

**UKRI HORIZON EUROPE FUNDING GUARANTEE: GRANT TERMS AND CONDITIONS**

**(GRANTS HOSTED ON THE INNOVATION FUNDING SERVICE)**

**FOR HORIZON EUROPE GRANTS WITH FINAL APPLICATION SUBMISSION DEADLINES FROM 1 MAY 2022 UP TO 31 MARCH 2023:**

**FOR ENTERPRISES, UKRI CONSIDERS THE GRANT AWARDED TO ANY RECIPIENT ACTING ECONOMICALLY (AN ENTERPRISE) AS A COMPLIANT SUBSIDY UNDER THE UK-EU TCA.**

**WHERE THE RECIPIENT IS NOT AN ENTERPRISE OR IS NOT ACTING AS AN ENTERPRISE FOR THE PURPOSE OF THE PROJECT, UKRI WILL NOT CONSIDER THE GRANT AWARDED TO THE RECIPIENT TO BE A SUBSIDY.**

1.1 In this document, unless the context otherwise requires, the following words and phrases shall have the following meanings:

**Associated Partner** means a UK organisation listed in Article 9 of the HE Agreement.

**Auditor** has the meaning set out in clause 5.14.

**Beneficiary** means an organisation or organisations with “beneficiary” status under the relevant HE Agreement;

**Confidential Information** means each and all information, documents and data (whether verbal or written and in whatever form, including electronic) relating to each of the Grant Offer Letter, the Project and the business, marketing, operations, affairs, activities, products, customers, suppliers or intellectual property of a party or a member of the party’s Group, including any information, document or data which is marked as confidential or which should by its nature be reasonably understood to be confidential by the other party.

**Consortium Agreement** means, where the Recipient is part of a consortium for the purposes of the HE project, the agreement between the Coordinator, the Recipient, and other members (if any) specifying the terms of the Recipient’s participation in the project funded by HE.

**Controller** shall have the same meaning as set out in the Data Protection Act 2018.

**Coordinator** means the signatory beneficiary to the HE Agreement responsible for liaising with the EU granting authority and, in the case of consortiums, representing the consortium.

**EIR** means the Environmental Information Regulations 2004 together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such regulations.

**Eligible Costs** means costs approved by UKRI and communicated to the Recipient before the issuing of the Grant Offer Letter.

**End Date** means the earlier of:

- (a) the end date specified as such in Annex 1;
- (b) the date on which the Grant Offer Letter is terminated in accordance with its terms or otherwise by operation of Law;
- (c) the date on which the HE Agreement expires or is terminated in accordance with its terms; and
- (d) such date agreed by the parties in writing.

<b>EU</b>	means the European Union (represented by the European Commission) and, where the context so requires, shall include the European institution named as the first party to the HE Agreement.
<b>Final Report</b>	means a report provided by the Recipient at the end of the Term detailing the outputs, outcomes and impacts of the Project to date.
<b>FOIA</b>	means the Freedom of Information Act 2000 and any subordinate legislation made under the Act from time to time, together with any guidance and/or codes of practice issued by the Information Commissioner or relevant government department in relation to such legislation.
<b>Force Majeure Event</b>	means any event or occurrence which is outside the reasonable control of the relevant party and which is not attributable to any act or failure to take preventative action by that party. This includes but is not limited to, fire, flood, violent storm, explosion, malicious damage, armed conflict, acts of terrorism, nuclear, biological or chemical warfare, and expressly excludes any industrial action occurring within the Recipient's organisation.
<b>Grant</b>	means the sum specified as such in Annex 1 of the Grant Offer Letter reflecting the maximum amount of funding to be provided by UKRI to the Recipient pursuant to the Grant Offer Letter (as may be adjusted from time to time pursuant to clause 5.4).
<b>Grant Offer Letter</b>	means the award letter and its annexes.
<b>Group</b>	means in relation to each party, the party itself, any subsidiary or holding company from time to time of the party, and any subsidiary from time to time of a holding company of the party.
<b>HE</b>	means the Horizon Europe programme the EU's Framework Programme for Research and Innovation.
<b>HE Agreement</b>	means the executed HE grant agreement (including any variations to the same) which names the Recipient as an Associated Partner.
<b>Independent Accountant</b>	has the meaning set out in clause 5.6(b).

