

[insert name of Principal Investigator and name of HEI Recipient]
(Referred to in this letter and the Schedule as the “Recipient”)

[insert name(s) and address(es) of collaborating parties]
(Referred to in this letter and the Schedule as the “Collaborator(s)”)

Together known as the “Parties” or individually as a “Party”.

Date: [insert date]

Reference no: [insert Grant reference number]

IBioIC – Offer of Grant (“Offer”)

Dear Sirs

Industrial Biotechnology Innovation Centre – Successful IBioIC Accelerator Project

The Scottish Funding Council (“SFC”), Scottish Enterprise (“SE”) and Highlands & Islands Enterprise (“HIE”) have awarded funding to the University of Strathclyde to maintain the Industrial Biotechnology Innovation Centre (the “Innovation Centre”). The University of Strathclyde is administering SFC funding, acting under the directions of the Innovation Centre Governing Board (The University of Strathclyde in such capacity hereinafter being referred to as “IBioIC”).

Thank you for your application for funding to the IBioIC Accelerator Project Competition **CODE** which closed for applications on **DATE**. Your [collaborative] research project entitled [insert project name] and detailed in the Project Proposal attached as Part 2 of the Schedule to this letter (the “Project”) was successful. Accordingly, IBioIC hereby offers to provide funding to the Recipient of up to [insert sum of funding in words and numbers] (the “Funding”) to complete the Recipient’s part of the Project. The Funding will be payable quarterly in arrears subject to compliance with the Conditions (as referred to below).

Conditions of Funding

The offer of Funding is made subject to the following conditions:

1. You will be allocated an IBioIC Project Engagement Manager and you must liaise with this person to conclude the project initiation documentation including quality, risk and communication management strategy, the project plan and project controls (the “Project Documentation”). The Project Documentation (once agreed) will be annexed to this letter as Part 3 of the Schedule.
2. The Collaborator(s) must provide IBioIC with a statement on the expected commercial outcomes of the Project (the “Output and Impact Report”) prior to the commencement of the Project. The Output and Impact Report should include details such as expected benefits, jobs which may be created, expected investments etc. as a result of the Project. A template document will be provided by IBioIC for completion by the Collaborator(s). This will be revisited and may be revised at the end of the Project.
3. This Offer is made subject to the terms and conditions set out in this letter and in Part 1 of the Schedule to this letter and any additional or supplementary conditions notified to the Parties by IBioIC in writing from time to time (the “Conditions”), which are deemed to be incorporated herein by reference.
4. The Project will commence on a date agreed with the IBioIC Project Engagement Manager only once:
 - this Offer has been returned by the Parties accepting the Conditions;
 - a collaboration agreement has been concluded between the Parties, and a copy of this agreement has been supplied to IBioIC;

- the Project Documentation has been supplied to IBioIC; and
- the Output and Impact Report has been supplied to IBioIC.

This Offer will be governed by and construed in accordance with the laws of Scotland. IBioIC and the Parties agree that any dispute arising under or in connection with this Offer will be decided in the Scottish Courts which will have the exclusive jurisdiction in respect of any such matter.

If you wish to accept this Offer, please confirm your acceptance and your agreement to be bound by the Conditions by completing and signing where indicated below.

Yours sincerely

Roger Kilburn
 IBioIC
 121 George Street, Glasgow, G1 1RD

Alison McFarlane
 Deputy Director RKES
 Authorised signatory of the University of Strathclyde

We, the undersigned, hereby confirm our acceptance of this Offer and agree to be bound by the Conditions.

Signature..... Date.....

Title.....

for and on behalf of the Recipient

We, the undersigned, hereby confirm our acceptance of this Offer and agree to be bound by the Conditions.

Signature..... Date.....

Title.....

for and on behalf of the Collaborator

This is Part 1 of the Schedule referred to in the foregoing Offer from IBioIC to the Parties.

