

DATED 16TH MARCH 2016

FRAMEWORK AGREEMENT

between

AEROSPACE TECHNOLOGY INSTITUTE

and

THE ORGANISATIONS



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Parties

- (1) Aerospace Technology Institute, a company limited by guarantee registered in England and Wales with company number 08707779 (the “**ATI**”).
- (2) The organisation that has signed the accession agreement set out in Schedule 5 in accordance with Clause 13 of this Framework Agreement (an “**Organisation**”).

Background

Whereas:

- (A) The ATI is an independent company working on behalf of the Government and the Industry to produce an aerospace Strategy and encourage growth within the Industry by strategically assessing opportunities and recommending to BIS via a Strategic Review Committee projects for joint Government and Industry funding.
- (B) Each Organisation is a business, research institute or academic body in the aerospace industry with UK operations.
- (C) Each Organisation has agreed to share certain Data with and provide certain assistance to the ATI in order that the ATI can perform its role in the creation of a Strategy and provision of objective advisory services to the Government and Industry regarding investments into R&D.
- (D) The Parties have agreed that each respective Organisation’s relationship with the ATI shall be governed by the following terms and conditions in order to bring transparency, clarity and efficiency to the working arrangements between the ATI and that Organisation.
- (E) This is a bi-lateral agreement between the ATI and the respective Organisation.

Terms

1. Definitions and Interpretation

The definitions and rules of interpretation set out in Schedule 1 shall apply to this Framework Agreement.

2. Commencement and Term

This Framework Agreement shall commence on the date on which it is entered into by the ATI and at least one Organisation in accordance with Clause 13.2, and shall continue until terminated in accordance with Clause 15.

3. Collaboration

- 3.1. The Parties acknowledge the role, aims and benefits of the ATI as at the date of this Framework Agreement are as set out in Schedule 2. The ATI shall notify each Organisation of any material change to the contents of Schedule 2 without unreasonable delay.
- 3.2. The Parties acknowledge and agree that the contents of Schedule 2:
 - 3.2.1 do not create any obligation or liability on the ATI or grant any right to any Organisation; and
 - 3.2.2 shall not be legally binding.
- 3.3. Nothing in this Framework Agreement shall place any liability upon the ATI for the actions and omissions of BIS, Innovate UK, the Government and/or Aerospace Growth Partnership, nor shall it place any obligation on the ATI to ensure that any such party carries out any of the acts set out in Schedule 2.
- 3.4. By signing up to this Agreement, the Parties acknowledge that the benefits offered to each Organisation, the ATI and the Industry collectively include:
 - 3.4.1 having a transparent and consistent approach across the Industry;
 - 3.4.2 creating a holistic and strategic insight in the Industry;
 - 3.4.3 providing Organisations with a clear understanding of the ATI, its role and the basis on which each respective Organisation will be collaborating with the ATI;
 - 3.4.4 the ATI and Innovate UK sharing certain Data with one another and each Organisation sharing certain Data with the ATI and Innovate UK based on a set of clear and defined terms; and
 - 3.4.5 defining the basis on which the Industry will contribute towards the operational costs of the ATI.
- 3.5. The purpose of this Framework Agreement is therefore to outline:
 - 3.5.1 the Data that shall be shared between an Organisation and the ATI and how it shall be shared;
 - 3.5.2 how the Data that is shared between an Organisation and the ATI shall be kept secure;
 - 3.5.3 how the ATI shall develop and maintain a Strategy and manage an R&D portfolio; and
 - 3.5.4 how the Industry will contribute towards, and the ATI shall collect and manage, the Operational Costs; and
 - 3.5.5 how the ATI shall provide advisory services to the Government and Industry.
- 3.6. The ATI agrees to collaborate with each Organisation (and, as far as shall be applicable under the terms of this Framework Agreement, with Consortia Members, Innovate UK, BIS and the Government) in accordance with the provisions set out in this Framework Agreement.
- 3.7. Each Organisation agrees to collaborate with the ATI (and, as far as shall be applicable under the terms of this Framework Agreement, with Innovate UK,

BIS and the Government) in accordance with the provisions set out in this Framework Agreement.

- 3.8. Nothing in this Framework Agreement shall restrict any Party's right to conduct its business activities or arrangements that come into being outside the scope of this Framework Agreement, subject always to the terms of the restrictions set out in this Framework Agreement (including the duties of confidentiality set out in Clause 6).

4. Data Collection

- 4.1. The Parties agree that it is beneficial for each Organisation to share certain Data with the ATI and Innovate UK for the following reasons:
 - 4.1.1 to enable the ATI to develop a Strategy based upon the insights of the Industry;
 - 4.1.2 to enable the ATI to be as informed as possible when advising the Government regarding funding recommendations;
 - 4.1.3 to create Projects that are robust economically and technically;
 - 4.1.4 to enable the ATI to compile, create and articulate the importance and value of the Government's support to aerospace R&D for the long-term economic performance of the Industry;
 - 4.1.5 to enable the ATI to identify opportunities for collaborative R&D Projects; and
 - 4.1.6 to enable the ATI to represent national aerospace technology interests in industry and state forums within and outside the UK.
- 4.2. Data shall be collected in accordance with Schedule 3.

5. Data Processing

- 5.1. The Parties agree that the Data shall be processed in accordance with Schedule 3 for the purposes set out in Schedule 3.
- 5.2. Each Party shall ensure that it complies with the requirements of all legislation and regulatory requirements in force from time to time relating to the use of personal data, including the Data Protection Act 1998.
- 5.3. For the avoidance of doubt nothing in this Framework Agreement shall:
 - 5.3.1 oblige an Organisation to disclose Data to any other Organisation; or
 - 5.3.2 entitle the ATI to disclose Data provided by or relating to one Organisation ("**Disclosing Organisation**") to any other Organisation without the express prior written consent of the Disclosing Organisation.

6. Confidentiality

- 6.1. Each Party shall keep the Confidential Information confidential and:

- 6.1.1 shall not use or exploit such Confidential Information in any way except for the permitted purpose(s) listed in Schedule 3 (each a **Permitted Purpose**) in accordance with the terms of this Framework Agreement (including the terms set out in Schedule 3) unless explicitly agreed in writing by the Disclosing Party;
- 6.1.2 shall not disclose or make available such Confidential Information in whole or in part to any third party, except:
 - (a) as expressly agreed in writing by the Disclosing Party prior to such disclosure being made;
 - (b) where permitted under Clauses 6.3 and/or 6.4; and/or
 - (c) by the ATI to the Strategic Review Committee to the extent necessary for the ATI and the Strategic Review Committee to carry out their obligations regarding any Project proposal.
- 6.1.3 shall not copy, reduce to writing or otherwise record or transmit the Confidential Information except as strictly necessary for any Permitted Purpose as more specifically referred to in Schedule 3;
- 6.1.4 shall clearly mark any internal report that is generated using Confidential Information as the proprietary or confidential information of the Disclosing Party;
- 6.1.5 shall not export any Confidential Information, or permit it to be exported from the UK, in breach of any relevant export regulations;
- 6.1.6 shall use reasonable endeavours to protect the Confidential Information from unauthorised disclosure, copying or use; and
- 6.1.7 shall notify the Disclosing Party immediately if it becomes aware that any Confidential Information has been or may have been disclosed to, or is in the possession of, any unauthorised person.
- 6.2. Without prejudice to the generality of Clause 6.1, the ATI shall comply with the security obligations annexed to this Framework Agreement at Appendix 1.
- 6.3. A Party may disclose Confidential Information to those of its Representatives who need to know such Confidential Information for a Permitted Purpose to the extent that it is permitted to do under Schedule 3 or as otherwise agreed by the Disclosing Party in writing, provided that:
 - 6.3.1 it complies with any and all restrictions on disclosure as set out in Schedule 3;
 - 6.3.2 it informs such Representatives of the confidential nature of the Confidential Information before disclosure;
 - 6.3.3 it procures that its Representatives shall, in relation to any Confidential Information disclosed to them, comply with the obligations set out in this Framework Agreement as if they were a party to it; and
 - 6.3.4 at all times, it is liable for the failure of any Representatives to comply with the obligations set out in this Framework Agreement.

- 6.4. A Party may disclose Confidential Information:
- 6.4.1 to the extent such Confidential Information is required to be disclosed by law, by any governmental or other regulatory authority or by a court or other authority of competent jurisdiction provided that, to the extent it is legally permitted to do so, it gives the Disclosing Party as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this clause, it takes into account the reasonable requests of the Disclosing Party in relation to the content and timing of such disclosure; and
 - 6.4.2 to the Investigator of a Suspected Breach (both as defined below) to the extent that the Party reasonably deems that the same is required in order for the Investigator to investigate the Suspected Breach.
- 6.5. Each Party reserves all rights in its Confidential Information. No rights or obligations in respect of a Party's Confidential Information other than those expressly stated in this Framework Agreement are granted to any other Party, or are to be implied from this Framework Agreement.
- 6.6. In the event that any Organisation or the ATI reasonably suspects that the ATI has breached the terms of this Clause 6 in respect of any Confidential Information belonging to that Organisation (a "**Suspected Breach**") then the following provisions shall apply:
- 6.6.1 where an Organisation reasonably suspects a Suspected Breach, the Organisation shall notify the ATI of the Suspected Breach, such notice to be in writing and to include sufficient details of the Suspected Breach for the ATI to be able to identify and arrange for the investigation of the same, including confirmation of the Confidential Information to which the Suspected Breach relates, the date of the Suspected Breach and the identity of any party to whom the Organisation suspects any Confidential Information has been disclosed to the extent that such information is known (a "**Notice of Breach**");
 - 6.6.2 where the ATI reasonably suspects a Suspected Breach, the ATI shall notify the affected Organisation(s) of the Suspected Breach, such notice to be in writing and to include sufficient details of the Suspected Breach for the Organisation(s) to be able to identify and arrange for the investigation of the same, including confirmation of the Confidential Information to which the Suspected Breach relates, the date of the Suspected Breach and the identity of any party to whom the ATI suspects any Confidential Information has been disclosed to the extent that such information is known (a "**Notice of Breach**");
 - 6.6.3 upon receipt by the ATI of a Notice of Breach that complies with Clause 6.6.1 or the issue by the ATI of a Notice of Breach the ATI shall:

- (a) appoint an independent third party to be approved by the affected Organisation(s) (such approval not be unreasonably withheld or delayed) (the “Investigator”) to investigate the Suspected Breach (an “Investigation”) on such terms as shall be reasonably determined by the relevant Organisation(s) and the ATI jointly without any unreasonable delay;
- (b) suspend the processing, use and disclosure of Confidential Information from the affected Organisation(s) during the term of the Investigation unless otherwise expressly permitted by the relevant Organisation in writing (taking into consideration the nature and extent of the Suspected Breach and the likelihood of any ongoing or future breach);
- (c) suspend any request for the affected Organisation(s) to continue to provide further Confidential Information during the term of the Investigation unless otherwise expressly permitted by the relevant Organisation in writing (taking into consideration the nature and extent of the Suspected Breach and the likelihood of any ongoing or future breach); and
- (d) be entitled to disclose the details of the Suspected Breach (even where the same amounts to Confidential Information) to the chair, independent non-executive directors and the chief executive officer of the ATI to the extent that such information is required in order to allow such individuals to understand the nature, extent and impact of the breach and/or is required in order that the ATI can effectively manage the Suspected Breach.