<b>Independent Accountant's Report</b>	means a report in the form of the template provided separately to the Recipient by UKRI.
<b>Information Management Policy</b>	means UKRI's information management policy as updated from time to time and described at clause 10.4.
<b>Intellectual Property Rights</b>	<p>means:</p> <ul style="list-style-type: none"> <li>- copyright;</li> <li>- rights related to or affording protection similar to copyright;</li> <li>- rights in databases;</li> <li>- patents and rights in inventions;</li> <li>- semi-conductor topography rights;</li> <li>- trade marks;</li> <li>- rights in internet domain names and website addresses and other rights in trade names;</li> <li>- designs;</li> <li>- know-how;</li> <li>- trade secrets and any modifications;</li> <li>- 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.</li> </ul>
<b>Knowledge Transfer Code of Practice</b>	means the Code of Practice annexed to Commission Recommendation 2008/416/EC on the management of intellectual property in knowledge transfer activities.
<b>Law</b>	means any law, subordinate legislation within the meaning of Section 21(1) of the Interpretation Act 1978, the European Union (Withdrawal) Act 2018, byelaw, regulation, order, regulatory policy, mandatory guidance, or code of practice, judgment of a relevant court of law, or directives or requirements with which the parties to this document are bound to comply.
<b>Personal Data</b>	shall have the same meaning as set out in the Data Protection Act 2018.
<b>Procurement Regulations</b>	<p>means:</p> <ul style="list-style-type: none"> <li>- the Public Contracts Regulations 2015;</li> <li>- Utilities Contracts Regulations 2016;</li> <li>- Concession Contracts Regulations 2016; and</li> <li>- the Defence Security Public Contracts Regulations 2011,</li> </ul> <p>together with their amendments, updates and replacements from time to time.</p>
<b>Profit</b>	shall have the same meaning as specified in Article 5 of the HE Agreement.
<b>Programme</b>	means the UKRI's Horizon Europe Contingency Programme.

<b>Prohibited Act</b>	<p>means any of the following:</p> <ul style="list-style-type: none"> <li>(a) to directly or indirectly offer, promise or give any person working for or engaged by UKRI or any other public body a financial or other advantage to: <ul style="list-style-type: none"> <li>(i) induce that person to perform improperly a relevant function or activity; or</li> <li>(ii) reward that person for improper performance of a relevant function or activity;</li> </ul> </li> <li>(b) to directly or indirectly request, agree to receive or accept any financial or other advantage as an inducement or a reward for improper performance of a relevant function or activity in connection with this document; or</li> <li>(c) committing any offence: <ul style="list-style-type: none"> <li>(i) under the Bribery Act 2010 (or any legislation repealed or revoked by such Act); or</li> <li>(ii) under legislation or common law concerning fraudulent acts; or</li> <li>(iii) defrauding, attempting to defraud or conspiring to defraud UKRI or any other public body; or</li> <li>(iv) any activity, practice or conduct which would constitute one of the offences listed under (c) above if such activity, practice or conduct had been carried out in the UK.</li> </ul> </li> </ul>
<b>Project</b>	means the activities to be carried out by the Recipient as specified in the HE Agreement and/or the Consortium Agreement or otherwise agreed in writing by UKRI.
<b>Project Plan</b>	means the detailed project plan to be provided to UKRI breaking down the delivery of the Project into individual packages of work with assigned estimates of the resources and timescales needed to achieve each of them.
<b>Public Policy Objective</b>	means following a subsidy analysis conducted by UKRI (pursuant to UK government guidance) the Grant is considered to be a subsidy proportionate and limited to what is necessary to achieve the objective of enabling access to funding that successful eligible applicants would receive from HE had the United Kingdom's association status been formalised, therefore placing UK participants on an equal footing to European counterparts.

<b>Public Organisation</b>	<b>Research</b>	means research laboratories and agencies operated and funded entirely by government and other research organisations including universities and institutes of technology that receive a significant share of their total funding from public sources.
<b>Quarter</b>		means a three-month period starting on the first day of the month following the date of the Grant Offer Letter.
<b>Recipient</b>		means the organisation [or natural person] defined as such in the Grant Offer Letter.
<b>Relevant Requirements</b>		means all applicable Law relating to bribery, corruption and fraud, including the Bribery Act 2010 and any guidance issued by the Secretary of State for Justice pursuant to section 9 of the Bribery Act 2010.
<b>Subsidy Rules</b>		means the UK's subsidy control regime, including subsidy control commitments contained in the UK-EU Trade and Co-operation Agreement, commitments on subsidies arising from the UK's membership of the World Trade Organisation, and, where relevant, any other subsidy control rules that are binding on the United Kingdom including the EU State aid rules as set out in Article 107-109 of the Treaty of the Functioning of the European Union and associated regulations and guidelines where the EU State aid rules apply under Article 10 of the Northern Ireland Protocol.
<b>Term</b>		means the period from the date of the Grant Offer Letter to the End Date.
<b>Third Party</b>		means any person or organisation to which the Recipient passes on any of the Grant awarded by UKRI.
<b>VAT</b>		means value added tax as provided for in the Value Added Tax Act 1994.

