity requirements and that it have sufficient Match Funding in place.

[FOR PHASE 1 PROJECTS FOR PRELIMINARY ENGINEERING AND/OR PHASE 2 PROJECTS]

1. The Grant is awarded as aid for energy efficiency measures in accordance with [Article 38 (Investment aid for energy efficiency measures) of the EU State Aid General Block Exemption Regulation (“**GBER**”).
2. The Grant may only be used to contribute to Eligible Expenditure covered by this letter where that expenditure is incurred by You in respect of eligible costs permitted under [Article 38(3) of GBER], where these are incurred in a part of the Funded Activities constituting [energy efficiency as defined in Article 2(103) of GBER]. The amount of public funding (including the Grant) that You may receive for the Project must not exceed:

- a. in accordance with Article 4(1)(t) of GBER, €10m (ten million Euros) in total; and
 - b. in accordance with Article 38(4), Article 38(5) and Article 38(6) ([insert subparagraph]), an aid intensity being [insert percentage] of Your total Eligible Expenditure incurred on the Funded Activities.
3. For the purpose of paragraph 2, public funding includes any funding from, or attributable to, any public authority or EU institution. [Please note that the maximum aid intensity permitted under [paragraph 2 b)] has been increased from 30% of Your Eligible Expenditure to the percentage set out in that paragraph on the basis that [insert justification for increase under the relevant paragraph of Article 38(5 and/or Article 38(6))]. Please inform the Authority in writing, and as soon as possible, if these circumstances cease to apply or the Grant Recipient has grounds to consider that they are likely to do so. The Grant Recipient must also provide the Authority with any evidence requested to satisfy it that the Grant Recipient has complied with the aid intensity requirements and that it have sufficient Match Funding in place.

Section 2

General conditions

1. The Grant is awarded subject to the following understandings and conditions:
 - a. The Grant Recipient must comply with all applicable European Union rules on state aid and ensure that all requirements for the application of GBER are met;
 - b. The Grant Recipient is not entitled to the Grant or any payment of it if it is, or becomes, subject to a recovery order following a previous EU Commission decision declaring any aid illegal and incompatible with the internal market;
 - c. The Grant Recipient confirms that it is not a company in difficulty as defined in Article 2.18 of GBER and the Grant Recipient commits to informing the Authority as soon as reasonably practicable of any change in this status; the Authority reserves the right to terminate the Grant Funding Agreement if the Grant Recipient's status changes;
 - d. The Grant Recipient confirms that, prior to the commencement of the Project, the Grant Recipient submitted an application which confirmed the undertaking's name and size, description of the Funded Activities (including its start and end dates), location of the Funded Activities, list of costs and type of aid and amount of public funding required;
 - e. The Grant Recipient informed the Authority of any other public funding applied for or awarded against the Eligible Expenditure; it is on this basis that the Authority has ensured that the total public funding for the Project is within the amounts permitted by GBER;
 - f. The Authority is responsible for informing EU Commission of aid awards, including summary notification of the aid to the Commission via the electronic notification system and publication of details of the aid as required from 1 July 2016;
 - g. in the case of an award of aid in excess of €500,000, the Grant Recipient consent to the publication of the following information: name of the beneficiary, beneficiary's identifier, type of enterprise (SME/large) at the time of granting, region in which the beneficiary is located, at NUTS level 2, sector of activity at NACE group level, aid element, expressed as full amount in national currency, aid instrument, date of granting, objective of aid, granting authority, reference of the aid measure; for schemes under Articles 16 and 21 of GBER, name of the entrusted entity, and the names of the selected financial intermediaries;
 - h. The Grant Recipient is responsible individually, and jointly with the Authority, for maintaining detailed records with the information and supporting documentation necessary to establish that all the conditions set out in the Grant Funding Agreement and the GBER are fulfilled;
 - i. such records shall be maintained for 10 years following the granting of the aid and shall be made available to the EU Commission within a period of 20 Working Days if requested;
 - j. the Authority may (without qualifying the generality of the Authority's monitoring rights under this Grant Funding Agreement) monitor the Grant Recipient's

compliance with the requirements of paragraphs h) and i) and for the avoidance of doubt any failure to comply with those requirements (where applicable) shall be deemed a breach of the terms of this letter.