



For the attention of Laura Dee  
UNIVERSITY OF THE HIGHLANDS AND ISLANDS  
12b Ness Walk  
Inverness  
IV3 5SQ

**Project Number: 10082500**

**KTP Reference: 13800**

**Date: Friday, 06 October 2023**

Dear Laura,

**Knowledge transfer partnership (KTP) grant offer letter**

**KTP between UNIVERSITY OF THE HIGHLANDS AND ISLANDS & HIGHLAND DISTILLERS LIMITED**

By accepting this award, you agree to be bound by the terms and conditions of this grant offer letter.

To confirm your acceptance, you must return a completed and signed Annex 1. Your award will be withdrawn if you do not confirm your acceptance.

Schedule 1 details your individual award allocations. These are final and cannot be negotiated. Any costs incurred before the Associate commences work will not be eligible for grant funding.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Barry Shaw', is shown above the printed name.

pp. Barry Shaw

Deputy Director – Operations Delivery

**Innovate UK, part of UK Research and Innovation**



## Subsidy Control

The award must remain compliant with the Subsidy Control Act 2022 on the following basis:

### No Subsidy

The funding awarded to UNIVERSITY OF THE HIGHLANDS AND ISLANDS & HIGHLAND DISTILLERS LIMITED is “**not a subsidy**” as defined in the Subsidy Control Act 2022.



## **Terms and conditions of a knowledge transfer partnership (KTP) grant award**

**Project Number: 10082500**

**KTP Reference: 13800**

**Date: Friday, 06 October 2023**

### **Knowledge transfer partnership between UNIVERSITY OF THE HIGHLANDS AND ISLANDS & HIGHLAND DISTILLERS LIMITED**

Offer of grant funded by Innovate UK 100%

1. I am pleased to inform you that Innovate UK, part of UK Research and Innovation ("Innovate UK") acting on behalf of government funding organisations, is prepared to offer UNIVERSITY OF THE HIGHLANDS AND ISLANDS ("the Knowledge Base Partner") a grant not exceeding £142,891 under Section 96 of the Higher Education and Research Act 2017. This is towards the Knowledge Base Partner's costs of undertaking with HIGHLAND DISTILLERS LIMITED ("the Business") a Knowledge Transfer Partnership ("the Partnership") in accordance with the application submitted to Innovate UK. This award is subject to the terms and conditions of this grant offer letter (GOL) and its Schedules.
2. The funding organisation(s) that have agreed to fund the grant to the Partnership at the time of issuing this GOL are identified above. During the Partnership, some or all of the funding may be reallocated to other funding organisations.
3. **General terms and conditions**
  - 3.1 You and the business partner must jointly recruit an associate through a process that you can evidence as being open and fair. You must award a contract of employment to the associate and they must start work on the partnership ('the associate start date') within a period of 9 months of the date of the grant offer letter.
  - 3.2. We have the unilateral right to change these grant terms and conditions at any time, giving 3 months' written notice. You cannot assign, transfer or sub-contract any of your rights or obligations under this agreement to any third party. Rights and remedies under these terms, whether used or not, remain available throughout the term of this agreement defined in 5.1.

This agreement does not create any partnership or joint venture between us at law. We:

    - 3.2.1 accept no liability for any consequences, whether direct or indirect, that result from you undertaking the partnership, using the grant, or Innovate UK terminating this agreement or grant.
    - 3.2.2. limit our liability to the amount of grant payable for which you can provide evidence of eligible costs incurred and paid, provided you are not in breach of its terms.
  - 3.3. This agreement is subject to the laws of England and Wales. The grant cannot be used for any political or lobbying activity, or for any purpose other than the Partnership referred to in the GOL.



- 3.4. Innovate UK has the right to reject new grant applications from a knowledge base partner or business where either has failed to return required financial reports (including claims) on any current or previous projects funded by Innovate UK.

#### **4. Disclaimer**

- 4.1 Innovate UK accepts no liability, financial or otherwise, for expenditure or liability arising from the partnership funded by the grant except as set out in these terms and conditions, or otherwise agreed in writing.
- 4.2 Innovate UK accepts no liability for any consequences, whether direct or indirect, that may come about from you running the project, the use of the grant or from withdrawal of the grant.

All partners shall indemnify and hold harmless the funder, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages. This includes all other liabilities arising from or incurred by reason of your actions or omissions in relation to the project, the non-fulfilment of obligations of the recipient under this agreement or its obligations to third parties.

- 4.3 Innovate UK reserves the right to terminate the grant at any time, subject to reasonable notice and to make any payment that we agree may be necessary to cover outstanding and unavoidable commitments. If a grant is terminated or reduced in value, no liability for payment, redundancy or any other compensatory payment for the dismissal of staff funded by the grant will be accepted.

#### **5. Duration**

- 5.1 This agreement comes into effect on the date of submission and will be reissued as Grant Offer Letter (GOL) if your application is successful. It continues until the Partnership end date set out in the GOL or on any other date subsequently agreed by us, unless this agreement is terminated earlier in accordance with its provisions (the 'term').
- 5.2 The partnership duration will begin within a period of 9 months after the date of any grant offer letter being issued and end on the partnership end date unless this agreement is terminated earlier in accordance with its provisions. Any changes to these dates need to be agreed with us.
- 5.3 The terms and conditions of this grant will begin on the date of the GOL and shall continue after the partnership end date for a period of 6 years.
- 5.4 Any obligations under these terms and conditions that remain unfulfilled following the expiry or termination of the agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled by the project partners.



## 6. Waiver

No failure or delay by Innovate UK to employ any right or remedy under these terms and conditions shall be construed as a waiver of any other right or remedy.