- 1.2 Unless the context requires otherwise, the singular shall include the plural and vice versa, and the masculine shall include the feminine and neuter and, in all cases, vice versa.
- 1.3 The headings in this Annex 2 are inserted for convenience only and shall not affect the interpretation of the Grant Offer Letter.
- 1.4 Reference to any legislative requirement or similar instrument shall be deemed to include reference to any subsequent amendment or enactment thereof.
- 1.5 Any reference to a “person” shall, as the context may require, be construed as a reference to any individual, firm, company, corporation, government department, body or agency or any association or partnership (whether or not having a separate legal personality).
- 1.6 The words “include”, “includes” and “including” are to be construed as if they were immediately followed by the words “without limitation”; and
- 1.7 If there is any conflict or ambiguity between the provisions in the main body of this document and any of the Annexes, it shall be resolved in the following order of precedence:
- (a) the main body of the Grant Offer Letter;

- (b) Annex 1; and
- (c) Annex 2.

## **2 DURATION**

- 2.1 This document shall commence on the date of the Grant Offer Letter and expire on the End Date unless UKRI extends it for a period or periods of its choosing on written notice to the Recipient.

## **3 RECIPIENT'S OBLIGATIONS**

- 3.1 The Recipient shall:

- (a) carry out the Project in accordance with the Project Plan, the terms of this document and all relevant legislation and statutory requirements in force at the date on which the Project (or relevant part thereof) is performed;
- (b) use the Grant solely for the delivery of the Project and not, without the prior written consent of UKRI, make any change to the Project;
- (c) keep UKRI fully informed of the progress of the Project in accordance with clause 4.1.

- 3.2 The Recipient agrees that it is a fundamental term that goes to the heart of the Grant Offer Letter that it shall comply with its obligations under the HE Agreement and (where applicable) the Consortium Agreement, which shall include any match funding requirements, in full and at all times.

- 3.3 The Recipient agrees that if it breaches clause 3.2 UKRI may:

- (a) terminate the Grant Offer Letter immediately on written notice to the Recipient; and
- (b) recover any payment of the Grant from the Recipient.

- 3.4 Pursuant to clause 3.2 above the Recipient confirms that:

- (a) the Grant shall only be used to reimburse the Eligible Costs incurred by the Recipient;
- (b) it has provided and shall continue to provide true and accurate information, which may include, but is not limited to any financial and technical reports, communication regarding the Project, to and from the EU, Coordinator, Beneficiary and the Recipient (copies of which it shall send to UKRI at its request);
- (c) it shall comply with any and all information requests made by UKRI, including but not limited to requests for information relating to the HE Agreement, the Consortium Agreement and the Project within 10 working days to the full extent permitted by law;
- (d) in delivering the Project in accordance with the HE Agreement and the Consortium Agreement it will not exceed the Grant;
- (e) it will inform UKRI in writing immediately if it receives notice of termination of the HE Agreement and/or the Consortium Agreement from the EU or Coordinator or Beneficiary; and
- (f) it has in place all insurances required by the HE Agreement, the Consortium Agreement (if applicable) and any match funding agreements it has entered into in respect of the Project.

## **4 PROJECT MONITORING**

- 4.1 The progress of the Project will be monitored by UKRI through the Monitoring Officer. The Monitoring Officer is the Recipient's first point of contact for official notifications, queries and correspondence with UKRI, unless otherwise required by the Grant Offer Letter. The Recipient must comply with any requests for information and deadlines from the Monitoring Officer.
- 4.2 The Recipient's project manager, and others as may be agreed from time to time, will meet with the Monitoring Officer once a Quarter (or other agreed period) to review the Recipient's written progress report for the period since the last monitoring meeting. The Recipient must deliver the progress report to the Monitoring Officer no later than 14 days before the scheduled monitoring meeting.
- 4.3 The Monitoring Officer will require the Recipient to provide satisfactory evidence of project delivery in the following three aspects:
- (a) technical assurance;
  - (b) financial assurance; and
  - (c) project management assurance.
- 4.4 Failure to provide satisfactory evidence in any one of these areas will prevent the Monitoring Officer from validating the Recipient's claims for Grant.
- 4.5 UKRI shall be entitled to inspect any financial or other records and procedures associated with the Grant as are reasonably required to verify the regularity and propriety of Grant expenditure (including expenditure by Third Parties), or to appoint any other body or individual for the purpose of such inspection. The Recipient must ensure that UKRI and any body or individual appointed by UKRI is given access to records and procedures held by the Recipient and Third Parties to assess compliance with this clause 4.5.
- 4.6 At the end of the Project, the Recipient will be required to supply UKRI with the following:
- (i) the Final Report;
  - (ii) (if applicable) confirmation that the Independent Accountant's Report has been submitted; and
  - (iii) confirmation that the final claim has been submitted.
- 4.7 The Recipient must, for a period of ten years after payment of the final instalment of the Grant, retain records and other supporting documentation. This is in order to prove compliance with the terms of this document, in particular that the costs it declares are Eligible Costs. The Recipient must maintain records and other supporting documentation in accordance with its obligations under the HE Agreement or Consortium Agreement.