6.6.4 The ATI and the relevant Organisation(s) shall provide all information and assistance requested by the Investigator in order to allow the Investigator to carry out its Investigation without any unreasonable delay.

6.6.5 If the Investigator determines as a result of the Investigation that the ATI has breached its obligations under this Clause 6 then (without prejudice to any other remedies which may be available to the Parties) the ATI shall be liable for the costs of the Investigator in carrying out the Investigation and the ATI shall no longer have the right to use, process and/or disclose any Confidential Information relating to the affected Organisation(s) unless otherwise expressly permitted by the relevant Organisation in writing (taking into consideration the nature and extent of the Suspected Breach and the likelihood of any ongoing or future breach).

6.6.6 If the Investigator determines as a result of the Investigation that the ATI has not breached its obligations under this Clause 6 then (without prejudice to any other remedies which may be available to the Parties)

the relevant Organisation(s) shall be liable for the costs of the Investigator in carrying out the Investigation and the ATI shall be permitted to continue to use, process and disclose the Confidential Information, subject always to the obligations set out in this Clause 6.

6.7. On termination of this Framework Agreement or an Organisation ceasing to be a Party to this Framework Agreement for any reason, the exiting Party or Parties shall (in respect of any Confidential Information relating to any other Party) and the ongoing Parties shall (in respect of any Confidential Information relating to an exiting Party or Parties):

6.7.1 return to the relevant Disclosing Party (or, at the Disclosing Party's request, destroy) all documents and materials (and any copies) containing, reflecting, incorporating or based on that Party's Confidential Information;

6.7.2 erase all the relevant Disclosing Party's Confidential Information from computer and communications systems and devices used by it, including such systems and data storage services provided by third parties, as far as it is reasonably able to do so; and

6.7.3 certify in writing to the relevant Disclosing Party that it has complied with these requirements upon the reasonable request of the Disclosing Party;

provided that:

6.7.4 the Parties shall be entitled to continue to retain and use another Party's Confidential Information to the extent that the same is permitted by any Innovate UK Grant Offer Letter and/or other agreement to which the Disclosing Party and the Recipient are parties (but shall thereafter comply with the terms of this Clause 6.7);

6.7.5 the ATI may retain documents and materials containing, reflecting, incorporating or based on another Party's Confidential Information to the extent that the Party has given its prior written consent to the same; and

6.7.6 a Recipient may retain documents and materials containing, reflecting, incorporating or based on the Disclosing Party's Confidential Information to the extent required by law or any applicable governmental or regulatory authority.

The provisions of this Clause 6 shall continue to apply to any such documents and materials retained by the Recipient.

6.8. Except as expressly stated in this Framework Agreement or any written agreement between the relevant Parties, no Party makes any express or implied warranty or representation concerning its Confidential Information.

6.9. Each Party shall continue to be bound by the provisions of this Clause 6 for a period of 15 years from the termination or expiry of this Framework Agreement (or, if earlier, a period of 15 years from it ceasing to be a Party to this Framework Agreement for any reason).

- 6.10. For the avoidance of doubt nothing in this Framework Agreement shall:
- 6.10.1 oblige an Organisation to disclose Confidential Information to any other Organisation; or
 - 6.10.2 entitle the ATI to disclose Confidential Information provided by or relating to one Organisation ("**Disclosing Organisation**") to any other Organisation without the express prior written consent of the Disclosing Organisation.

7. Press and Publications

- 7.1. Notwithstanding the terms of Clause 6, the ATI shall have the right (but not an obligation) to disclose the following:
- 7.1.1 the fact that an Organisation has signed up to and is a Party to this Framework Agreement; and
 - 7.1.2 the fact that an Organisation is no longer a Party to this Framework Agreement upon an Organisation ceasing to be a Party to this Framework Agreement for any reason.
- 7.2. The ATI shall obtain the prior written consent of any Organisation that is identifiable in or named in any material relating to this Framework Agreement or its subject matter ("**Identifiable Party**") before publically disclosing the same (such consent not to be unreasonably withheld). Each Identifiable Party shall confirm whether or not consent is given as soon as is reasonably practicable, and in any event within 15 Business Days of such consent being sought.
- 7.3. Each Organisation shall obtain the prior written consent of the ATI where the ATI is identifiable in or named in any material relating to this Framework Agreement or its subject matter before publically disclosing the same (such consent not to be unreasonably withheld). The ATI shall confirm whether or not consent is given as soon as is reasonably practicable, and in any event within 15 Business Days of such consent being sought.
- 7.4. Each Party shall promptly on request provide its logo for the purposes of any other Party making any disclosure set out in this Clause 7 in accordance with above, along with any reasonable guidelines on the use of that Party's branding and all other information reasonably requested by the other Party (which must be followed by the other Party).

8. Intellectual Property

- 8.1. Nothing in this Framework Agreement shall:
- 8.1.1 transfer Intellectual Property Rights belonging to a Party or Parties to any other Party or Parties; or
 - 8.1.2 otherwise entitle a Party to use, exploit or obtain any benefit in the Intellectual Property Rights belonging to another Party or Parties; unless explicitly agreed in writing by the relevant Party or Parties.

- 8.2. The ATI shall not own any Intellectual Property Rights arising out of any Project unless explicitly agreed in writing between the parties to the Project and the ATI.
- 8.3. For the avoidance of any doubt, the ATI shall own the Intellectual Property Rights in any materials it creates, subject always to Clauses 6, 8.1 and 8.2.
- 8.4. Each Party shall promptly do or procure the doing of all such acts and things and execute or procure the execution of all such documents that may from time to time be required to give effect to this Clause 8.
- 8.5. Each Party warrants that the provision of any information, materials and documentation they provide, and the use of the same by the other Parties in accordance with the terms of this Framework Agreement, shall not breach the Intellectual Property Rights of any third party so far as it is aware taking reasonable but commercially prudent steps to ensure the same.
- 8.6. Subject always to Clause 17.2:
 - 8.6.1 the ATI shall indemnify each Organisation for any loss, claim or damages suffered by the respective Organisation as a result of any breach by the ATI of the warranty set out in Clause 8.5; and
 - 8.6.2 each Organisation shall indemnify the ATI for any loss, claim or damages suffered by the ATI as a result of any breach by the respective Organisation of the warranty set out in Clause 8.5.

9. Industrial Contribution Mechanism

- 9.1. The Parties shall comply with the obligations relating to Industrial Contributions and Operational Costs set out in Schedule 4.
- 9.2. The ICP shall be reviewed three times a year by the ATI's board to ensure that the recoveries made by the ATI from Industry and the Government through the Total Contribution are no greater than the approved Operational Costs of the ATI through the life of the ATI, set at an average of £5,000,000 (five million pound Sterling) per annum, making allowance for the fact that the Total Contribution is to be divided equally between Industry and the Government.
- 9.3. This Clause 9 shall survive termination of this Framework Agreement for any reason, and shall continue to bind any Organisation that ceases to be a Party to this Framework Agreement, to the extent that the Industrial Contribution continues to be payable in respect of any Project to which the Organisation is a Consortia Member.

10. ATI Obligations

The ATI agrees that it shall:

- 10.1. maintain an advisory structure to maintain and refresh the Strategy;
- 10.2. publish the timetable of the Strategic Review Committee meetings in such format and within such timescales as it shall reasonably determine;

- 10.3. use all reasonable but commercially prudent endeavours to provide feedback to Lead Project Partners on proposed Projects without unreasonable delay following the relevant Strategic Review Committee meeting to discuss the Project (providing always that it shall not be obliged to provide any feedback until it has received all relevant information from the Strategic Review Committee and any other relevant party and has had the reasonable opportunity to review and process the same);
- 10.4. use all reasonable but commercially prudent endeavours to work with each Organisation in a fair and reasonable manner in the development of Project proposals;
- 10.5. comply with the charter of trust set out in Appendix 2, as amended from time to time by the ATI's board;
- 10.6. notify each Organisation in writing if there is a change of control of the ATI (within the meaning of section 1124 of the Corporation Tax Act 2010) and/or the members of the ATI's board of directors;
- 10.7. confirm upon the written request of an Organisation whether an entity is a party to this Framework Agreement as an Organisation;
- 10.8. obtain and maintain such insurance policies as the board of the ATI in its sole discretion deems necessary or advantageous for the ATI; and
- 10.9. maintain and publish its Strategy on such terms and in such format as it determines.