## 7. Status

If any provision of these terms and conditions is found by a court or other legitimate body to be illegal, invalid or unreasonable, it will not affect the remaining terms and conditions which will continue in force.

## 8. Your obligations

8.1 By submitting an application into this competition, all project partners agree to:

- 8.1.1. manage the partnership in accordance with the terms of the application as awarded by us, and this agreement.
- 8.1.2. take good account of the business practises and standard of behaviour outlined in the Cabinet Office '[Code of Conduct for Recipients of Government General Grants](#)'.
- 8.1.3. refer to Innovate UK's financial and other support in any publicity or public information about your project.
- 8.1.4. not sub-contract any of their work on the project (unless previously agreed with us).
- 8.1.5. inform us promptly, through your Monitoring Officer (MO):
  - 8.1.5.1. of any issue or material change that could affect the progress, delivery or exploitation of the partnership and of any changes to any of the project partners' legal form, membership structure (if applicable) or ownership.
  - 8.1.5.2. if any of the project partners, their staff, officers or volunteers are subject to any complaint or investigation into dishonesty, fraudulent activities or business misconduct, carried out by any regulatory body or the police.
  - 8.1.5.3. of any allegations, whether proven or not, of fraud, criminal convictions, bankruptcy arrangements, or disqualifications.
- 8.1.6. fully co-operate with us, responding to any requests for information promptly and comprehensively and allowing reasonable (audit) access to your sites and staff upon request.
- 8.1.7. take out and maintain insurance covering your risks and liabilities for appropriate amounts and in keeping with good commercial practice.
- 8.1.8. comply with all applicable laws and regulations in carrying out the partnership activities under this agreement.
- 8.1.9. have and maintain adequate procedures to manage and monitor any actual or perceived bias or conflicts of interest in any personal, business or professional activities by any of the project partners or their representatives which conflict or could conflict with any of the project partners' obligations under this agreement.



- 8.1.10 take reasonable account of the principles explained on the [UKRI Trusted Research and Innovation](#) page and the guidance issued by the [Centre for the Protection of National Infrastructure \(CPNI\)](#). The UKRI principles expect grant recipients to have robust arrangements for:
  - 8.1.10.1 assessment of partner suitability
  - 8.1.10.2 management of information and knowledge sharing
  - 8.1.10.3 management of commercial applications including intellectual property
- 8.1.11 comply with the requirements stated in [The National Security and Investment \(NSI\) Act 2021](#) and [UK Strategic Export Control Lists](#)
- 8.1.10 ensure that all supporters and funders are acknowledged in academic publications, marketing material and anything else produced to support the project, and where possible relevant logos should be prominently displayed.
- 8.2 As a successful applicant the Knowledge Base partner will also:
  - 8.2.1 as a minimum, advertise the associate post in accordance with your institutional guidelines and on the KTP recruitment site.
  - 8.2.2. provide a partnership secretariat.
  - 8.2.3. submit, within 1 calendar month of the end of the partnership, the partnership final report together with any supporting documentation.
  - 8.2.4 submit, within 3 calendar months of the end of the partnership, the final claim and schedule 3 together with any supporting documentation.
- 8.3 Project Administration
  - 8.3.1 Knowledge base supervisors must spend a minimum of half a day a week supporting the project.
  - 8.3.2 Academic supervision must be delivered in accordance with your response to the associate arrangements section of your application.
  - 8.3.3 Mandatory monthly project management meetings must be delivered face-to-face. The venue for the monthly project management meetings must be provided by the business partner.
  - 8.3.4 LMC (local committee meetings) LMC number 1, LMC number 2 and the final LMC must take place face-to-face. Other LMC meetings may be held virtually.  
Each project must have a face-to-face LMC at least once every 12 months.
  - 8.3.5 The associate must reside in the UK for tax purposes. The associate must have a probation check-in at 3 months with performance targets set as necessary. LMC number 2 must take place before the end of the associate probation period.
- 8.4. Successful and unsuccessful applicants must give us, and any data-sharing partner we appoint, any information we need to create an evaluation report.

## 9. Expenditure

- 9.1. The Innovate UK online platform that manages expenditure and claims is the Innovation Funding Service and is referred to as the 'online platform'.  
After Innovate UK has set up the partnership on its online platform, you must enter an initial forecast of eligible expenditure. The forecast must reasonably be incurred during each claim period and



updated throughout the partnership to the last date on which a KTP associate is expected to be engaged on the partnership.

## **10. Equipment and materials**

- 10.1. Equipment and materials purchased by you for the partnership with grant funding, can be used by the business without charge for the duration of the partnership. At the end of the partnership the equipment must be returned to you.

## **11. Revisions**

- 11.1. You may transfer funds between the Travel & Subsistence and Consumables categories. Funds can also be transferred from these categories into the Associate Development category. Funds cannot be transferred from the Associate Development category.
- 11.2. Requests for the transfer of funds between categories must be submitted using the online platform and must be approved by the LMC in advance of the related costs being incurred. Requests for the transfer of funds between categories cannot be submitted after the last date on which the KTP associate is engaged for work on the partnership.
- 11.3. Requests for 'Additional Funding' and 'Finishing Off' revisions must be submitted using the online platform. The request must be approved by the KTP Programme Manager in advance of the related costs being incurred and submitted no later than two months after the last date on which the KTP associate is engaged for work on the partnership.
- 11.4. Revisions are subject to the agreement of the Local Management Committee (LMC).

## **12. Payment of grant**

- 12.1. We will only pay your approved grant claim into your business account at a UK clearing bank or one of its subsidiary banks within the UK. Innovate UK may accept an account at an alternative bank in exceptional circumstances at our discretion and by prior agreement.