## **5 PAYMENT OF GRANT**

- 5.1 The Recipient acknowledges and agrees that UKRI only makes payments of the Grant in accordance with this document on a benevolent basis to assist the Recipient to deliver the Project.
- 5.2 Subject to the remainder of this clause 5, UKRI will reimburse the Recipient up to the amount of the Grant for the Eligible Costs of the Project.
- 5.3 UKRI shall be permitted to change the GBP (£) value of the Grant where in UKRI's opinion there is a significant fluctuation in the GBP:EUR exchange rate from the exchange rate previously used to calculate the GBP (£) value of the outstanding Grant sum provided always that:

- (a) the GBP value of the Grant shall not change more than once in any 12-month period; and
  - (b) the revaluation process shall not affect payments which have already been made to the Recipient.
- 5.4 UKRI will pay the Grant in instalments quarterly in arrears following submission of a claim, unless otherwise agreed between UKRI and the Recipient in writing.
- 5.5 All claims will be submitted and payments will be made in GBP (£). The Recipient shall not be entitled to make any claim for funding which would cause the total amounts claimed under the Grant Offer Letter to exceed the value of the Grant.
- 5.6 **The Recipient's claims must be supported by:**
- (a) a current forecast as at the claim date of the Eligible Costs to the end of the Project, detailing the expected costs for each future claim period, highlighting any significant variations from the last forecast. Any variance greater than 20% between the original forecast and actual expenditure for each forecast interval may be subject to review and may affect the eligibility of the claim value;
  - (b) confirmation that the Recipient has incurred and defrayed the Eligible Costs in respect of which claims have been made. For this purpose, an Independent Accountant's Report must be provided by a qualified independent accountant of the Recipient (the "**Independent Accountant**") to UKRI at the intervals detailed below (unless as otherwise notified to the Recipient by UKRI). The Independent Accountant must be appointed by the Recipient in accordance with the template terms of engagement provided by UKRI to the Recipient. All costs must be supported by an Independent Accountant's Report, and any uncertified costs will be ineligible for grant;

For the avoidance of doubt UKRI may at its sole discretion increase the Grant in the event additional cost claims are necessary and associated solely to the Independent Accountant's Report. Any increase of the Grant will be subject to a cap of 5% of the total Grant.

<b>Value of grant</b>	<b>Independent Accountant Report Frequency</b>
<b>Up to £100,000.00</b>	None
<b>£100,000.01 to £500,000.00</b>	Last claim only
<b>£500,000.01 to £2,000,000.00</b>	First and last claims
<b>£2,000,000.01 and above</b>	First, Last and Annually

- (c) if requested by UKRI, the latest published annual accounts or management accounts of the Recipient. For the avoidance of doubt, nothing in this clause 5.6 shall require the Recipient to provide financial information in breach of any law, order or regulation restricting such disclosure; and
- (d) UKRI may also require an Independent Accountant's Report to be submitted in exceptional circumstances including but not limited to:
  - (i) withdrawal from the Project,



- (ii) termination of the Project,
- (iii) a claim disclosing expenditure substantially greater than forecast, or
- (iv) a suspicion of a breach of this document.

5.7 When making claims pursuant to clause 5, the following applies:

- (a) recoverable VAT is not an Eligible Cost for claims purposes;
- (b) unless otherwise agreed with UKRI in writing in advance, claims must be for costs incurred and paid for wholly completed quarters only, except for the final quarter of the Term where the Recipient may submit a claim for costs incurred but not necessarily defrayed prior to the End Date, provided that:
  - (i) the payment is for Eligible Costs relating to labour, overhead and/or travel and subsistence costs only;
  - (ii) the payment is defrayed within 30 days of the End Date; and
  - (iii) the payment is included within the final Independent Accountant's Report.

Failure to comply with this clause 5.7(b) will result in UKRI reclaiming the Grant against all such costs incurred;

- (c) the Recipient is not allowed to submit more than one claim to UKRI relating to any particular calendar quarter;
- (d) subject to clause 5.7(b), the Recipient shall not be entitled to claim for costs incurred and defrayed after the End Date, except for costs relating to its reporting obligations under this document during the period of 60 days following the End Date;
- (e) once a claim and the supporting documentation set out in clause 5.6 has been received by UKRI, the corresponding Grant will normally be paid within 30 days, unless it is necessary for UKRI to seek further information to support the claim; and
- (f) where UKRI needs to seek further information to support or understand the claim, UKRI agrees to contact the Recipient within 14 days of the claim being received. If UKRI deems any costs claimed to be ineligible and the Recipient disagrees with UKRI's assessment, the Recipient must within 30 days of UKRI's notice, notify UKRI of its disagreement and provide reasons and evidence why the costs are Eligible Costs. The final decision concerning eligibility rests with UKRI.