CONDITIONS

1. The Project

- 1.1. The Project must be carried out in accordance with the Project Proposal and the Project Documentation and will begin on the commencement date agreed with the IBioIC Project Engagement Manager.
- 1.2. Once agreed, the Parties will not be entitled to make any amendments to the Project Documentation except with the prior written consent of the IBioIC Project Engagement Manager.

2. Obligations of the Parties

- 2.1. As the Project is being conducted by the Recipient jointly with the Collaborator(s), the Parties will, prior to the commencement of the Project, enter into a collaboration agreement with each other to set out the responsibilities of the Recipient and each of the Collaborators with respect to conduct of the Project (the "**Collaboration Agreement**"). The terms of the Collaboration Agreement will be agreed among the Parties and may be based on the template collaboration agreement provided by IBioIC. A copy of the signed Collaboration Agreement must be provided by the Recipient to IBioIC prior to the commencement date of the Project. The Project may not proceed unless and until the Collaboration Agreement has been signed by all Parties.
- 2.2. The Parties will ensure that all licences, consents and approvals required to conduct the Project are obtained prior to the commencement of the Project, and that they comply with all relevant legislation, rules, regulations and codes of practice relating to conduct of the Project.

3. Payment Terms

- 3.1. IBioIC will pay to the Recipient 80% of the full economic costs actually incurred by the Recipient in respect of the Project, up to the maximum amount of the Funding.
- 3.2. The Funding will be used only for the purposes of the Project and will be spent in accordance with the project budget set out in the Project Documentation. Virement between budget headings will be permitted only with the prior written consent of the IBioIC Project Engagement Manager or the IBioIC Governing Board.
- 3.3. IBioIC 's obligation to pay the Funding is conditional upon:
 - 3.3.1. IBioIC receiving the relevant funds from SFC;
 - 3.3.2. the Parties making the financial and in-kind contributions to the Project set out in the Project Documentation;
 - 3.3.3. the Parties complying fully with these Conditions;
 - 3.3.4. achievement by the Parties of each of the milestones upon which payment will be based (if any) set out in the Project Documentation; and
 - 3.3.5. there being no material change to the scope, aims and/ or objectives, prospects for success and/or organisation of the Project (including withdrawal of any Collaborators) unless such change is approved by IBioIC (IBioIC acting reasonably).

Should any of the conditions noted in Clause 3.3 above not occur, IBioIC will be entitled to withdraw this Offer of Funding or suspend (temporarily or permanently) payment of the Funding (at the sole and absolute discretion of IBioIC) upon 30 days' notice to the Recipient.

For the avoidance of doubt, where any Milestone(s) listed in the Project Documentation is not achieved to the reasonable satisfaction of IBioIC, including timeliness in achieving such Milestone(s), then IBioIC reserves the right to terminate the Offer upon 30 days' notice to the

Recipient. In such circumstances IBioIC shall only be obliged to pay Project costs for completed Milestones up to the date of termination.

- 3.4. On or prior to each payment date, the Recipient will submit an invoice to IBioIC on a quarterly basis. IBioIC will provide the Recipient with a purchase order number. Each invoice will contain the following reference: "IBioIC" and will be emailed to projects@ibioic.com. Each invoice will be accompanied by a detailed breakdown of all eligible expenditure on the Project which has been included in the invoiced amount. Invoices will be paid within forty five (45) days following the date of receipt by IBioIC (subject always to paragraph 3.3 above).
- 3.5. The Funding is deemed to be out with the scope of VAT because IBioIC does not receive any return for the Funding and the Outputs (as hereinafter defined) are made available for the public good. If the Funding is or becomes subject to VAT, the Funding will be deemed to be inclusive of VAT. Under no circumstances will IBioIC be responsible for any additional costs incurred by the Recipient in connection with the Project.
- 3.6. If any of the Parties misapply the Funding or fail to satisfy any of the Conditions due to its own misconduct or negligence, IBioIC will be entitled to withdraw this Offer of Grant, suspend (temporarily or permanently) payment of the Funding and/or reclaim any portion of the Funding already paid to the Recipient (at the discretion of IBioIC to act reasonably in this regard taking into account the nature of the Project). In the case of a reclaim, the Recipient will promptly, on demand, make repayment to IBioIC.
- 3.7. In instances where invoices are not submitted to IBioIC by the Recipient within two (2) months of the relevant payment date listed in the Project Documentation then IBioIC reserves the right to withdraw or withhold (temporarily or permanently) payment of this portion of the Funding.