11. Organisation Obligations

- 11.1. Each Organisation agrees that it shall use all reasonable but commercially prudent endeavours to provide the ATI with the Organisation's proposals and all Mandatory Data requested by the ATI relating to a proposed Project within such timeframe as the ATI shall reasonably determine, such timeframe:
 - 11.1.1 to expire before the Strategic Review Committee meeting due to be held to consider the Project; and
 - 11.1.2 to be communicated by any method as the ATI shall reasonably determine.
- 11.2. Each Lead Project Partner shall as soon as reasonably practicable provide the ATI with:
 - 11.2.1 a list of the identity of the Consortia Members to each Project for which they are a Lead Project Partner following their appointment as the Lead Project Partner to such Project; and
 - 11.2.2 written notification of any change to the above list.
- 11.3. The ATI shall not be obliged to consider any Project proposal that is not submitted to the ATI during the time period specified by the ATI ("**Review Window**"). The Organisation shall however be permitted to resubmit any such

Project proposal during any subsequent Review Window specified by the ATI for the review of such Project proposal.

- 11.4. For the avoidance of doubt nothing in this Framework Agreement shall entitle an Organisation to hold the ATI liable (or make the ATI liable) for the acts or omissions of any other Organisation.

12. Ethics and Compliance

Each Party shall in relation to this Framework Agreement comply with all applicable laws, statutes, regulations, and codes relating to anti-bribery and anti-corruption including the Bribery Act 2010.

13. Participation of Organisations

- 13.1. Any organisation that carries out research, development and exploitation of R&D into manufactured goods in or relevant to the Industry shall, subject to the prior written approval of the ATI (which shall be provided at the ATI's sole discretion), be eligible to be an Organisation on the terms set out below.
- 13.2. No organisation shall be admitted as an Organisation unless and until it enters into an Accession Agreement which is approved and executed by the ATI.
- 13.3. Each Organisation hereby gives the ATI the authority to admit a new organisation as an Organisation (and an additional Party to this Framework Agreement) on behalf of each of the Parties from time to time of this Framework Agreement on the terms of this Clause 13.
- 13.4. Each Organisation shall be bound by the terms of this Framework Agreement from the date set out in the relevant Accession Agreement which is entered into and executed in accordance with Clause 13.2.

14. Exit of Organisations

- 14.1. Without prejudice to the rights and remedies of any Party, an Organisation may terminate its appointment as an Organisation (and shall cease to be a Party to this Framework Agreement accordingly) immediately upon written notice by the Organisation ("**Outgoing Organisation**") to the ATI if:

14.1.1 the ATI commits a material breach of any term of this Framework Agreement where:

- (a) such breach materially adversely affects the Outgoing Organisation; and
- (b) the breach is irremediable or (if such breach is remediable) the ATI fails to remedy that breach within a period of (twenty) 20 Business Days after being notified in writing to do so;

14.1.2 the ATI suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts

or is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986;

- 14.1.3 the ATI commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than for the sole purpose of a scheme for a solvent amalgamation of the ATI with one or more other companies or the solvent reconstruction of the ATI;
 - 14.1.4 a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the ATI other than for the sole purpose of a scheme for a solvent amalgamation of the ATI with one or more other companies or the solvent reconstruction of the ATI;
 - 14.1.5 an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the ATI;
 - 14.1.6 the holder of a qualifying floating charge over the assets of the ATI has become entitled to appoint or has appointed an administrative receiver;
 - 14.1.7 a person becomes entitled to appoint a receiver over the assets of the ATI or a receiver is appointed over the assets of the ATI;
 - 14.1.8 a creditor or encumbrancer of the ATI attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the ATI's assets and such attachment or process is not discharged within 14 days;
 - 14.1.9 any event occurs, or proceeding is taken, with respect to the ATI in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Clauses 14.1.2 to 14.1.8 (inclusive);
 - 14.1.10 the ATI suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; and/or
 - 14.1.11 the ATI notifies the Organisation of any change of control and/or change to the ATI's board of directors in accordance with Clause 10.6.
- 14.2. Without prejudice to the rights and remedies of any Party, an Organisation may terminate its appointment as an Organisation (and shall cease to be a Party to this Framework Agreement accordingly) for any reason upon the Organisation providing no less than three (3) months' prior written notice to the ATI, such notice not to take effect before the end of 31 March 2020.
- 14.3. Without prejudice to the rights and remedies of any Party, the ATI shall be entitled to terminate an Organisation's appointment as an Organisation:
- 14.3.1 immediately upon written notice to the Organisation if:
 - (a) the Organisation commits a material breach of any term of this Framework Agreement which breach is irremediable or (if such breach is remediable) fails to remedy that breach within a period

- of (twenty) 20 Business Days after being notified in writing to do so;
- (b) the Organisation suspends, or threatens to suspend, payment of its debts or is unable to pay its debts as they fall due or admits inability to pay its debts or (being a company or limited liability partnership) is deemed unable to pay its debts within the meaning of section 123 of the Insolvency Act 1986 or (being a partnership) has any partner to whom any of the foregoing apply;
 - (c) the Organisation commences negotiations with all or any class of its creditors with a view to rescheduling any of its debts, or makes a proposal for or enters into any compromise or arrangement with its creditors other than (being a company) for the sole purpose of a scheme for a solvent amalgamation of that Organisation with one or more other companies or the solvent reconstruction of that Organisation;
 - (d) a petition is filed, a notice is given, a resolution is passed, or an order is made, for or in connection with the winding up of the Organisation (being a company) other than for the sole purpose of a scheme for a solvent amalgamation of that Organisation with one or more other companies or the solvent reconstruction of that Organisation;
 - (e) an application is made to court, or an order is made, for the appointment of an administrator, or if a notice of intention to appoint an administrator is given or if an administrator is appointed, over the Organisation (being a company);
 - (f) the holder of a qualifying floating charge over the assets of the Organisation (being a company) has become entitled to appoint or has appointed an administrative receiver;
 - (g) a person becomes entitled to appoint a receiver over the assets of the Organisation or a receiver is appointed over the assets of the Organisation;
 - (h) a creditor or encumbrancer of the Organisation attaches or takes possession of, or a distress, execution, sequestration or other such process is levied or enforced on or sued against, the whole or any part of the Organisation's assets and such attachment or process is not discharged within (fourteen) 14 days;
 - (i) any event occurs, or proceeding is taken, with respect to the Organisation in any jurisdiction to which it is subject that has an effect equivalent or similar to any of the events mentioned in Clauses 14.3.1(b) to 14.3.1(h) (inclusive);
 - (j) the Organisation suspends or ceases, or threatens to suspend or cease, carrying on all or a substantial part of its business; or

- (k) there is a change of control of the Organisation (within the meaning of section 1124 of the Corporation Tax Act 2010); or
 - 14.3.2 for any reason upon the ATI providing the Organisation with no less than three (3) months' prior written notice, such notice to set out the reason(s) for the ATI's decision;
- upon which the Organisation shall no longer be a Party to this Framework Agreement.
- 14.4. The continuance of this Framework Agreement shall not be affected by any Organisation ceasing to be a Party to this Framework Agreement, subject always to Clause 15.1.

15. Termination of this Framework Agreement

- 15.1. Without prejudice to the rights and remedies of any Party, the Parties shall be entitled to terminate this Framework Agreement upon the unanimous written consent of all of the Parties.
- 15.2. This Framework Agreement shall automatically terminate if the ATI ceases to exist and/or ceases to carry out its business.
- 15.3. In the event that an Organisation ceases to be a Party to this Framework Agreement and/or this Framework Agreement is terminated for any reason:
 - 15.3.1 any provision of this Framework Agreement that expressly or by implication is intended to come into or continue in force in respect of the relevant Party shall remain in full force and effect notwithstanding that Party ceasing to be a Party to and/or the termination of this Framework Agreement (including Clauses 1, 6, 7, 8, 17, 18, 19, 20 and 23 to 28 (inclusive));
 - 15.3.2 the Parties shall comply with their obligations under Clause 6.7; and
 - 15.3.3 the ATI shall meet with any outgoing Organisation upon the request of that Organisation in order to discuss how the exit of the Organisation and/or termination of this Framework Agreement shall be managed (as between the ATI and the Organisation), providing that nothing in this Clause 15.3.3 shall oblige or entitle any Party to amend the terms of this Framework Agreement or its obligations thereunder.
- 15.4. Termination of this Framework Agreement and/or the exit of any Organisation shall not affect any rights, remedies, obligations or liabilities of the Parties that have accrued up to the date of termination or departure, including the right to claim damages in respect of any breach of this Framework Agreement which existed at or before the date of termination or departure.

16. Project Collaboration

- 16.1. Each Project shall be carried out in accordance with the terms agreed between the Participating Partners.

- 16.2. Each Organisation shall ensure that the terms of any agreement governing any Project to which they are a Party (including any Consortia Agreement) shall not cause any Party to this Framework Agreement to be in breach of the terms of this Framework Agreement.

17. Limit of Liability

- 17.1. Nothing in this Framework Agreement shall limit or exclude a Party's liability:
- 17.1.1 for death or personal injury caused by its negligence, or that of its employees, agents or sub-contractors;
 - 17.1.2 for fraud or fraudulent misrepresentation;
 - 17.1.3 for breach of any obligation as to title or quiet possession implied by statute; or
 - 17.1.4 for any other act, omission, or liability which may not be limited or excluded by law.
- 17.2. Subject always to Clause 17.1:
- 17.2.1 no Party shall have any liability to any other Party, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, for any loss of profit, or for any indirect or consequential loss arising under or in connection with this Framework Agreement;
 - 17.2.2 the ATI shall have no liability for the acts of omissions of any third party (including Innovate UK, BIS, the Government and any Organisation) other than its Representatives (to the extent that such liability is expressly set out in this Framework Agreement or otherwise required by law);
 - 17.2.3 the ATI's total liability to the Parties collectively, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with this Framework Agreement shall be limited to £1,000,000 (one million pounds Sterling);
 - 17.2.4 each Organisation's total liability to the ATI, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with this Framework Agreement shall be limited to £1,000,000 (one million pounds Sterling); and
 - 17.2.5 no Organisation shall have any liability to any other Organisation, whether in contract, tort (including negligence), breach of statutory duty, or otherwise, arising under or in connection with this Framework Agreement, and nothing in this Framework Agreement shall be deemed to create any obligation between an Organisation and any other Organisation.
- 17.3. Without prejudice to any other rights or remedies that a Party may have, the other Parties acknowledge and agree that damages alone would not be an adequate remedy for any breach of the terms of this Framework Agreement by

a Party. Accordingly, each Party shall be entitled to the remedies of injunction, specific performance or other equitable relief for any threatened or actual breach of the terms of this Framework Agreement (subject always to Clause 17.2.5).