5.8 UKRI shall be under no obligation to pay any claim received by UKRI more than 30 days after the quarter during which the Eligible Cost(s) specified in the claim was incurred and paid by the Recipient.

5.9 UKRI reserves the right not to consider new applications from organisations or natural persons who have failed to return required financial reports on any projects funded by UKRI.

5.10 UKRI will retain 10% of the Grant value until the Project is complete and UKRI has received and reviewed:

- (a) all outstanding claims and their supporting information;
- (b) the Final Report; and
- (c) a final Independent Accountant's Report.

- 5.11 UKRI will not pay the final claim or the 10% retained Grant value if the items listed above are received later than 3 months after the End Date. Payment of the final claim and retained Grant value (10%) is subject to the contents of the final Independent Accountant's Report. If in UKRI's opinion adjustments are required, UKRI is entitled not to pay the full amount of the final claim and the retained Grant value. Failure to comply with the provision of the Independent Accountant's Report shall be considered to be a breach of terms and conditions of the grant under clauses 7.1 and 7.2.
- 5.12 Where the Recipient enters into any contract with a Third Party in connection with the Project, the Recipient will remain responsible for paying that Third Party. For the avoidance of doubt, any onward payment of the Grant and use of sub-contractors will not relieve the Recipient of any of its obligations under this document including (but not limited to) any obligation to repay the Grant.
- 5.13 UKRI shall be entitled to recover and/or retain any cumulative unspent Grant paid and/or allocated to the Project.
- 5.14 UKRI reserves the right to appoint an auditor to ensure compliance with the terms and conditions of the Grant ("**Auditor**") and the Recipient agrees to co-operate with the Auditor and grant the Auditor access within two (2) weeks of notice of their appointment to such information and the Recipient's staff on the Recipient's site(s) as applicable, and as is reasonably requested by the Auditor. In the event that the Auditor determines that the Recipient should repay Grant to UKRI, UKRI reserves the right to recover the cost of the Auditor's work as well as the relevant portion of the Grant.

## **6 CHANGES TO THE PROJECT**

- 6.1 In the event that any material change occurs, or is likely to occur, to:
- (a) the Recipient's participation in the wider HE project; or
  - (b) the delivery timescales or outcomes for any work package or the Project as a whole; or
  - (c) the Project's costs, budget, or allocation of costs between budget line headings; or
  - (d) the ability of the Recipient to deliver the Project in accordance with the Project Plan;

the Recipient must notify UKRI promptly. UKRI may require revised proposals for its approval and reserves the right to make a new Grant in place of the existing Grant, or to revise, retain or terminate the existing Grant.

## **7 SUSPENSION, WITHDRAWAL, REPAYMENT OF GRANT & TERMINATION**

- 7.1 Without prejudice to any other rights or remedies UKRI may have, UKRI may by written notice to the Recipient **suspend** payment of the Grant, **withdraw** future Grant payments to the Recipient and/or **terminate** the Grant Offer Letter with immediate effect in the event of any of the following:
- (a) the failure of the Project to provide any of the information required in clause 5;
  - (b) the reasonable suspicion of fraud involving the Recipient;
  - (c) the claiming against Grant of ineligible costs or costs not actually incurred and paid;
  - (d) the use of Grant funds for purposes unconnected with the Project;

- (e) there is a failure to maintain satisfactory progress on the Project or the Project can no longer be carried out in the UK;
- (f) any material changes to the proposed outcomes of the Project;
- (g) the Recipient either withheld information or provided UKRI with materially inaccurate or misleading information, in its Grant application or claim(s) which results in an overpayment of the Grant;
- (h) there is a fundamental change to the Recipient's articles of association that has not been agreed by any third party funder(s) and/or UKRI, where the articles of association require such agreement to have been obtained;
- (i) the Recipient becomes insolvent, or is declared bankrupt, or 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, or the Recipient does or suffers anything substantially equivalent to any of the foregoing;
- (j) there is a change in the legal status or the actual or effective ownership or control of the Recipient;
- (k) the Recipient transfers, assigns or novates to any third party, or encumbers in any way, the Grant without UKRI's written consent;
- (l) without prejudice to clause 3.2, the Recipient is in breach of this document and the breach is not considered in the sole discretion of UKRI to be remediable, or where it is considered remediable by UKRI, the breach is not in the opinion of UKRI remedied within 30 days of UKRI's notice to the Recipient;
- (m) the Recipient receives any funding from any other source or person towards the Project which duplicates the Grant;
- (n) the HE Agreement or the Consortium Agreement terminates or the Recipient's participation in the HE Agreement or Consortium Agreement is terminated (including but not limited to the Recipient no longer being an Associated Partner);
- (o) UKRI has reasonable grounds to believe that the payment of the Grant breaches Subsidy Rules;
- (p) His Majesty's Treasury requires UKRI to suspend, withdraw or terminate payments under the Programme;
- (q) the Recipient fails to comply with clause 3.2 above;
- (r) the Recipient fails to comply with clause 9.3 or 9.4; or
- (s) UKRI becomes aware of a breach by the Recipient of its obligations under any EU or Euratom grant agreement which has a material impact on the Project.