Your grant will be paid by quarterly instalments (unless otherwise agreed by Innovate UK) in arrears on submission of a claim and required supporting documentation. This will be for your net eligible costs incurred, invoiced and paid in the quarter (or other period) covered by the claim.

You accept that the eligible costs you can claim are limited to those types of costs approved by our Project Finance Team and communicated to you before the issue of the GOL. Conditions relating to the payment of claims are set out in clause 12.7 below.

- 12.2. Your claims on the online platform must be supported by a current forecast that covers the period to the end of the partnership. It must detail the expected expenditure for each future claim period and highlight any variations from the last forecast. In addition, your claim must be supported by the minutes of an LMC meeting ('LMC Minutes') or virtual approvals covering part or all of the period of the claim. The LMC documents must be uploaded with your claim submission. Your claims may be subject to audit review as set out in clause 12.12 below.
- 12.3. Your partnership can only submit one claim per quarter. Costs must be incurred, paid and claimed within 1 month of the end of the quarter to which they relate. The only exceptions to this condition are the purchase of essential IT equipment prior to the associate start date and approved at LMC0 and, the claim for the final quarter where the costs may be incurred but not necessarily paid. Additional conditions relating to the final claim are set out in clause 12.8 below.
- 12.4. Claims for payment of grant on eligible expenditure actually paid on the partnership must be submitted on the online platform every 3 months following the associate start date.





These must be submitted within one month of the end of the period to which the claim refers. If claims cannot be made within 1 month of the end of the period, the Innovate UK claims team must be notified as soon as possible by email [ktpqueries@iuk.ukri.org](mailto:ktpqueries@iuk.ukri.org) and a new date agreed.

12.5. You must provide evidence to Innovate UK through the online platform for each grant claim. You must discuss costs with your MO before they can approve and submit your claim for payment to Innovate UK.

12.6. If an associate is not available for work for an extended period or they resign from their position as an associate, you must inform Innovate UK promptly by email to [KTP\\_Partnerships@iuk.ukri.org](mailto:KTP_Partnerships@iuk.ukri.org).

In this event, during the period in which work on the partnership is suspended, you will continue to submit claims every 3 months, which may include periods of zero expenditure. You can restart claims for expenditure incurred once work on the partnership recommences.

12.7. Innovate UK will normally pay claims within 30 days of receiving them, unless we need any further information to support the claim. We agree to request any further information within 14 days of receiving the claim and will pay claims within 30 days of receipt of such information.

Innovate UK is not obliged to pay any amount if:

12.7.1 the claim does not meet the terms and conditions of this agreement.

12.7.2 we are not satisfied that the amount is properly due and payable to you.

12.7.3 any claim with supporting documentation is received more than 30 days after the end of the quarter to which it relates.

12.7.4 any claim with supporting documentation is received later than 3 months after the partnership is complete.

12.8. Your final claim for payment of grant on eligible expenditure must be submitted no later than 3 months after the last date on which a KTP associate was engaged for work on the partnership. Where a partnership is 'finishing off', the final claim must be submitted within 3 months of the agreed end date.

The final claim must be accompanied by Schedule 3 (Certificate of Total Expenditure) and signed by the Finance Director or an alternative with senior financial responsibility at your organisation.

If the final claim has not been submitted with the required supporting documentation within the required period, the claim will not be paid by Innovate UK.

12.9. Innovate UK will retain 10% of your maximum grant value until the partnership is complete and we have received:

12.9.1 any outstanding claims

12.9.2 supporting claim evidence information

12.9.3 partnership final report

Payment of the retained value will not be made until the partnership has been completed to Innovate UK's satisfaction and is subject to the contents of Schedule 3, (Certificate of Total Expenditure) completed by the finance officer or an alternative with senior financial responsibility at your organisation. Adjustments may mean that you are not entitled to receive all of the retained value.

12.10. You are responsible for maintaining contemporaneous and detailed records and documentation relating to the use of your grant.

12.11. These records must be kept for 10 years following your receipt of the grant and must be supplied to satisfy requests for evidence of compliance within 20 days if requested. Grant recipients should be open and transparent and must provide additional information if asked.





- 12.12 Innovate UK may appoint an auditor, at our expense, to ensure you are complying with the terms and conditions of this agreement. You agree to give the auditor access to your partnership records within 2 weeks' notice of their appointment.

If the auditor determines that all or part of the grant has been misapplied or that you should repay all or part of the grant to Innovate UK, we may recover the cost of the auditor's work from you.

- 12.13 Innovate UK will not make payment for project costs that you are already in receipt of, whether from Innovate UK (in a separate project award) or any other funding organisation.

In the event that separate funding has been awarded for costs associated with the same project deliverables it is the responsibility of you to notify Innovate UK and any other funding organisation. This will allow the awarding organisations to agree who should fund the relevant costs.

If you are found to be claiming duplicate project costs whilst in receipt of separate funding ('double dipping') Innovate UK will consider terminating the project, recovering all project costs and where there is evidence of dishonesty (Fraud Act 2006), referring the matter to the Police.

### **13. Partnership management**

- 13.1 Innovate UK is required to demonstrate to UK Research and Innovation and the Department for Business, Energy and Industrial Strategy (BEIS) the effective performance management of project delivery. Innovate UK or representatives of Innovate UK have the right to:

- 13.1.1 monitor and inspect the partnership at any time.
- 13.1.2 request any documentation concerning the partnership that Innovate UK or the representatives of Innovate UK consider necessary to ensure the partnership conforms to these terms and conditions.
- 13.1.3 attend any meetings about the partnership and, if Innovate UK or the representatives of Innovate UK consider it necessary, call a meeting.
- 13.1.4 carry out assurance visits to the registered UK office without prior notice. All reasonable efforts must be made to comply with any feasible requests at the time of the visit.