17.4. The Parties expressly agree that if any limitation or provision contained or expressly referred to in this Clause 17 is held to be invalid under any applicable statute or rule of law, it shall, to that extent, be deemed varied in accordance with Clause 23.

18. Arbitration clause

Any dispute arising out of or in connection with this Framework Agreement, including any question regarding its existence, validity or termination, shall (subject always to Clause 17.3) be referred to and finally resolved by arbitration under the London Court of International Arbitration rules, which rules are deemed to be incorporated by reference into this Clause 18. The number of arbitrators shall be one.

19. Notices

19.1. A notice given to a Party under or in connection with this Framework Agreement shall be in English and in writing and sent to the Party at the address set out below (in the case of the ATI) or set out in the relevant Accession Agreement (in the case of an Organisation).

19.2. The ATI's addresses and contact details are as set out below:

19.2.1 Address: Martell House, University Way, Bedford MK43 0TR;

19.2.2 For the attention of: the Chief Operating Officer.

19.3. The following table sets out methods by which a notice may be sent and, if sent by that method, the corresponding deemed delivery date and time:

Delivery method	Deemed delivery date and time
Delivery by hand.	On signature of a delivery receipt or at the time the notice is left at the address.
Pre-paid first post or recorded delivery service.	9.00 am on the second Business Day after posting or at the time recorded by the delivery service.
Pre-paid airmailing.	9.00 am on the fifth Business Day after posting or at the time recorded by the delivery service.

19.4. For the purpose of Clause 19.3 and calculating deemed receipt:

19.4.1 all references to time are to local time in the place of deemed receipt;
and

19.4.2 if deemed receipt would occur outside of the hours of 9.00 am and 5:00 pm on a Business Day, deemed receipt is deemed to take place at 9.00 am on the following Business Day in the place of receipt.

19.5. This Clause 19 does not apply to the service of any proceedings or other documents in any legal action.

20. Force Majeure

No Party shall be in breach of this Framework Agreement nor liable for delay in performing, or failure to perform, any of its obligations under this Framework Agreement if such delay or failure result from events, circumstances or causes beyond its reasonable control. In such circumstances the affected Party shall be entitled to a reasonable extension of the time for performing such obligations.

21. Variation

No variation of this Framework Agreement shall be effective unless it is in writing and signed by the Parties (or their authorised representatives) save where expressly set out in this Framework Agreement.

22. Assignment

22.1. The ATI shall not assign, transfer, mortgage, charge, subcontract or deal in any other manner with any or all of its rights and obligations under this Framework Agreement without the prior written consent of each Organisation (such consent not to be unreasonably withheld or delayed).

22.2. No Organisation shall assign, transfer, mortgage, charge, subcontract or deal in any other manner with any or all of its rights and obligations under this Framework Agreement without the prior written consent of the ATI (such consent not to be unreasonably withheld or delayed).

23. Severance

If any provision or part-provision of this Framework Agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Framework Agreement.

24. No Partnership

Nothing in this Framework Agreement is intended to, or shall be deemed to, establish any partnership between any of the Parties, constitute any Party the agent of another Party, or authorise any Party to make or enter into any commitments for or on behalf of any other Party, except as expressly provided in Clause 13.3. Each Party confirms it is acting on its own behalf and not for the benefit of any other person.

25. Waiver and Remedies

- 25.1. Except as expressly provided in this Framework Agreement, the rights and remedies provided under this Framework Agreement are in addition to, and not exclusive of, any rights or remedies provided by law.
- 25.2. A waiver of any right or remedy under this Framework Agreement or by law is only effective if given in writing and shall not be deemed a waiver of any subsequent breach or default.
- 25.3. A failure or delay by a Party to exercise any right or remedy provided under this Framework Agreement or by law shall not constitute a waiver of that or any other right or remedy, nor shall it prevent or restrict any further exercise of that or any other right or remedy. No single or partial exercise of any right or remedy provided under this Framework Agreement or by law shall prevent or restrict the further exercise of that or any other right or remedy.

26. Third Parties

- 26.1. A person who is not a Party to this Framework Agreement shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Framework Agreement.
- 26.2. Each Party shall, and shall use all reasonable endeavours to procure that any necessary third party shall, promptly execute and deliver such documents and perform such acts as may reasonably be required for the purpose of giving full effect to this Framework Agreement.

27. Entire Agreement

- 27.1. Subject always to paragraph 1.4.10 of Schedule 1, this Framework Agreement constitutes the entire agreement between the Parties and supersedes and extinguishes all previous drafts, agreements, arrangements and understandings between them, whether written or oral, relating to its subject matter.
- 27.2. Each Party agrees that it shall have no remedies in respect of any representation or warranty (whether made innocently or negligently) that is not set out in this Framework Agreement. No Party shall have any claim for innocent or negligent misrepresentation based on any statement in this Framework Agreement.

28. Governing Law and Jurisdiction

This Framework Agreement 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.

This Framework Agreement has been entered into by the ATI on the date stated at the beginning of it.

Signed for and on behalf of
Aerospace Technology Institute:

Name:

Position:

Schedule 1 Definitions and Interpretation

1. The following definitions shall apply in this Framework Agreement:
 - 1.1. **Accession Agreement:** an accession agreement whereby an Organisation assents to the terms of this Framework Agreement on the terms set out in Schedule 5.
 - 1.2. **BIS:** The Department for Business, Innovation and Skills.
 - 1.3. **Business Day:** a day other than a Saturday, Sunday or public holiday in England when banks in London are generally open for business.
 - 1.4. **Confidential Information:** all confidential information (however recorded or preserved) disclosed by a Disclosing Party and/or its Representatives to a Recipient and/or the Recipient's Representatives whether before or after the date of this Framework Agreement, including information that:
 - 1.4.1. relates to the terms of this Framework Agreement;
 - 1.4.2. would be regarded as confidential by a reasonable business person, relating to:
 - (a) the business, assets, affairs, customers, clients, suppliers, plans, intentions, market opportunities, costs or prices of the Disclosing Party; and/or
 - (b) the operations, processes, product information, know-how, designs or trade secrets of the Disclosing Party;
 - 1.4.3. is developed by any Party in the course of carrying out this Framework Agreement and/or any Project; and/or
 - 1.4.4. is specified as confidential by the Disclosing Party;but shall not include any information that:
 - 1.4.5. is or becomes generally available to the public (other than as a result of its disclosure by the Recipient or its Representatives in breach of Clause 6); or
 - 1.4.6. was available to the Recipient on a non-confidential basis before disclosure by the Disclosing Party; or
 - 1.4.7. was, is or becomes available to the Recipient on a non-confidential basis from a person who, to the Recipient's knowledge, is not bound by a confidentiality agreement with the Disclosing Party or otherwise prohibited from disclosing the information to the Recipient;
 - 1.4.8. the Disclosing Party agrees in writing is not confidential or may be disclosed;
 - 1.4.9. is trivial or obvious;

- 1.4.10. is subject to an existing confidentiality agreement between the Recipient and the Disclosing Party and any such agreement shall continue to have full force and effect (unless the Recipient and Disclosing Party explicitly agree otherwise in writing);
- 1.4.11. is disclosed directly from an Organisation to any other Organisation(s); or
- 1.4.12. is developed by or for the Recipient independently of the information disclosed by the Disclosing Party.
- 1.5. **Consortia Agreement:** the agreement entered into between the Consortia Members of a Project governing the terms of such Project.
- 1.6. **Consortia Member:** any member of a Project (including any Participating Partner) that is admitted as a member of a Project by Innovate UK in accordance with an Innovate UK Grant Offer Letter, as notified by the Lead Project Partner to the ATI in accordance with Clause 11.2.
- 1.7. **Data:** any and all data provided by an Organisation, Innovate UK and/or Consortia Member as more specifically referred in Schedule 3.
- 1.8. **Disclosing Party:** either the ATI where it directly or indirectly discloses or makes available Confidential Information to an Organisation, or an Organisation where it directly or indirectly discloses or makes available Confidential Information to the ATI (as the context dictates).
- 1.9. **Government Contribution:** any monies to be provided by the Government to the ATI in order to fund the ATI's Operational Costs as more specifically referred to in Schedule 4.
- 1.10. **Grant:** the grant monies to be provided by Innovate UK in relation to a Project in accordance with the terms of an Innovate UK Grant Offer Letter.
- 1.11. **ICP:** the percentage of the Government's Grant monies paid to the Consortia Members of a Project in respect of the Project that shall be set out in the relevant Innovate UK Grant Offer Letter and shall be payable by the Lead Project Partner to the ATI as the Industrial Contribution in accordance with Schedule 4.
- 1.12. **Industrial Contribution:** the monies to be provided by the Industry via Lead Project Partners to the ATI in order to fund the ATI's Operational Costs as more specifically set out in Schedule 4.
- 1.13. **Industry:** the aerospace industry within the United Kingdom.
- 1.14. **Innovate UK:** The Technology Strategy Board operating under the name Innovate UK, a company created in England and Wales under Royal Charter with registered number RC000818.