7.2 Without prejudice to any other rights or remedies UKRI may have, UKRI may require **repayment** of Grant from the Recipient (irrespective of whether monies have been expended by the Recipient) in the event of any of the following:

- (a) an overpayment of Grant has occurred whether disclosed by a report or otherwise and as soon as demanded by UKRI or upon the Recipient becoming aware, whichever occurs first;
- (b) the Recipient either withheld information or provided UKRI with materially inaccurate or misleading information, in its Grant application or claim(s) which results in an overpayment of the Grant;

- (c) the Project is insufficiently resourced or managed to achieve delivery;
- (d) fraud or the claiming against Grant of ineligible costs or costs not actually incurred and paid;
- (e) the use of Grant funds for purposes unconnected with the Project;
- (f) the material failure of the Recipient to use reasonable efforts to progress the Project or perform the work it agreed to perform under the Project Plan submitted to UKRI;
- (g) without prejudice to clause 3.2, the Recipient is in breach of this document and the breach is not considered in the sole discretion of UKRI to be remediable, or where it is considered remediable by UKRI, the breach is not in the opinion of UKRI remedied within 30 days of UKRI's notice to the Recipient;
- (h) the Recipient receives any funding from any other source or person towards the Project which duplicates the Grant;
- (i) the Recipient generates a Profit from the Project;
- (j) UKRI has reasonable grounds to believe that the payment of the Grant breaches Subsidy Rules;
- (k) the Recipient fails to comply with clause 3.2 above;
- (l) a fundamental change to the Recipient's articles of association that has not been agreed by any third party funder(s) and/or UKRI, where the articles of association require such agreement to have been obtained; or
- (m) UKRI becomes aware of a breach by the Recipient of its obligations under any EU or Euratom grant agreement which has a material impact on the Project.

7.3 In relation to clause 7.2, the Recipient shall be required to pay such sums as notified by UKRI to UKRI within 30 days of receiving the notification.

## **8 FINANCIAL IRREGULARITY**

- 8.1 The Recipient warrants that it has adequate systems of financial control in place to identify fraud, bribery, corruption or any other financial irregularity in connection with the Grant.
- 8.2 If the Recipient suspects fraud, bribery, corruption or any other financial irregularity in connection with this Grant, it shall report it to UKRI immediately at [reportfraud@ukri.org](mailto:reportfraud@ukri.org).
- 8.3 UKRI reserves the right to instruct the Recipient to take additional steps to address any actual or suspected financial irregularity in connection with the Grant.
- 8.4 The Recipient represents that neither it, nor to the best of its knowledge, any of its employees, agents, sub-contractors and/or subsidiaries have at any time prior to the start of the Grant Offer Letter:
  - (a) committed a Prohibited Act or been formally notified that it is subject to an investigation or prosecution which relates to an alleged Prohibited Act; and/or
  - (b) been listed by any government department or agency as being debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for participation in government procurement programmes or contracts on the grounds of a Prohibited Act.

- 8.5 The Recipient shall not during the Term:
- (a) commit a Prohibited Act; or
  - (b) do or suffer anything to be done which would cause UKRI or any of its employees, consultants, contractors, subcontractors or agents to contravene any of the Relevant Requirements or otherwise incur any liability in relation to the Relevant Requirements.
- 8.6 The Recipient shall during the Term:
- (a) establish, maintain and enforce policies and procedures which are adequate to ensure compliance with the Relevant Requirements and prevent a Prohibited Act;
  - (b) require that its sub-contractors establish, maintain and enforce the policies and procedures referred to in clause 8.6(a);
  - (c) keep appropriate records of its compliance with its obligations under clauses 8.6(a) and 8.6(b);
  - (d) if so required by UKRI, within thirty (30) calendar days of the of the start of the Grant Offer Letter, and at a frequency to be determined by UKRI, thereafter, certify in writing to UKRI, the compliance with this clause 8 of all the persons associated with the Recipient including but not limited to any of its employees, agents, sub-contractors and/or subsidiaries in connection with this document. The Recipient shall provide such supporting evidence of compliance as UKRI may rationally request; and
  - (e) have, maintain and where appropriate enforce an anti-bribery policy (which shall be disclosed to UKRI on request) to prevent it and any of its employees, agents, sub-contractors and/or subsidiaries from committing a Prohibited Act.