- 13.2 The management of the partnership and the working relationship between the Business and your organisation must be as agreed in the Joint Commitment Statement signed on behalf of the partners during the grant application.

- 13.3. Innovate UK is the primary point of contact with you.

### **14. Warranties**

- 14.1 As of the effective date of this agreement, you warrant to Innovate UK that:

- 14.1.1 you or any of the project partners have all necessary resources and expertise to deliver the partnership (this assumes your reliance on, and timely receipt of the grant and any conditions specified in the GOL).
- 14.1.2 you or any of the project partners are not subject to any contractual or other restriction imposed by you or any other organisation's rules or regulations or otherwise which may prevent or impede you from meeting your obligations in connection with the grant.
- 14.1.3 you or any of the project partners have not committed any offence under the Bribery Act 2010.
- 14.1.4 you or any of the project partners have adequate procedures in place for dealing with any conflicts of interest.



- 14.1.5 all financial and other information concerning you or any of the project partners which has been disclosed to Innovate UK is, to your reasonable knowledge and belief, true and accurate.
- 14.1.6 you or any of the project partners are not aware of anything in your own affairs, which you or any of the project partners have not disclosed to Innovate UK, which might reasonably have influenced the decision of Innovate UK to make the grant on the terms contained in this agreement.
- 14.1.7 since the date of the business partner's last accounts (if any) there has been no significant change in the business partner's financial position or prospects which you have not declared to Innovate UK.
- 14.1.8 you or any of the project partners are not subject to an outstanding order for the recovery of subsidy by UKRI, IUK or any other UK public authority or which has otherwise been declared by a court or a regulator to be unlawful or incompatible with the UK Subsidy Control Framework.
- 14.1.9 you or any of the project partners are not subject to an outstanding order for the recovery of any other State aid which has been declared by the European Commission to be unlawful and incompatible with the single market.
- 14.1.10 if the UK Subsidy Control Framework applies to the grant funding (see clause 21) you or any of the project partners are not subject to collective insolvency proceedings nor do you fulfil the criteria under UK domestic law for being placed in collective insolvency proceedings at the request of your creditors.
- 14.1.11 if the State Aid rules apply to the grant funding (see clause 18), you or any of the partners are not an 'undertaking in difficulty' as defined in the state aid rules (GBER 2014).
- 14.1.12 when responding to requests for information about the partnership your response will state that Innovate UK accepts no liability whatsoever for any information or advice provided by any party to the partnership.

We will not have any liability for any loss or damage of any kind, whether arising out of negligence or otherwise, which is suffered by the recipient or any other person in consequence of the provision of the information or advice.

## **15. Suspension, termination and repayment of grant**

- 15.1. Innovate UK may suspend, terminate or reclaim the grant in whole or in part.
- 15.2. We will take appropriate care in how we do this, but in certain circumstances we can immediately suspend grant payments.



- 15.3. If we have concerns that mean we might need to suspend, terminate or reclaim the grant, we will write to inform you and you will then have 30 days to respond to our concerns.
- 15.4. Examples of events that may result in Innovate UK suspending grant payments include, without limitation:
  - 15.4.1. any of the project partners misuse of the grant funds, including, in a fraudulent or financially misleading way or for purposes not declared in your application or agreed to subsequently by Innovate UK.
  - 15.4.2. false statements in any part of your application for grant or project documentation.
  - 15.4.3. failure to maintain satisfactory progress on the project in the opinion of Innovate UK.
  - 15.4.4. any significant changes to the proposed outcomes of the project.
  - 15.4.5. any of the project partners fail to comply with any terms and conditions of this agreement.
  - 15.4.6. behaviour or activity by any of the project partners, their staff, representatives or contractors which, in the reasonable opinion of Innovate UK is non-compliant with legislation or HM Government policies, or is detrimental to the reputation of Innovate UK, UK Research and Innovation or the Department for Business, Energy and Industrial Strategy, or is otherwise detrimental to the public interest.
  - 15.4.7. any of the project partners commit a breach of your obligations in clause 18.
  - 15.4.8. any of the project partners fail to deliver the agreed project support as set out in the application form.
  - 15.4.9. any of the project partners fail to acknowledge the source of funding and displaying of logo's in publicity materials as described in clause 26.
- 15.5. Examples of events that may result in Innovate UK terminating the grant include, without limitation:
  - 15.5.1. failure to resolve to Innovate UK's satisfaction, or not being able to resolve, the reasons for suspension.
  - 15.5.2. any of the project partners being found to have applied for and secured multiple awards from Innovate UK or UK Research and Innovation for the same or largely interchangeable project scopes.
  - 15.5.3. being found to have breached any of Innovate UK's policies with which any of the project partners had previously been required to comply as a condition of the award of the grant.
  - 15.5.4. any of the project partners become insolvent, declared bankrupt, placed into receivership, administration or liquidation, or having a petition presented for winding up, or any similar arrangements that may affect any of the project partners financially.