- 1.15. **Innovate UK Grant Offer Letter:** the letter issued by Innovate UK setting out the terms on which Innovate UK shall provide grant funding for a consortia aerospace project.
- 1.16. **Intellectual Property Rights:** patents, rights to inventions, copyright and related rights, moral rights, trade marks and service marks, trade names and domain names, rights in get-up, goodwill and the right to sue for passing off or unfair competition, rights in designs, rights in computer software, database rights, rights to preserve the confidentiality of information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications (or rights to apply for and be granted), renewals or extensions of, and rights to claim priority from, such rights 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.
- 1.17. **Lead Project Partner:** the Organisation who coordinates a respective Project via an Innovate UK Grant Offer Letter.
- 1.18. **Mandatory A Data:** Data which an Organisation has been asked, and is under an obligation, to provide under the applicable Innovate UK Grant Offer Letter and which shall be provided to the ATI in accordance with the terms of this Framework Agreement as set out in Tables 1 and 2 of Schedule 3.
- 1.19. **Mandatory B Data:** Data which an Organisation has been asked, and is under an obligation, to provide under the terms of this Framework Agreement as a condition of being considered an applicant for Project funding as set out in Tables 1 and 2 of Schedule 3.
- 1.20. **Mandatory Data:** Mandatory A Data and Mandatory B Data jointly.
- 1.21. **Operational Costs:** Any and all costs and expenses incurred by the ATI in carrying out its operations including any and all costs and expenses incurred by the ATI in relation to its personnel (including salaries, PAYE, National Insurance, business expenses and insurance costs), facilities costs (including leases, taxes and insurance costs) and its business activities (including any and all costs and expenses incurred by the ATI in providing study facilities, networking facilities, exhibitions and/or publications) and all costs, expenses and liabilities arising from any contractual obligation and/or liability.
- 1.22. **Optional Data:** Data which an Organisation has been asked, but is under no obligation, to provide under the terms of this Framework Agreement as set out in Tables 1 and 2 of Schedule 3.
- 1.23. **Participating Partner:** an Organisation engaging in a Project which is either seeking to access UK aerospace R&D investments or is already

engaged via an Innovate UK Grant Offer Letter and drawing down UK aerospace R&D investments.

- 1.24. **Party:** a party to this Framework Agreement, being the ATI or any Organisation.
 - 1.25. **Project:** an aerospace R&D project (in all stages of development from concept through being funded) for which:
 - 1.25.1. the relevant Consortia Members wish to seek ATI funding; and
 - 1.25.2. an Innovate UK Grant Offer Letter has been, or is to be, entered into.
 - 1.26. **Quarter:** each three month period during the term of a Project as set out in the Innovate UK Grant Offer Letter, and “**Quarterly**” shall be interpreted accordingly.
 - 1.27. **R&D:** research and development (such term to include the Industry accepted definition of research and development, and research and technology).
 - 1.28. **Recipient:** either the ATI where it receives or obtains directly or indirectly Confidential Information from an Organisation, or an Organisation where it receives or obtains directly or indirectly Confidential Information from the ATI (as the context dictates).
 - 1.29. **Representatives:** the relevant Party’s employees, directors, senior management, subcontractors, agents and professional advisers.
 - 1.30. **Strategic Review Committee:** the review committee set up by the ATI and BIS for the purpose of monitoring the pipeline of potential Projects, reviewing the ATI’s strategic recommendations of which potential Projects to advance for Grant funding, and making decisions on which potential Projects to advance to subsequent Grant funding assessment steps.
 - 1.31. **Strategy:** the aerospace technology strategy to be developed by the ATI as part of its operations.
 - 1.32. **Total Contribution:** the Government Contribution and Industrial Contribution collectively.
2. Clause, Schedule, paragraph and appendices headings shall not affect the interpretation of this Framework Agreement.
 3. The Schedules and Appendices forms part of this Framework Agreement and shall have effect as if set out in full in the body of this Framework Agreement. Any reference to this Framework Agreement includes the Schedules and Appendices.
 4. References to Clauses and Schedules are to the clauses and schedules of this Framework Agreement and references to paragraphs are to paragraphs of the

Schedules. References to Appendices are to appendices of this Framework Agreement.

5. A person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
6. A reference to a company shall include any company, corporation or other body corporate, wherever and however incorporated or established.
7. Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
8. Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
9. A reference to any Party shall include that Party's personal representatives, successors and permitted assigns.
10. A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.
11. A reference to a statute or statutory provision shall include all subordinate legislation made from time to time under that statute or statutory provision.
12. A reference to writing or written includes fax and e-mail, subject that any notice is given in accordance with Clause 19.
13. Any words following the terms including, include, in particular, for example or any similar expression shall be construed as illustrative and shall not limit the sense of the words, description, definition, phrase or term preceding those terms.
14. Any obligation on a Party not to do something includes an obligation not to allow that thing to be done.

Schedule 2 Governance and Engagement

The below is a non-binding, non-exhaustive summary of the governance of the ATI and the way in which the ATI intends to engage with the Government, the Industry and other third parties.

(A) Governance

The ATI is both a company limited by guarantee and a not for profit organisation. All income and property of the ATI shall be applied to the goals of the ATI.

(B) Goals

The goals of the ATI include the following:

1. To provide technology leadership:
 - 1.1. To create, publicise and embed an ATI vision and Strategy that positively challenges and influences Industry's and Government's thinking;
 - 1.2. To become recognised as the Industry's strategic lead and conduit for R&D investment; and
 - 1.3. To develop, enhance and preserve critical strategic technological capabilities and infrastructure.
2. To maximise funding impact:
 - 2.1. To maximise opportunities for R&D funding within the Industry; and
 - 2.2. To back technology Projects consistent with the ATI's Strategy that develop and embed UK technological know-how and capabilities, benefiting the UK economy and jobs.
3. To convene strategic partnerships:
 - 3.1. To bring together the Government, the Industry, centres of excellence and academia to identify areas of mutual strategic benefit; and
 - 3.2. To facilitate strategic programmes of work amongst complementary stakeholders of the ATI.
4. To elevate the UK's international profile:
 - 4.1. To be the UK's advocate representing the Industry's collective technology capability internationally;
 - 4.2. To develop strong and impactful relations with influential aerospace sector leaders and institutions outside the UK; and
 - 4.3. To encourage and coordinate international collaboration in R&D relevant to the Industry.

(C) The ATI's Board

1. The ATI is overseen by a board (the “**Board**”) which is currently made up as follows:
 - 1.1. A Chairman;
 - 1.2. A Chief Executive;
 - 1.3. Seven private sector representatives, comprising:
 - 1.3.1. Four representatives, each from a different contributing industrial company, as selected by the Board from time-to-time;
 - 1.3.2. One representative selected by the Board from time-to-time to represent SMEs or companies which the Board deems to have comparatively low annual R&D expenditure within the UK (such representative to be appointed by the Board in its absolute discretion); and
 - 1.3.3. Two independent representatives selected by the Board from time-to-time at its discretion; and
 - 1.4. Three public sector representatives, comprising:
 - 1.4.1. One representative of BIS;
 - 1.4.2. One representative of Innovate UK; and
 - 1.4.3. One representative of the Engineering and Physical Sciences Research Council.
2. The Board shall have the powers, and operate in the manner, set out in the ATI's Articles of Association and governing documentation as amended from time to time.
3. Board meetings are currently held at least four times in any calendar year with no more than four calendar months lapsing between each meeting. The ATI lists the members of the Board on the ATI's website.

(D) Role and Remit of the ATI, Strategic Review Committee, BIS, Innovate UK and the Aerospace Growth Partnership

A Strategic Review Committee was established by BIS and the ATI, to oversee the development of Project proposals from inception through submission to Innovate UK for independent assessment and to BIS for the value for money approval processes, and consists solely of representatives from BIS and the ATI. The Strategic Review Committee prioritises and decides which projects to advance to Innovate UK independent assessment and BIS value for money assessment on the basis of strategic fit and economic potential. Further information regarding the strategic review process is set out on the ATI's website.

BIS shall have the final decision regarding Project investments from the Government, as well as performing value for money assessments when required. The ATI provides BIS with certain information and advice regarding its part of the investment.

Innovate UK is the delivery partner for the ATI R&D programmes, performing independent assessment, issuing and managing contracts, and monitoring Projects.

The ATI supports the shaping of Project proposals through its engagement with Organisations. The ATI assesses the economic, technological and strategic potential of submitted Project proposals to advise and recommend to the Strategic Review Committee which proposals to advance.

The ATI provides briefings to the Aerospace Growth Partnership's steering committee and its working groups with the aim of ensuring that the ATI's mission and objectives are complementary to the broader aerospace strategy as outlined by the Aerospace Growth Partnership.

The role and remit of BIS, Innovate UK and Aerospace Growth Partnership are further referred to on the ATI's website from time to time.

(E) Engagement

The ATI seeks to engage with organisations that are investing in and executing R&D in aerospace technology in a manner that will then be exploited within the Industry.

The ATI aims to engage its stakeholders through the following channels:

1. Building strategic relationships with those organisations who can, through the execution of research, deliver the objectives of the ATI's Strategy. These relationships are broadly one-to-one between the ATI and the organisation;
2. The ATI's technology advisory structure has been designed to help organisations in the Industry and academia in specific themes, such as materials, to coalesce around market opportunities. The aim of this advisory network is to assist in seeking out cross-cutting themes and areas of need within the Industry. The ATI sees these mechanisms as a one-to-many relationship;
3. The management of technology showcases and briefing events are designed to provide opportunities to build consensus views of the UK's technology needs relevant to the Industry, create consortia and broaden the reach and network of the ATI; and

4. The provision of e-channels to reach both national and international networks. E-channels include twitter feeds, weekly e-briefings, the use of webinars and an online presence via the ATI's website.