## **9 INTELLECTUAL PROPERTY**

- 9.1 UKRI has no interest in the ownership of any Intellectual Property Rights developed under the Project. However, for a period of four years after the end of the Term, UKRI may object to the Recipient transferring ownership of or exclusively licensing Intellectual Property Rights, where in its opinion, the transfer or licensing affects the United Kingdom's security or defence interests.
- 9.2 The Recipient shall notify UKRI of any transfer of ownership or exclusive licensing of Intellectual Property Rights developed under the Project.
- 9.3 On request, the Recipient shall allow UKRI to access the results of the Project for the purposes of developing, implementing and/or monitoring UKRI's policies or programmes. Any access rights granted under this clause shall be royalty-free and limited to non-commercial and non-competitive use.
- 9.4 Where the Recipient is a Public Research Organisation, it shall:
- (a) notify UKRI of any transfer of ownership or exclusive licensing of Intellectual Property Rights developed under the Project;

- (b) take measures to implement the principles set out in points 1 and 2 of the Knowledge Transfer Code of Practice; and
- (c) ensure that any researchers and other third parties involved in relevant activities in connection with the Project are aware of and comply with the Knowledge Transfer Code of Practice.

## **10 CONFIDENTIALITY AND INFORMATION MANAGEMENT**

- 10.1 UKRI reserves the right to request from the Recipient access to any additional information deemed necessary by UKRI in connection with the Grant, including, but not limited to, details of any studentships relating to the Project. The Recipient must provide or allow access to such requested information within two (2) weeks of such a request to the full extent permitted by Law.
- 10.2 The Recipient confirms that it has provided and shall continue to provide true and accurate information to UKRI upon UKRI's request, which (notwithstanding the generality of clause 10.1 above) may include, but is not limited to, any financial and technical reports and/or any other communication regarding the viability of the Project to or from the EU or Coordinator or Beneficiary or the Recipient, provided that UKRI acknowledges that the Recipient shall be entitled to redact Confidential Information from such reports and/or communications prior to providing them to UKRI.
- 10.3 The Recipient shall ensure the Project is carried out in accordance with the General Data Protection Regulation and the Data Protection Act 2018 in performing their obligations under this document.
- 10.4 UKRI and the Recipient shall each be Controllers for their respective Personal Data. UKRI shall retain the Recipient's Personal Data and Confidential Information in confidence and only use such information as detailed in the UKRI's Information Management Policy, as published on its website. Information shall only be disclosed by UKRI in accordance with the Information Management Policy (obtained from <https://www.gov.uk/government/publications/privacy-notice-and-information-management-policy-innovate-uk>), and in accordance with clause 11.

## **11 FREEDOM OF INFORMATION**

- 11.1 The Recipient acknowledges that UKRI is subject to the requirements of the FOIA and EIR.
- 11.2 UKRI shall be responsible for determining (in its absolute discretion) whether any information:
  - (a) is exempt from disclosure in accordance with the FOIA or EIR; and
  - (b) is to be disclosed in response to a request for information.
- 11.3 The Recipient acknowledges that UKRI may be obliged under the FOIA or EIR to disclose information, in some cases even where that information is commercially sensitive:
  - (a) without consulting with the Recipient, or
  - (b) following consultation with the Recipient and having taken its views into account.

## **12 PROCUREMENT**

- 12.1 The Recipient will adopt such policies and procedures that are required in order to ensure that value for money is obtained in the procurement of goods, services or works funded by the Grant.

- 12.2 Where the Recipient is a Contracting Authority within the meaning of the Procurement Regulations the Recipient will comply, as necessary, with the Procurement Regulations when procuring goods, services or works in connection with this Grant. UKRI shall not be liable for the Recipient's failure to comply with its obligations under the Procurement Regulations.

### **13 SUBSIDIES**

- 13.1 UKRI considers the Grant awarded to a recipient acting economically (an enterprise) as a subsidy. Where the recipient is not an enterprise or is not acting as an enterprise for the purpose of the project, UKRI will not consider the Grant awarded to the recipient to be a subsidy.
- 13.2 The Recipient must inform UKRI of any other public funding applied for or awarded against the Eligible Costs covered by this application.
- 13.3 In the event that the Grant (or any part of it) is found to be a subsidy which does not meet the Public Policy Objective pursuant to the Subsidy Rules, UKRI may take one or more of the following actions pursuant to clause 7:
- (a) suspend payment of the Grant;
  - (b) withdraw future payments of the Grant to the Recipient;
  - (c) require the repayment of the Grant by the Recipient; and/or
  - (d) terminate the Grant Offer Letter with immediate effect.

### **14 DISPUTE RESOLUTION**

- 14.1 In the event that a dispute arises between UKRI and the Recipient, the parties will meet to try and negotiate a settlement in good faith. In the event that the parties are unable to resolve the matter, UKRI has the right to:
- (a) unilaterally terminate the Grant Offer Letter and to seek repayment of all or part of the Grant paid to the Recipient; or
  - (b) to refer the matter to the London Court of International Arbitration (LCIA), whose decision will be binding. Any arbitration will be conducted in accordance with LCIA Arbitration Rules before one arbitrator seated in London. Unless otherwise agreed between the parties, the mediator shall be nominated by LCIA.