- 15.5.5. a change to the legal status or ownership of any project partner which you have failed to declare or have misrepresented to us.
  - 15.5.6. any of the project partners are in breach of any of the warranties contained in the 'warranties' section of this document.
  - 15.5.7. any of the project partners use the grant for purposes other than those contained within the application and description of the partnership without the consent of Innovate UK.
  - 15.5.8. any of the project partners have failed completely to provide or, in the reasonable opinion of Innovate UK, failed to make reasonable effort to collect or provide the information requested of them by Innovate UK in accordance with 'final reporting' section of this document.
  - 15.5.9. behaviour or activity by any of the project partners, their staff, auditor, accountant, representatives or contractors involving an act of fraud, dishonesty, malfeasance, misrepresentation or any serious financial irregularity in respect of any of the project partners or their operations which has or could have a serious adverse effect on any of the project partners, Innovate UK, or both.
  - 15.5.10 any of the project partners commit a breach of their obligations in clause 18.
- 15.6. If any of the project partners do not resolve an issue causing suspension or if we terminate the grant, you may be required to repay some or all of the grant.
  - 15.7. Innovate UK has the right to take all reasonable steps to reclaim any or all of the grant already claimed by you, should it be necessary for Innovate UK to suspend or terminate the grant or terminate this agreement for any reason.
  - 15.8. Where there is an underspend in grant funds paid to or claimed by you at the partnership end date, the full value of the underspend will be returned to Innovate UK immediately.
  - 15.9. You must inform Innovate UK promptly by email to [KTP\\_Partnerships@iuk.ukri.org](mailto:KTP_Partnerships@iuk.ukri.org) of any situation that may cause a delay to the delivery of the project, detailing the occurrence of the event and the action, if any, the partnership proposes to take, in order that progress is resumed.
- 16. Final reporting**
- 16.1. You will, no later than one month after the last date on which a KTP associate was engaged on the partnership, submit a Final Report. You must aim to secure an appropriate contribution from the Business to the Final Report.
- If the Final Report has not been submitted within one month of the last date on which a KTP associate was deemed to be engaged on the partnership, the final claim detailed in clause 12.8 will not be paid by Innovate UK.
- 17. Confidentiality and information management**
- 17.1. Innovate UK has the right to request access to any additional information we feel necessary in connection with this award. You must provide or allow access to such information within 20 working days of our request.



- 17.2 All your information disclosed deliberately or otherwise will be treated by Innovate UK as confidential information and commercially sensitive, unless otherwise marked or agreed in writing.

For the avoidance of doubt, it is at your discretion and must be with the agreement of the relevant third parties, if you choose to disclose confidential information of third parties to Innovate UK. At this point it will be treated as confidential information by Innovate UK unless marked otherwise.

- 17.3 Innovate UK, as part of UK Research and Innovation (UKRI) has an obligation to respond to specific requests, including from the general public, made under the Freedom of Information Act and the Environmental Information Regulations and may be required to disclose information.

If an Organisation is holding information on Innovate UK's behalf, it will provide appropriate assistance to meet the obligation. In instances where the disclosure of information is not already in the public domain, UKRI will endeavour to consult the Organisation before disclosure, but it is under no obligation to do so.

Whilst the decision to disclose will remain the responsibility of UKRI, should an Organisation request an exemption we will engage with the organisation and take its views into account if applicable.

- 17.4 You and the business partner acknowledge and accept the terms of [Innovate UK's Privacy Notice](#) and [Information Management Policy](#) which should be read in addition to [UKRI's privacy notice](#). This policy complies with the data protection legislation and explains Innovate UK's specific arrangements for collecting, storing, using and sharing your information.

Any information we collect from you and the business partner, through our online platforms, grant applications and administration, events or elsewhere, will be managed according to this policy. This can include personal data, confidential or commercially sensitive information.

The policy provides details on how we use this information to support our ability to fund, support and connect innovative businesses and encourage sustainable economic growth for the UK.

- 17.5 Innovate UK, as part of UKRI, is a public sector organisation and subject to further data protection obligations under the data protection legislation.

## **18. UK Subsidy obligations**

- 18.1 The State Aid Rules (see Annex 5 of the [Protocol on Ireland/Northern Ireland](#)) will apply to the grant funding where the grant funding will affect trade between Northern Ireland and the EU as envisaged by Article 10 of the Protocol on Ireland/Northern Ireland in the EU Withdrawal Agreement. In such cases, the provisions in Clause 29 in these terms and conditions will apply to the funding.

- 18.2 In all other circumstances, you must ensure at all times that the grant funding awarded to you is compliant with any legislation applicable in the United Kingdom on or after 1 January 2021 that regulates the granting by a public sector body of any advantage which threatens to, or actually distorts competition in the United Kingdom or any other country or countries (UK Subsidy Control Framework). Further information about the UK Subsidy Control Framework can be found in Innovate UK's general guidance for applicants.

- 18.3 You must inform Innovate UK of any other public funding applied for or awarded against the eligible costs covered by this award of grant.

- 18.4 Innovate UK will immediately stop grant payments to you in any and all projects and may require you to repay grant funding if you are found to have received a subsidy that is deemed to be in breach of the UK Subsidy Control Framework.

- 18.5 No subcontract or other agreement with a third party can be made which would constitute a breach of the UK Subsidy Control Framework.



## **19. Collaboration**

- 19.1. Any grant offer is conditional on an appropriate intellectual property (IP) agreement being in place before a KTP associate begins working on the partnership. This must be confirmed to the satisfaction of the MO. If this condition is not met, any grant offer will automatically lapse.

## **20. Exploitation of partnership results**

- 20.1. Innovate UK requires all project partners to establish an exploitation plan together with your MO at the start of your partnership, and to refine and update it at least once every 6 months (or at other intervals as agreed with Innovate UK) throughout the partnership's lifetime. The completed application is considered to be the initial exploitation plan.

For a period of 5 years from the end of the partnership, Innovate UK expects all project partners to take reasonable steps to exploit the results of the partnership in the UK (and the European Economic Area if the grant funding is subject to State Aid Rules).

In all cases it is expected the financial benefit arising from exploitation will accrue within the UK. Should exploitation outside of the UK or EEA be part of a tactical plan to deliver the overall opportunity for the applicant, the business partner must obtain written consent from the KTP programme manager. Innovate UK will continuously evaluate the impact of funding awarded to the partnership and you must cooperate fully in this process.