(F) Purposes and provision of Data between the ATI and Organisations

The ATI envisages that the following Data shall be collected and shared in the manner set out in Schedule 3:

1. Strategy and roadmaps.

- 1.1. The ATI is charged with developing a Strategy and supporting technology roadmaps. This Strategy is aimed at guiding a programme of research funded jointly by the Government and the Industry, and supporting Organisations more broadly to understand the strategic needs and direction of the Industry for inclusion in an organisation's own technology and research plans. The first version of this Strategy was released on the 1st July 2015.
- 1.2. Creating a Strategy relies on effective engagement between the ATI and Organisations, supported by the appropriate provision of a variety of technical, strategic and market information, as well as independent and objective analysis and consolidation by the ATI.
- 1.3. The Strategy is market aligned, to focus on the commercial exploitation that will maximise the potential economic impact from technology investments. A market perspective is developed through the ATI's own analysis as well as input from companies, in the form of strategies, market assessments and market forecasts, with the aim of creating a grounded and balanced view of future market prospects is created. A coherent Strategy for technology and capability development is aligned to expected market opportunities. This requires a detailed understanding of the current state-of-art within the Industry and needs/demands going forward several decades. This is reliant on the sharing of product development plans, past/present/future research and capital plans, and information on research assets (such as test rigs or wind tunnels), always in accordance with Schedule 3.
- 1.4. The ATI develops and maintains a variety of strategy documents, which include:
 - 1.4.1. A fully public paper, accessible to any interested parties through the ATI's website and in hard copy form;
 - 1.4.2. A 'restricted' set of technology papers covering more detailed aspects of the Strategy that are available on request through the ATI's website. The ATI shall review each request and issue the

papers only to individuals that it deems to have a relevant role within the Industry. In receiving these documents, individuals will be required to accept terms of use and disclosure.

- 1.4.3. Internal documents, containing confidential and sensitive strategic Data and portfolio plans. This Data is only accessible in accordance with Schedule 3.

2. Portfolio management and project evaluation

- 2.1. The Strategy is realised through R&D programmes co-funded by the Industry and the Government and carried out within organisations. The ATI is charged with maximising the potential impact of this joint Government-Industry funded technology programme and is integral to the evaluation of potential Projects and steering of the portfolio at a strategic level. The ATI shall review potential Projects targeting Government ATI related R&D support and strategically assess such potential Projects from an economic and technological perspective. It shall use its findings to form recommendations to the Strategic Review Committee, setting out which potential Projects are most advantageous for Government support, while being cognisant of support constraints such as availability of funding.
- 2.2. The ATI aims to support organisations in the scoping and shaping of potential Projects at early stages of their development to address aspects of the Strategy. The ATI also aims to scope open competitions for collaborative projects. The scope and size of these open competitions shall be reviewed by the Strategic Review Committee prior to launching in collaboration with Innovate UK.
- 2.3. Performing this role relies on suitable visibility of contracted Projects within the programme's portfolio, to understand the technology and economic benefits that Projects are delivering and identifying any gaps that may exist against the Strategy. Strategic portfolio management of the ATI programme by the Strategic Review Committee relies on a complete view of all Projects within the portfolio. This includes knowledge of live Project proposals (giving a complete view of technology scope and deliverables), updated exploitation plans, current forecast spend data and risk management plans.

3. Economic impact

- 3.1. Both Government and Industry are investing in aerospace research and development as it will lead to economic impact for the UK as a whole. Evidence or indications of the actual or potential economic impact of the

'ATI intervention' to evaluate the policy and inform future policy decisions are required throughout the lifecycle of the programme.

- 3.2. The ATI will articulate to the Government the value of the R&D activity and the ATI, on the Industry's behalf.
- 3.3. Ongoing development of the Strategy and strategic leadership of the joint Government-Industry R&D portfolio is enhanced through feedback from individual Projects on the economic benefits the work is delivering.
- 3.4. High-level economic Data includes an Organisation's direct (including jobs, revenues, R&D spend, GVA) and indirect (including Industry spend, Industry jobs) economic contribution to the UK. This information will either be taken in isolation or combined with Data from other Organisations and sources to create a view of the economic value of different sector segments. This enables the ATI to articulate the importance of different aerospace companies and product segments, and to evaluate the portfolio of ATI Projects against the economic distribution of the Industry.
- 3.5. Project specific economic Data includes updated exploitation plans and risk management plans, which taken together provide a view of the portfolio's economic potential, as well as evidence of the impact of Projects after their delivery.
- 3.6. Post Project Data includes the deployment of technology in products, exploitation in a supply chain within the Industry, and applications or new R&D beyond the Project's original consortia.
- 3.7. Project specific economic Data and Post Project Data enable a 'bottom-up' evaluation of the impact of the ATI programme and provides tangible evidence to support high-level economic Data evaluation. This information will be used to find specific examples of how Projects have led to economic and technological benefits, and how ATI funding added value.

4. The ATI operations

In order for the ATI to manage the cash-flow associated with Industrial Contribution it is necessary for it to have access to up to date incurred spend and latest forecast spend data for live Projects.

(G) Projects

The aim of the ATI is (subject to any legal, contractual and other obligations it may have) to make decisions relating to Projects in a fair and independent manner.

Schedule 3 Data Requirements

1. Types of Data

All Data is described in Table 1 and is required to enable the ATI to fulfil its functions in the following areas:

- 1.1. **“Strategy and Roadmap Creation”**: This is Data relating to the formulation of an Industry-related Strategy and roadmap documentation by the ATI. Examples include market forecasts, corporate strategies and product development roadmaps that articulate and evidence the need for a particular technological direction.
- 1.2. **“Portfolio Management and Project Evaluation”**: This is Data relating to ATI’s role in evaluating Project proposals and tracking development of the portfolio to advise the Strategic Review Committee. This includes proposals for existing and potential new Projects as well as Project reporting information issued to Innovate UK.
- 1.3. **“Economic Impact”**: This is Data relating to the ATI’s role in advising the Government of the economic impact, value and viability of potential and actual Projects, and more broadly that of the entire ATI R&D portfolio. Examples include Project exploitation plans or information about an Organisation’s economic footprint such as jobs or UK revenues.
- 1.4. **“ATI Operations”**: This is Data that relates to the operation of the ATI including the financing of its operations and the calculation, collection and management of its Operational Costs and Total Contribution from the Industry.

2. The Collection of Data

- 2.1. Each Organisation shall use all reasonable but commercially prudent endeavours to provide any and all Mandatory Data requested of it by the ATI within the timescale and in the format reasonably requested by the ATI.
- 2.2. Where an Organisation provides Optional Data, it shall use all reasonable but commercially prudent endeavours to provide all such Optional Data within the timescales and in the format reasonably requested by the ATI.
- 2.3. Each Organisation shall use all reasonable but commercially prudent endeavours to ensure that any and all Data that it provides the ATI is complete, accurate and not misleading in any material respect.

- 2.4. Where the ATI already has Data it shall not request for an Organisation or any other party to provide such Data again and/or to reformat such Data unless it is reasonable for the ATI to make such a request.
- 2.5. Where this Schedule 3 specifies that the Mandatory Data shall or can be collected from Innovate UK, the Organisation hereby gives its consent for the ATI to collect the Mandatory Data from Innovate UK and shall promptly provide the ATI with any and all assistance reasonably requested of it by the ATI in order that the ATI can collect the Mandatory Data from Innovate UK, subject always to the ATI complying with the obligations set out in Clause 6. Where Innovate UK is unable to provide such Mandatory Data the Organisation shall, to the extent that it is reasonably able to do so, provide the same to the ATI upon the request of the ATI.
- 2.6. Each Organisation hereby consents to the ATI:
 - 2.6.1. discussing any Project with the Consortia Members to that Project; and/or
 - 2.6.2. collecting Mandatory Data relating to a Project from any Consortia Member to that Project;
 in accordance with this Schedule 3, subject always to the ATI complying with the obligations set out in Clause 6.

3. The Processing of Data Generally

- 3.1. Different types of Data shall be collected, stored, used and processed by the ATI's strategy, technology, operations and corporate development teams.
- 3.2. All Data provided by or on behalf of an Organisation to the ATI shall be processed in accordance with this Framework Agreement, including the security obligations set out in Appendix 1 and Clause 6.
- 3.3. For the avoidance of doubt the ATI shall be entitled to disclose Data:
 - 3.3.1. (to the extent that it does not constitute Confidential Information) to third parties and its board without the prior consent of any Organisation (subject always to Clause 6.6.3(d)); and
 - 3.3.2. to the Strategic Review Committee as far as is necessary for the ATI and Strategic Review Committee to review, evaluate and advise on a Project proposal.
- 3.4. The ATI shall use reasonable endeavours to ensure that the presentation of Data is done in a manner that is not misleading.

4. The Processing of Strategy and Roadmap Data

- 4.1. The ATI shall be entitled to publish Strategy and Roadmap Data as part of its role in advising on Strategy, roadmaps and economic impact subject always to the ATI complying with its obligations under this Framework Agreement including the obligations set out in Clause 6 and Schedule 3 (a “Permitted Purpose”).
- 4.2. The ATI’s Chief Technology Officer, Chief Strategy Officer and Chief Executive Officer shall review all public technology strategy documentation prior to their release.

5. The Processing of Portfolio Management and Project Evaluation Data

- 5.1. To the extent that the same constitutes Confidential Information, Portfolio Management and Project Evaluation Data collected by the ATI shall not be made accessible to any party other than the ATI’s permanent staff and the Strategic Review Committee, save where permitted under Clause 6.
- 5.2. The ATI shall appoint a strategic portfolio manager to oversee the internal processes and administration of Portfolio Management and Project Evaluation Data.
- 5.3. The ATI shall appoint project leads from its technology team to be responsible for the management of the strategic assessment of individual Projects and interfacing with Organisations.

6. The Processing of ATI Operations Data

The ATI shall be entitled to report information relating to the visibility of cash-flow and tracking of invoicing for Industrial Contribution payments to the ATI’s board for its review (a “Permitted Purpose”).

7. Strategy Development

The ATI develops a market aligned technology strategy by gathering and analysing information from Organisations and Projects in line with the Permitted Purposes, to validate the development of its strategy creation generated by its own research. A public document is published with refreshes as deemed required by the ATI and its board members but for the avoidance of doubt no Confidential Information will be shared externally by the ATI or shared with the ATI’s Advisory Structures.

8. **Disclosure to the ATI's Representatives**

The ATI will not share Confidential Information with its board or members of its advisory structures, save where permitted under Clause 6.6.3(d). Access to Confidential Information is restricted to named personnel in the ATI on a need to know basis only.