4. Monitoring and Reporting

- 4.1. The Recipient will keep full and accurate records relating to its use of the Funding and its expenditure on the Project. The Recipient will provide to the IBioIC Project Engagement Manager all information relating to its use of the Funding as may be requested by the IBioIC Project Engagement Manager.
- 4.2. The Collaborator(s) will keep full and accurate records relating to its financial and in-kind contributions to the Project as set out in the Project Documentation and will provide to the IBioIC Project Engagement Manager all information relating to its financial and in-kind contributions as may be requested by the IBioIC Project Engagement Manager.
- 4.3. The Recipient will allow IBioIC and/ or an independent chartered or certified public accountant appointed by IBioIC or SFC, on reasonable notice at any time during the Project and for six (6) years thereafter, to examine, audit and copy all books and records relating to the use of the Funding.
- 4.4. The Collaborator will allow IBioIC and/ or an independent chartered or certified public accountant appointed by IBioIC or SFC, on reasonable notice at any time during the Project and for six (6) years thereafter, to examine, audit and copy all books and records relating to its financial and in-kind contributions to the Project.
- 4.5. The Recipient will submit interim and final technical reports containing full details of the results to the IBioIC Project Engagement Manager in accordance with the reporting requirements set out in the Project Documentation.
- 4.6. The Collaborator(s) will ensure that a final commercial report (including the Outputs and Impact Report) in respect of the Project is submitted to the IBioIC Project Engagement Manager no later than one (1) month following completion of the Project. This report shall contain full details of the outputs of the Project together with details of how the Recipient and the Collaborator(s) plan to use the results generated during the Project in the future and, in particular, details of any plans for commercial exploitation of any intellectual property rights and results generated during the Project. IBioIC will not publicly disclose the final report without the consent of the Parties.

- 4.7. Within one (1) month following completion of the Project, the Parties will provide the IBioIC Project Engagement Manager with a summary including the Outputs and Impact Report, which is suitable for public disclosure, of:
 - 4.7.1. the academic, economic, societal and/ or technological impact created and/ or forecast as a result of the Project; and
 - 4.7.2. any public and/ or private sector funding (in addition to the Funding and in addition to any funding from IBioIC which the Collaborators have received in respect of the Project) which the Recipient or any of the Collaborators have secured for future research as a result of or in connection with the Project having been undertaken.
- 4.8. For a period of six (6) years following completion of the Project, the Parties will provide IBioIC (on the reasonable request of IBioIC) with details (to the extent that such details are available to the Parties) of any public and/ or private sector funding (in addition to the Funding and in addition to any funding from IBioIC which the Collaborators have received in respect of the Project) which they have received as a result of or in connection with the Project having been undertaken. To the extent reasonably practicable, all such notifications will be made in a form which is suitable for public disclosure.

5. Publication and Acknowledgement of Support

- 5.1. The Parties will ensure that no press release or public disclosure concerning the Project will be made unless and until the relevant press release or public disclosure has been approved by IBioIC.
- 5.2. The Recipient will use its reasonable endeavours to publish and disseminate, and to assist the other Collaborators with publishing and disseminating (as appropriate), the results generated during the Project (subject to any obligations of confidentiality contained in the Collaboration Agreement).
- 5.3. The Parties will ensure that all publicity materials in respect of the Project (including any publications) acknowledge the support given to the Project by IBioIC in the form prescribed from time to time by the IBioIC Governing Board and SFC.
- 5.4. The Parties will use reasonable endeavours to support IBioIC in its marketing activities by providing non-confidential information about the Project, providing poster and powerpoint presentations and contributing to the press and marketing activities and materials of IBioIC as may be required from time to time.