- 20.2. All project partners must inform us immediately if they are experiencing any financial, administrative, or managerial difficulties that may hinder or prevent them from fulfilling their obligations.

## **21. UK statutory framework**

- 21.1. Innovate UK is required to comply with all legislation in England and Wales.
- 21.2. All project partners must also comply with all legislation (including in the devolved administrations) where they apply to them and to act in a way that does not affect our ability to comply.
- 21.3. We particularly draw to the project partners' attention the Bribery Act 2010, the Data Protection Act 2018, the Fraud Act 2006, the Health and Safety at Work Act 1974, the Equality Act 2010, the Modern Slavery Act 2015 and the Procurement Regulations 2015.

## **22. Engagement**

Through the funding provided by Innovate UK for the project, Innovate UK may bring together (physically or virtually) all parties supported to network, share learning and demonstrate impact of this investment.

Upon request from Innovate UK all project partners will be expected to participate in these activities as part of the funded cohort for the duration of the project and 3 months thereafter. We expect that the benefits gained from this activity may result in organisations themselves continuing this beyond the end of the project.

## **23. Evaluation data**

- 23.1. Innovate UK is required to evaluate activities across all funded projects for accountability purposes and to inform future programme design. The project partners must provide Innovate UK, UKRI, BEIS, or any independent evaluation partner we appoint, with data when requested within 20 days.

The data can include, but is not limited to, information needed for benefit realisation and evaluation relating to the project partners' organisations and grant-funded activities throughout the duration of the funded project and for up to five years from the partnership end date.

- 23.2. Innovate UK or any independent evaluator Innovate UK appoint can also contact individuals to gather data through primary data collection methods for evaluating the impact of the project.





The project partners' data will not be published or referred to in a way which identifies any individual or business without your consent. Innovate UK may develop case studies to promote the technologies and systems being developed and demonstrated through this funding. We will develop the case study with the project partners and will obtain the project partners' written consent before publishing.

## **24. Equality, diversity and inclusion**

- 24.1 You 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.
- 24.2 Equality, diversity and inclusion (EDI) will be monitored during the Project and its evaluation. This will require, but is not limited to, sharing of staff EDI data when requested, (to the extent you are able to lawfully process such staff data) and monitoring and reporting on EDI impacts in line with the Equality Act 2010.

All personal data provided to Innovate UK will be processed in accordance with current UK data protection legislation, including the Data Protection Act 2018 and the General Data Protection Regulation (GDPR).

- 24.3 Where embedding EDI into the project has been outlined as a requirement by Innovate UK, you must conform to this within the scope of the competition. You must engage with associated events and support provided by UK Research and Innovation, where applicable.

## **25. Human rights, safeguarding and whistleblowing**

- 25.1 All project partners must (and must use its reasonable endeavours to procure that its staff must) at all times, comply with the provisions of the Human Rights Act 1998 in the performance of this agreement as if they were a public body (as defined in the Human Rights Act 1998).
- 25.2 To prevent exploitation, abuse or harm from occurring, all relevant safeguarding legislation must be adhered to. We particularly draw your attention to child protection legislation and the Modern Slavery Act 2015. All project partners 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](#).
- 25.3 All project partners must undertake, or refrain from undertaking, such acts as Innovate UK requests so as to enable the funder to comply with its obligations under the Human Rights Act 1998.
- 25.4 All project partners should adhere to good practice recommended by the [National Audit Office Assessment Criteria for Whistleblowing policies](#).

## **26. Publication of information**

- 26.1 All project partners must observe any publicity embargo on the announcement of successful projects until they receive notification from Innovate UK that such publicity embargo as applies has been lifted.
- 26.2 Innovate UK encourages you to seek your own publicity in respect of the project. If you want to publicise the project in any way whatsoever, please consult the Innovate UK guide '[Competition Winners' Communications & Media Toolkit](#)' which is included as a link in the Successful Notification that you may have received. It is also available from Innovate UK's Press Office by emailing [pressoffice@iuk.ukri.org](mailto:pressoffice@iuk.ukri.org).





26.3 In any materials produced relating to activities funded by this grant, the project partners must:

- 26.3.1. acknowledge the impact of Innovate UK funding in all communications. Your attention is drawn to 15.4.9 Suspension, termination and repayment of grant.
- 26.3.2. use the approved logo(s) prominently as much as possible.
- 26.3.3. use wording describing the support from the relevant challenge and Innovate UK in your communications.
- 26.3.4 As a condition of funding, to meet UKRI's obligations for public accountability and the dissemination of information, public descriptions of funded research proposals will be made available on the Innovate UK and UKRI websites and other publicly available sources.  
  
If Innovate UK or UKRI create a success story on your funding, we will agree with you the content we will use and we will not release any commercially sensitive or personal data
- 26.3.5. the Innovate UK and all UKRI logo's can be downloaded from  
<https://ukri.frontify.com/d/zgfuBB2r7aAg/brand-basics#/brand-basics/our-logos/standard-council-logos>

## 27. Dispute resolution

- 27.1 Where a dispute arises between the project partners and Innovate UK, we would encourage them to contact us to discuss how the matter can be resolved. If a mutually acceptable resolution cannot be achieved within 30 days of the project partners contacting us, Innovate UK has the right:
  - 27.1.1. either, unilaterally to terminate the grant and potentially to seek repayment of all or part of the grant funds previously paid to you
  - 27.1.2. if both parties agree, 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.

## 28. Force majeure

- 28.1 Where an event of force majeure, or a change to the laws of England and Wales, UK government or devolved administration policy or State Aid Rules occurs which affects Innovate UK's ability to continue funding your partnership, we can terminate this agreement by giving you as much written notice as reasonably possible.