9. **Processing of Confidential Information by the Organisations**

Without prejudice to Clauses 5.3.2 and 8, each Organisation shall be entitled to store, process and use any Confidential Information provided by the ATI to that Organisation for:

- 9.1. the purposes of exercising its rights and carrying out its obligations under any agreement between the ATI and that Organisation;
- 9.2. the purposes of informing the Organisation's corporate and commercial strategy (subject to any instructions or restrictions notified by the ATI to the Organisation);
- 9.3. the purposes of informing on specific Projects being evaluated by the ATI; and/or
- 9.4. any other purpose that the ATI gives its prior written consent to; (each a "Permitted Purpose").

10. **Specific Data Requirements**

Without prejudice to paragraphs 1 to 9 (inclusive) of this Schedule 3, the ATI shall be entitled to collect, store, use, disclose and process the Data in accordance with Tables 1 and 2 below (subject always to its obligations under Clauses 5.2, 5.3 and 6 and Schedule 3).

Table 1: Data outside contracted Projects

Data requirement description	Value to the ATI				The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)	Value to the Organisation	Type of Data	Flow of Data
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations				
Market assessment/forecast data.	Y	Y			Undertaking its own analysis and publish market perspectives as part of developing its Strategy, seek input from companies to challenge or support this Strategy, and to help ensure that the ATI is developing a more robust market alignment.	Creation of a stronger UK aerospace strategy more effectively challenging and/or reflecting the Industry's needs and collective direction. Improved articulation of company/consortia proposal value.	Optional Data	From the Organisation to the ATI
Product development plans.	Y	Y			Understanding the longer-term R&D plans context of Consortia Members/ Projects to enable the ATI to strategically evaluate Projects and balance the portfolio into the future.	Creation of a stronger UK aerospace strategy more effectively challenging and/or reflecting the Industry's needs and collective direction. Improved articulation of company/consortia proposal value.	Optional Data	From the Organisation to the ATI
Elements of corporate strategies.		Y			Understanding the Organisations' long-term ambitions/commitments within UK. This supports the ATI in strategically evaluating the potential and direction of specific Organisations and their Projects, refining the portfolio management of the ATI's R&D programme more broadly.	Improved articulation of Organisation/Project proposal value.	Optional Data	From the Organisation to the ATI

Data requirement description	Value to the ATI					Value to the Organisation	Type of Data	Flow of Data
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
Industry supply chain information.		Y	Y		Understanding of Organisations’ UK and international supply chains within the Industry. This supports the ATI in evaluating the role of the Organisation within the Industry and its indirect economic impact, as part of its portfolio management activities and articulating the economic benefits of the ATI programme to the Government.	Improved articulation of Organisation/Project proposal value (i.e. UK Industry supply chain reach/ impact). Stronger national representation to the Government of the value and importance of the Industry.	Optional Data	From the Organisation to the ATI
Economic impact (including revenues, GVA, jobs, market share).		Y	Y		Understanding the relative scale/contribution of different parts of the Industry and specific Organisations. This supports the ATI in evaluating the role of the Organisation within the Industry and its direct economic impact, as part of its portfolio management activities and articulating the economic benefits of the ATI programme to the Government.	Improved articulation of Organisation/Project proposal value (i.e. UK Industry supply chain reach/ impact). Stronger national representation to the Government of the value and importance of the Industry.	Optional Data	From the Organisation to the ATI

Data requirement description	Value to the ATI					Value to the Organisation	Type of Data	Flow of Data
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
R&D impact evaluation information (post activity) and link to future R&D activity, commercial performance and scale of UK activity.			Y		Understanding the impact of specific ATI-supported R&D activity. This enables the ATI to evaluate the impact of Project portfolios over the mid to long term.	Stronger national representation to the Government of the value and importance of the Industry. Case for continued state R&D support.	Optional Data	From the Organisation to the ATI
Activities in other collaborative programmes (UK and abroad)		Y	Y		Understanding the broader set of R&D activity underway in the Industry. This supports alignment of portfolio decisions to international collaborative programmes. It also enables the ATI to understand the spectrum of contribution Organisations are receiving - including success in securing complementary funding from alternative sources.	Improved articulation of Organisation/Project proposal value (i.e. UK Industry supply chain reach/ impact). Stronger national representation to the Government of the value and importance of the Industry.	Optional Data	From the Organisation to the ATI

Data requirement description	Value to the ATI					Value to the Organisation	Type of Data	Flow of Data
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
Project/programme proposals, including forecast spend data, risk management plans and exploitation plans (Past and future Project proposals)		Y	Y	Y	Project proposals, including those already contracted and those in development, enables the ATI to: Advise the Strategic Review Committee on strategic alignment, economic potential and technological importance and value of Projects. Perform a gap analysis with historical proposals against the technology strategy and road maps. Maintain an accurate view of financial commitments to support decision making on new projects and assessing value for money from the project and portfolio. Spend Data enables the ATI to manage cash flow and finance processes.	Enables application to the ATI programme.	Mandatory B Data	From the Organisation to the ATI
Draft programme (level 2) plans for proposed Projects.		Y			Exchange of more detailed plans enables ATI to give improved support/feedback on Project development, explore alternative approaches/compromises to fit budget and enhance the proposal evaluation.	Improved articulation of Organisation/Project proposal value (i.e. UK Industry supply chain reach/ impact). Enables improved support from the ATI on development of Projects.	Optional Data	From the Organisation to the ATI

Data requirement description	Value to the ATI					Value to the Organisation	Type of Data	Flow of Data
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
Reports and output from Innovate UK’s independent assessment of Project proposals.		Y			Enables the ATI to take assessors' comments into account in working with Organisations and understanding the impact of any changes to Project scope, funding or timing at the portfolio level.	Enables applications to the ATI’s programme	Mandatory A Data	From Innovate UK to the ATI

Table 2: Data exchanged on contracted Projects

Data requirement description	Value to ATI					Value to the Organisation	Type of Data	Flow of information
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
Forecast update and actual spend data for on Projects		Y		Y	Maintaining an accurate view of financial commitments to support decision making on projects and assessing value for money from the project and portfolio. Key input to the ATI’s cash flow management and finance processes.	Vital for the functioning of the ATI. More effective portfolio management and individual Project decisions on behalf of the Industry.	Mandatory A Data	From Innovate UK to the ATI
Project plans, deliverables and milestones for live Projects, including level 2 plan	Y	Y			Updated plans and Project deliverables enables the ATI to assess forecast delivery of benefits against the technology strategy and roadmaps, in order to understand whether the overall ATI programme is delivering the intended benefits and potential impact.	More effective portfolio management and individual Project decisions on behalf of the Industry.	Mandatory A Data	From Innovate UK to the ATI
Status of deliverables/milestones from live Projects, Project officer reports and attendance at QRMs (provided with the consent of the Consortia Members)	Y	Y			Project status information allows the TI to assess forecast delivery of benefits, and to understand at a portfolio level whether the overall ATI programme is delivering the intended benefits and potential impact.	More effective portfolio management and relevant technology strategy that more effectively represents the developments and realities of the Industry’s activities and needs.	Optional Data	From Innovate UK to the ATI

Data requirement description	Value to ATI					Value to the Organisation	Type of Data	Flow of information
	1. Strategy & road-maps	2. Portfolio management & Project evaluation	3. Economic impact	4. ATI operations	The ATI shall be entitled to process the Data for the following internal purposes (“Permitted Purposes”)			
Updated risk management plans for live programmes.	Y	Y			Risk management information allows the ATI to understand overall risks to delivering the ATI technology strategy and desired high-level impact.	More effective portfolio management and relevant technology strategy that more effectively represents the developments and realities of the Industry’s activities and needs.	Optional Data	From Innovate UK to the ATI
Exploitation plans for live Projects - including potential aerospace and non-aerospace applications.	Y		Y		Updated and materialised exploitation information enables the ATI to develop a view of the potential economic impact of the Projects’ activities and how this is changing - feeding back into strategy refinements and enabling the ATI to articulate a more complete economic message to the Government.	Improved technology strategy focused on delivering economic results and stronger messaging to the Government on the role and impact of R&D on the economy.	Mandatory A Data	From Innovate UK to the ATI

Schedule 4 Industrial Contribution Mechanism

1. Purpose

- 1.1. It has been agreed that the ATI's Operational Costs shall be paid for equally by the Government and the Industry. The Government shall therefore pay 50% of the ATI's Operational Costs on such terms as shall be determined between the ATI and the Government (the "**Government Contribution**"), and the Industry shall pay the residual 50% of the ATI's Operational Costs via the Organisations in accordance with the below mechanism (the "**Industrial Contribution**"). The Industrial Contribution is payable in respect of any and all ATI research and development Projects utilising resource Grants.
- 1.2. The ATI shall draw down the Government Contribution from the Government on the terms between the ATI and the Government via a grant offer letter.
- 1.3. The Organisations agree that the Industrial Contribution for each Project entered into on or after 1 January 2016 shall be calculated in accordance with paragraph 2 of this Schedule 4. The Organisations agree that the Industrial Contribution for each Project, regardless of when the Project was entered into, shall be bound by the provisions set out in paragraphs 3 to 4 (inclusive) of this Schedule 4.
- 1.4. The Lead Project Partner is responsible for paying the Industrial Contribution on behalf of the Consortium. Reconciliation of the Consortia Member contributions is to be agreed and managed at a Consortium level. The Industrial Contribution is applicable to all research and development Projects. The Consortia Members for such Project have the opportunity to agree individual contribution values for individual Consortia Members as long as the total Industrial Contribution is paid in line with the payment schedule provided by the ATI.