### **15 RESEARCH ETHICS**

- 15.1 The Recipient must ensure that any ethical issues relating to the Project are identified and brought to the attention of the relevant approval or regulatory body. Approval must have been granted by the relevant body before any such work requiring approval begins.

### **16 EQUALITY, DIVERSITY AND INCLUSION**

- 16.1 The Recipient must ensure that equality, diversity and inclusion ("**EDI**") is considered and supported at all stages throughout the Project, in accordance with all relevant legal obligations, including but not limited to those of anti-discrimination in the Equality Act 2010.
- 16.2 EDI will be monitored during the Project and its evaluation. This will require, (and is not limited to) sharing of staff EDI data when requested, (to the extent such staff data can be lawfully processed) and monitoring and reporting on EDI impacts in line with the Equality Act 2010. All personal data provided to UKRI will be processed in accordance with current UK data protection legislation, including the Data Protection Act 2018 and the General Data Protection Regulation.

## **17 HUMAN RIGHTS, SAFEGUARDING AND WHISTLEBLOWING**

- 17.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of the Project as if the Recipient were a public body (as defined in the Human Rights Act 1998).
- 17.2 To prevent exploitation, abuse or harm from occurring, all relevant safeguarding legislation must be adhered to. UKRI particularly draw the Recipient's attention to child protection legislation and the Modern Slavery Act 2015. The Recipient should have sufficient policies and processes in place in order to foster safeguarding and to adhere to UKRI's Preventing Harm (Safeguarding) in Research and Innovation policy.
- 17.3 The Recipient shall undertake, or refrain from undertaking, such acts as UKRI requests so as to enable UKRI to comply with its obligations under the Human Rights Act 1998.
- 17.4 The Recipient should adhere to good practice recommended by the National Audit Office Assessment Criteria for Whistleblowing policies.

## **18 GENERAL**

- 18.1 In the event that UKRI's ability to deliver Grant funding is significantly affected by Force Majeure Event or circumstances beyond its control, including but not limited to changes in Law, UK Government or devolved administration policy and/or European Union policy or regulations, it may, in its absolute discretion, terminate the Grant Offer Letter and discontinue payments to the Recipient by giving the Recipient, with due regard to the circumstances, such reasonable notice as possible, and in writing, of its decision to terminate the Grant Offer Letter. In such circumstances, and unless illegal or unethical factors have contributed to the decision to terminate the Grant Offer Letter, UKRI will meet any Eligible Costs of the Project reasonably incurred by the Recipient prior to the date of termination.
- 18.2 UKRI reserves the right to vary this document unilaterally and at any time by giving the Recipient three (3) months' notice of any such variation before it is due to take effect.
- 18.3 The Recipient may not assign, transfer, sub-contract, or in any other way make over to any third party any of its rights or obligations under this document without UKRI's written consent.
- 18.4 Failure to exercise, or any delay in exercising, any right or remedy provided under this document or by law shall not constitute a waiver of that or any other right or remedy, nor shall it preclude or restrict any further exercise of that or any other right or remedy.
- 18.5 This document shall not create any partnership or joint venture, nor any relationship of principal and agent, between the parties, nor authorise any party to make or enter into any commitments for or on behalf of the other party.
- 18.6 This document is made solely for the benefit of the parties to it and is not intended to benefit or be enforceable by any other person.
- 18.7 To the fullest extent permitted by Law, UKRI:
- (a) accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient undertaking the Project, the use of the Grant, or the withdrawal of the Grant; and
  - (b) in any event, limits its liability to the amount of the Grant that remains unpaid.
- 18.8 This document and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by



and construed in accordance with the law of England and Wales and subject to the exclusive jurisdiction of the courts of England and Wales.

- 18.9 No Grant funded activity should be used to further party political considerations, or for party political purposes, or for lobbying for political parties, nor should personal political views influence Project activity in relation to the Grant. Should this clause 18.9 be breached it may lead to the suspension, withdrawal or clawback of the Grant by UKRI.
- 18.10 Nothing in this document shall prejudice the rights or ability, under EU law, international law and/or domestic law, of the Recipient and/or UKRI to seek payment of the Grant under the HE Agreement and/or Consortium Agreement and/or of UKRI to seek reimbursement of any payments made under the Grant Offer Letter.

## **19 ENTIRE AGREEMENT**

- 19.1 No amendment to the terms of this document will be effective unless and until confirmed in writing (including via electronic communications) by, and on behalf of, UKRI. This document constitutes the entire agreement between UKRI and the Recipient relating to the Grant, although it is understood that UKRI may have relied upon representations made by the Recipient prior to the execution of this document. For the avoidance of doubt, no representations have been made by UKRI and relied upon by the Recipient relating to this document.