In such circumstances, Innovate UK will meet any eligible costs in respect of the partnership that you have reasonably incurred and paid before the date of termination of this agreement.

## 29. EU State aid law

- 29.1. The provisions of this Clause only apply where the grant funding awarded falls within the scope of clause 18.1.
- 29.2. Unless otherwise stated in the GOL, Innovate UK makes the award through its Research, Development and Innovation Scheme operating under Commission Regulation (EU) No 651/2014 (the General Block Exemption Regulation (GBER)) and subsequent amendment.  
  
You must ensure at all times that you are compliant with the state aid rules under which you have been awarded. Further information about the state aid rules can be found in the section on state aid in Innovate UK's general guidance for applicants.
- 29.3. You must inform Innovate UK of any other public funding applied for or awarded against the eligible costs covered by this award of grant. It is your responsibility to ensure that the total of public funding and aid intensity you are receiving for the project does not exceed those limits stated in GBER.

You must ensure you comply with State Aid Rules, which are those rules contained in Articles 107 to 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 on the Functioning of the European Union (2008/C 115/01).

- 29.4. Innovate UK will immediately stop grant payments to you in any and all projects if you become subject to a recovery order that follows on from a previous European Commission decision, which declares any aid you have received as illegal and incompatible with the internal market.
- 29.5. Where members of the partnership are required by an order of the European Commission to repay any grant to Innovate UK that is found to be unlawful state aid, interest will be charged on the amount being reclaimed from the date of payment at the applicable legislated rate.
- 29.6. No subcontract or other agreement with a third party can be made which would constitute a breach of your obligations under the state aid rules.
- 29.7. Members of the partnership acknowledge that Innovate UK may be required to provide the European Commission with information about the financial assistance given to you by Innovate UK and you agree to provide such assistance as Innovate UK shall reasonably request.
- 29.8. Members of the partnership must not confer either directly or indirectly any selective advantage in breach of your obligations.
- 29.9. Members of the partnership must notify Innovate UK in the event that you are proposing to confer selective advantage and if you have conferred selective advantage either directly or indirectly.
- 29.10. Members of the partnership must seek independent legal advice regarding your compliance with these obligations as part of the grant funding.

### **30. Entire agreement**

This agreement constitutes the whole agreement between Innovate UK and supersedes all previous agreements between us relating to the partnership.

Each party acknowledges that, in entering into this agreement, it has not relied on and has no right or remedy in respect of any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing in this paragraph shall limit or exclude any liability for fraud or for fraudulent misrepresentation.

### **31. Acceptance of grant offer**

- 31.1. This offer remains open for acceptance for a period of one month from the date of this letter. Acceptance of this offer letter constitutes agreement in full to the terms and conditions set out in this letter. Acceptance must be signified by a person duly authorised to sign on behalf of the Knowledge Base Partner, signing and dating the attached Statement of acceptance and [uploading a scanned copy to the Innovation Funding Service \(IFS\)](#).
- 31.2. All project team members can [view a copy of this letter in IFS](#).



## Annex 1

### Statement of acceptance in respect of an offer of grant

**For a knowledge transfer partnership between UNIVERSITY OF THE HIGHLANDS AND ISLANDS & HIGHLAND DISTILLERS LIMITED**

**Project Number: 10082500**

**KTP Reference: 13800**

**Date: Friday, 06 October 2023**

UNIVERSITY OF THE HIGHLANDS AND ISLANDS fully accepts the terms and conditions as set out in this grant offer letter dated **Friday, 06 October 2023** and in the accompanying schedules.

Signed: Sheena Stewart

Name in full (Block Letters): Sheena Stewart

Position in institution or organisation: University Secretary

For and on behalf of: University of the Highlands and Islands

Date: 06 October 2023



### Schedule 1 of KTP grant offer letter dated Friday, 06 October 2023

**Project Number: 10082500**

**KTP Reference: 13800**

Knowledge transfer partnership between UNIVERSITY OF THE HIGHLANDS AND ISLANDS & HIGHLAND DISTILLERS LIMITED

Partnership budget and government contribution

Table 1 - fEC

Costs eligible for support	Partnership Budget £	Business's Contribution £	Government Contribution £
Directly incurred costs			
a. Associate employment	143018	71509	71509
b. Associate development	6000	3000	3000
c. Travel and subsistence	10054	5027	5027
d. Consumables	7660	3830	3830
Directly Allocated Costs			
e. Knowledge base supervisor	37254	18627	18627
f. Associate estates costs	0	0	0
g. Other costs	0	0	0
Indirect Costs			
h. Additional associate support	81795	40897	40898
<b>TOTAL</b>	<b>285781</b>	<b>142890</b>	<b>142891</b>
<b>Government Contribution (%)</b>	<b>50</b>		

NB Unless a case has been made in writing to the KTP programme manager and accepted and agreed by the programme manager, a maximum of £700 may be expended from the budget on fees associated with achievement of a higher degree.



## Schedule 2 of KTP grant offer letter dated Friday, 06 October 2023

### Information to help initiate your knowledge transfer partnership

#### 1. Registering for a KTP portal account

- The KTP Portal provides access to additional information and tools to enable you to manage your Partnership. To register for a Portal account please go to the login page using the following URL <https://secure.ktponline.org.uk/login.aspx?out=1&sn=kt> and select 'New user registration'
- Complete your details and if you are the named Company or KB Supervisor select 'Supervisor' under 'I am a...'. If you are a KB Administrator, select 'KB Partnership Administrator'. The system will match your details with an existing partnership. If it fails to do so, you may be asked to provide some more information. You will receive an email confirming your User ID and Password.
- Once you receive these details, go back to the login page and type them into the boxes provided to enter the Portal.