6. Procurement

- 6.1. The Recipient will comply with all relevant EU procurement rules in relation to any equipment and/ or services purchased for use in the Project.
- 6.2. In the exceptional circumstances where equipment is procured with the Funding by the Recipient, the Recipient will ensure that, following completion of the Project, access to such equipment is (wherever possible) made available to parties conducting future IBioIC-funded research projects on fair and reasonable conditions to be agreed between the Recipient and the party requesting access to any such equipment.

7. Intellectual Property and Commercial Exploitation

- 7.1. The Parties will make available all of its relevant background intellectual property for use in the Project in accordance with the Project Documentation.
- 7.2. All intellectual property rights and project results generated during the Project ("Outputs") will be owned by the generating Party, subject to the terms (if any) of the Collaboration Agreement. Notwithstanding the foregoing, the Recipient understands that there is an expectation that the Outputs generated by the Recipient will be shared with other academic members of IBioIC. Accordingly, the Recipient hereby grants, subject to the terms of the Collaboration Agreement (if any) and / or the terms of any exploitation agreement entered into in relation to all or any part of the Recipient's Outputs, to (i) University of Strathclyde; and (ii) to each other academic member

of IBioIC an irrevocable, non-exclusive, royalty-free licence to access and use, and to facilitate and allow access and use of the Recipient's Outputs for future academic non-commercially funded research.

- 7.3. Notwithstanding the terms of Clause 7.2 hereof, the Parties will use reasonable endeavours to enter negotiations and agree licensing arrangements, with a view to commercially exploiting the Outputs.
- 7.4. If, after twelve (12) months following completion of the Project, the Parties have not granted licences in respect of the Outputs for the purpose of commercial exploitation, the Parties will meet with IBioIC to discuss future use or licensing of the Outputs in order to help achieve the objectives of IBioIC from time to time.

8. Liability

- 8.1. IBioIC's liability under the Offer shall be limited to payment of the Funding as set out above. Other than to the extent expressly set out in these Conditions **[and other than to the extent set out in the Collaboration Agreement agreed between the Recipient and the Collaborators]**, IBioIC accepts no responsibility, financial or otherwise, for expenditure or liabilities arising out of, or as a result of, the Project except to the extent that responsibility for such liabilities cannot lawfully be excluded. **[Drafting note: text in square brackets should only be included where the University is involved in the Project as a Collaborator.]**
- 8.2. IBioIC will not be responsible for any costs, claims or liabilities arising as a result of any act or omission of the Recipient (including the Recipient's employees, students and sub-contractors) or any of the Collaborators (including the Collaborators' employees, students and sub-contractors) and each of the Parties hereby indemnifies IBioIC against any costs, claims or liabilities suffered or incurred by IBioIC as a result of any action, claim or complaint brought by a third party against IBioIC arising out of or in connection with the acts and omissions of that Party in respect of the Project.

9. General

- 9.1. No Party will assign and/or sub-contract its rights and/or obligations under the Offer unless this has been approved by IBioIC beforehand under the Project Documentation without the prior written consent of IBioIC (such consent not to be unreasonably withheld or delayed).
- 9.2. Any failure by IBioIC to seek redress for any breach of, or to insist on performance in respect of, any provision of the Conditions, or any failure by IBioIC to exercise any right or remedy to which it is entitled under the Conditions, will not constitute a waiver of any of the rights of IBioIC under these Conditions.
- 9.3. These Conditions will be governed by and construed in accordance with the laws of Scotland. IBioIC and the Parties agree that any dispute arising under or in connection with the Conditions will be decided in the Scottish Courts which will have the exclusive jurisdiction in respect of any such matter.

This is Part 2 of the Schedule referred to in the foregoing Offer from IBiolC to the Parties.

PROJECT PROPOSAL

[Project Proposal document to be attached]

This is Part 3 of the Schedule referred to in the foregoing Offer from IBiolC to the Parties.

PROJECT DOCUMENTATION

[Project Documentation to be attached]