#### 2. KTP supervisor handbook: Managing knowledge transfer partnerships

- Aimed at giving the project team guidance on good practice in Knowledge Transfer Partnership management. A similar handbook will be provided to your Associate(s) and it is recommended you have early discussions about the actions suggested in both handbooks. To download a copy of the Supervisor Handbook from the KTP Portal, click the 'Supervisor and Associate Handbooks' link under Documents on the left-hand side of the homepage. This takes you to the Document Repository homepage.
- The KTP Managers National Forum have provided an Induction Guide for associates, that KTP Supervisors should familiarise themselves with. To download a copy of the guide, from the KTP Portal, click the 'Pre and Post Award Guidelines' link, then click 'Post award'.

#### 3. Support available to partnerships to facilitate the appointment of KTP associates

- The Grant Offer letter contains specific information regarding the recruitment of associates, which must be followed by all members of the recruitment team.
- The KTP Managers national forum have produced a recruitment guide, which should be reviewed by all members of the recruitment team. To download a copy of the guide, from the KTP Portal, click the 'Pre and Post Award Guidelines' link, then click 'Post award'.
- In addition to advertising the associate post in accordance with your institutions recruitment policies you must also advertise each associate post on the KTP website <https://www.ktp-uk.org/login/>. You must create a user account in order to add a role.

#### 4. Additional information

- **Associate Registration** - On appointment each Associate must immediately register with KTP. In order to do so, you must inform us of the appointment through the KTP Portal and this will start the registration process. More information can be found in "Shared Documents" on the supervisor home page in the Portal.
- **KTP Associate Development Course** - KTP Associates must undertake the KTP Associate Development Course. This is organised by the KTP Programme at no cost to the Partnership budget.



- The course provider will contact associates once their project commences, and they should join the first module, ideally within 3 months of starting their project.
- The associate must attend and complete both modules of the course and should not be confirmed in post until the course has been completed.

Updated: April 2021



### Schedule 3 (Certificate of Total Expenditure)

Your final claim for payment of grant on eligible expenditure must be submitted no later than 3 months after the last date on which a KTP Associate was engaged for work on the Partnership. Where a project is 'finishing off' the final claim must be submitted within 3 months of the agreed end date.

The final claim must be accompanied by Schedule 3 (Certificate of Total Expenditure) and signed by the Finance Director or an alternative with senior financial responsibility at your organisation.

If the final claim has not been submitted with the required supporting documentation within the required period, the claim will not be paid by Innovate UK.

### REQUIRED FORMAT OF CERTIFICATION BY THE KNOWLEDGE BASE PARTNER'S FINANCE OFFICER TO ACCOMPANY THE FINAL CLAIM FOR GRANT IN RESPECT OF A KNOWLEDGE TRANSFER PARTNERSHIP

To be copied on the Knowledge Base Partner's headed paper, selecting either the fEC or non-fEC model table as appropriate.





**Schedule 3 of KTP Grant Offer Letter**

**Project Number: 10082500**

**KTP Reference: 13800**

**Schedule 3 - Certificate of total expenditure of KTP grant offer letter**

I have examined the terms of Innovate UK's Grant Offer Letter (GOL) dated **Friday, 06 October 2023** and accepted by UNIVERSITY OF THE HIGHLANDS AND ISLANDS on *[enter date]* in connection with Knowledge Transfer Partnership Project No. 10082500 with HIGHLAND DISTILLERS LIMITED.

I have examined the records of the UNIVERSITY OF THE HIGHLANDS AND ISLANDS and have obtained such explanations and carried out such tests as I consider necessary to report on the final claim dated *[enter date]*, and all previous claims, for payment of grant under the terms of the GOL.

I report that the UNIVERSITY OF THE HIGHLANDS AND ISLANDS has maintained adequate records to enable me to report on such claims and that in my opinion [subject to any reservations set out in my accompanying letter dated *[enter date]*]:

- a. the final claim and previously submitted claims have been made in accordance with the terms and conditions of the GOL; and
- b. the UNIVERSITY OF THE HIGHLANDS AND ISLANDS had during the period *[enter actual start date]* to *[enter actual end date]* defrayed expenditure, as defined in the GOL, on the categories of direct costs eligible for Government support as stated in Schedule 1 of the GOL as set out below:



Table 1 - fEC

<b>Directly Incurred Costs</b>	£
a. Associate(s) employment costs	
b. Associate development	
c. Travel and subsistence	
d. Consumables	
<b>Directly Allocated Costs</b>	
e. Knowledge Base supervisor	
f. Associate Estates provision	
g. Other Costs	
<b>Indirect Costs</b>	
h. Additional Associate Support	
<b>Total</b>	

Signed: \_\_\_\_\_

Name in full (block letters) \_\_\_\_\_

Position in institution/organisation: \_\_\_\_\_

For and on behalf of: \_\_\_\_\_

Date: \_\_\_\_\_

**Certificate Of Completion**

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Subject: Complete with DocuSign: 2442RA 20231006\_10082500\_GOL.pdf

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Document Pages: 24

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Initials: 0

Sharon Wares

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sharon.wares@uhi.ac.uk

Enveloped Stamping: Enabled

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Sheena Stewart

*Sheena Stewart*

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Sheena.Stewart@uhi.ac.uk

Viewed: 6/10/2023 | 16:14

University Secretary

Signed: 6/10/2023 | 16:15

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Sarah Wright

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University of the highlands and Islands

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Barbara Bremner

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Envelope Summary Events	Status	Timestamps
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Certified Delivered	Security Checked	6/10/2023   16:14
Signing Complete	Security Checked	6/10/2023   16:15
Completed	Security Checked	6/10/2023   16:15
Payment Events	Status	Timestamps