2. Calculation (1 January 2016 Onwards)

- 2.1. All Projects entered into on or after 1 January 2016 are required to pay Industrial Contributions to the ATI on the terms set out in this paragraph 2.
- 2.2. Upon each of the Project Partners providing written acceptance of the Innovate UK Grant Offer Letter relating to a Project, the ATI shall receive the financial forecasts of the Project (the "**Forecast**") from Innovate UK.
- 2.3. Upon receipt of the Forecast:
 - 2.3.1. the ATI shall calculate and communicate to the Lead Project Partner the Industrial Contribution generated from the total Grant

award, to a profile specified in the consortium financial forecast, to produce a payment schedule detailing the Forecast Industrial Contributions (the “**FIC**”); and

- 2.3.2. the Lead Project Partner shall issue to the ATI a blanket set of purchase orders for the Project based on the FIC.
- 2.4. The Lead Project Partner shall procure that the ATI is established as a supplier of the Project on such terms as shall be agreed between the ATI and the Lead Project Partner within six weeks of the acceptance of the relevant Innovate UK Grant Offer Letter unless the ATI (acting reasonably) determines that the Lead Project Partner has a suitable alternative mechanism in place for ensuring the effective and efficient payment of the Industrial Contribution from the Lead Project Partner to the ATI in respect of the Project.
- 2.5. The ATI shall issue invoices to the Lead Project Partner on a Quarterly basis based on the FIC. For the avoidance of doubt the Industrial Contribution for the Projects shall be calculated and paid on the basis of the FIC and payment schedule provided by the ATI even if the Project does not complete on the anticipated end date.
- 2.6. If the Grant to be provided for a Project increases at any time then the ATI shall amend any future FICs to reflect such increase and shall provide the Lead Project Partner with a revised payment schedule.
- 2.7. If a Project is terminated within a Government fiscal year then the Industrial Contribution for such Project (based on the FIC) shall continue to be payable for the remainder of the Government fiscal year. Thereafter the Industrial Contribution for such Project shall cease to be payable.

3. Payment Terms

- 3.1. The Organisations agree that the Industrial Contribution for each Project shall be paid by the Lead Project Partner for each Project to the ATI in accordance with the terms of this Schedule 4 as part of the Industrial Contribution and that the Lead Project Partner shall have the sole responsibility for collecting any agreed proportions of such monies, as appropriate, from other Consortia Members.
- 3.2. The Lead Project Partner shall pay each correct invoice for the Industrial Contribution to the ATI in full within (sixty) 60 days from and including the date of issue of the invoice by the ATI unless agreed in writing between the ATI and Lead Project Partner. Payment shall be made in English Pounds Sterling to the bank account nominated in writing from time to time by the ATI.

- 3.3. The Lead Project Partner shall notify the ATI in writing within (fourteen) 14 days of receiving an invoice if it believes an invoice to be incorrect and shall promptly provide all assistance reasonably requested by the ATI in order that the ATI and Lead Project Partner can (wherever reasonably practicable) resolve any error before the due date for payment. In the event that only part of an invoice is held to be incorrect then the Lead Project Partner shall, notwithstanding any ongoing dispute, pay any undisputed part of the invoice in accordance with paragraph 3.2 of this Schedule 4.
- 3.4. For the avoidance of any doubt:
- 3.4.1. academia, catapults and not for profit research organisations shall not be liable to pay any Industrial Contribution (whether directly or indirectly);
 - 3.4.2. the Industrial Contribution shall be calculated on the entire Grant value for Projects entered into on or after 1 January 2016 irrespective of whether the Consortia Members for the Project include academia, catapults and/or not for profit research organisations as well as other Organisations;
 - 3.4.3. the Lead Project Partner shall be liable to pay each Industrial Contribution for the Project in full to the ATI in accordance with the terms of this Framework Agreement irrespective of who the Consortia Members are and/or whether the Lead Project Partner is entitled or able to recover any proportion of the Industrial Contribution from any other Consortia Member;
 - 3.4.4. the ATI shall have no obligation to collect any Industrial Contribution for a Project from any Consortia Member or party other than the Lead Project Partner for the Project, irrespective of any agreement that has been reached between the Consortia Members to determine how the Consortia Members shall each be liable for contributing to the Industrial Contribution;
 - 3.4.5. the Lead Project Partner's obligation to pay any and each Industrial Contribution shall not be affected by any delay, refusal or inability of any other Consortia Member or person to pay any amount that they have agreed to contribute to the Industrial Contribution;
 - 3.4.6. the Lead Project Partner's obligation to pay any and each Industrial Contribution shall not be affected by any delay in the payment of the Grant by Innovate UK and the Parties acknowledge that each Industrial Contribution shall be payable in full even if the Consortia Members have not received the associated Grant funding from Innovate UK by the date on which the Industrial Contribution is due to be paid; and

- 3.4.7. subject to paragraph 3.1 of this Schedule 4, each Project Partner shall be under an obligation to pay to the Lead Project Partner their proportion of the Industrial Contribution for a Project in accordance with the terms of the relevant Consortia Agreement, in order that the Lead Project Partner can pay such monies to the ATI in accordance with the terms of this Framework Agreement.
- 3.5. Where a Lead Project Partner is the Lead Project Partner of more than one Project at the same time then the ATI (unless it reasonably determines otherwise) shall invoice the Lead Project Partner for the Industrial Contributions for all of the Projects for which the Lead Project Partner is a Lead Project Partner collectively within such timeframe as shall be mutually determined between the ATI and the Lead Project Partner. Nothing in this paragraph 3.5 shall affect the Lead Project Partner's obligation to pay the Industrial Contribution in full and each invoice shall be payable within the timeframe set out in paragraph 3.2 of this Schedule 4 above.

4. Non-Payment

- 4.1. In the event that a Lead Project Partner fails to pay an Industrial Contribution in full and cleared funds by the due date then, without limiting any rights and remedies the ATI may have, the ATI shall have the right to charge the Lead Project Partner interest on the overdue amount at the rate of 4% per annum above the Bank of England's base rate from time to time if such payment remains outstanding for a period of (twenty) 20 Business Days or more. Such interest shall accrue on a daily basis from the due date until the date of actual payment of the overdue amount, whether before or after judgment. The Lead Project Partner shall pay the interest together with the overdue amount.
- 4.2. In the event that:
- 4.2.1. a Lead Project Partner informs the ATI that a Participating Partner has failed to pay any proportion of the Industrial Contribution due by the Participating Partner to the Lead Project Partner in accordance with the terms of the relevant Consortia Agreement;
 - 4.2.2. a Lead Project Partner fails to pay to the ATI the Lead Project Partner's share of the Industrial Contribution as set out in the relevant Consortia Agreement within the timeframe set out in this Framework Agreement; and/or
 - 4.2.3. a Lead Project Partner fails to pay to the ATI any share of the Industrial Contribution that it has received from any other Participating Partner in accordance with the terms of the relevant

Consortia Agreement within the timeframe set out in this Framework Agreement;

then, without limiting any rights and remedies the ATI may have, the ATI shall have the right;

- 4.2.4. to notify Innovate UK of the failure by the relevant Participating Partner(s) to pay the Industrial Contribution within the specified timescale, which Innovate UK shall be entitled to take into consideration when deciding whether to provide funding for any future proposed Project which the relevant Participating Partner(s) is to be a Consortia Member of;
 - 4.2.5. to request that Innovate UK suspends payment of any Grant monies to the relevant Participating Partner(s) in respect of the Project(s) to which the payment relates until the overdue Industrial Contribution payments are made by that Participating Partner in full; and/or
 - 4.2.6. to take account of such non-payment by the relevant Participating Partner(s) in any Strategic Review Committee reviews.
- 4.3. When exercising its rights under paragraphs 4.1 and 4.2 of this Schedule 4 the ATI shall, acting reasonably, take into account all circumstances relating to such non-payment.

5. Operating Costs Review

- 5.1. The ATI's operating budget is defined by the BIS grant award letter at an average of £5,000,000 (five million pounds Sterling) per annum and is approved by the ATI's Board. The allocation of this budget is determined by a delivery plan which is approved by the ATI's Board, BIS and the AGP as a requirement under the Grant Offer Letter between the ATI and BIS.
- 5.2. The ATI shall review its Operational Costs following the end of each of its financial year and determine whether the Operational Costs exceeded, were less than or were equal to the Total Contribution received for that financial year.
- 5.3. Where the difference between the Operational Costs and Total Contribution is calculated to be more than 5% then the ATI shall be entitled to amend the ICP for future Projects to reflect the Operational Costs of the ATI in the preceding financial year, taking into consideration all factors regarding its existence (and any shortfall from previous years that need to be recovered) as it shall reasonably determine and anticipated Operational Costs and the forecasted Project Grant funding.

- 5.4. For the avoidance of doubt the ATI shall only be entitled to amend the ICP for Projects in respect of which an Innovate UK Grant Offer Letter has not yet been issued and shall not be entitled to amend the ICP for any existing Projects in respect of which the ICP has already been agreed (and set out in the relevant Innovate UK Grant Offer Letter).
- 5.5. The ICP is reviewed three times a year by the ATI Board. Future Projects will be advised of the ICP before the final Strategic Review Committee where recommendations are made by the ATI that Projects should go forward for BIS and Innovate UK assessments. The ICP communicated to Projects at this stage will be the ICP in the applicable Innovate UK Grant Offer Letter.
- 5.6. If the ICP is amended in accordance with paragraph 5.3 then:
 - 5.6.1. the ATI shall publish the revised ICP, the date that the same shall come into force (the “**Revision Date**”) and its reasons for amending the ICP on its website (or by such other method as it shall reasonably determine) within one month of determining the revised ICP; and
 - 5.6.2. the Industrial Contribution for any Project in respect of which an Innovate UK Grant Offer Letter is entered into after the Revision Date shall reflect the amended ICP (as confirmed in the relevant Innovate UK Grant Offer Letter).
- 5.7. For the avoidance of doubt the ATI shall not require the approval of any Organisation or third party in order to amend the ICP in accordance with this paragraph 5, but shall require the prior approval of the ATI’s board.
- 5.8. The ATI will produce an annual financial summary which shall provide an overview of the ATI’s Operational Costs for the preceding financial year on an annual basis, which shall then be provided to each Organisation on the request of the respective Organisation without unreasonable delay. Such summary shall include a breakdown of how the ICP has been calculated.
- 5.9. The ATI will at all times work in an efficient manner to ensure that Operational Costs are, as far as reasonably practicable, minimised to ensure that the ICP is kept at as low as reasonably practicable whilst allowing the ATI to carry out its roles and functions efficiently and effectively.

6. **Distribution of Surplus Operational Costs**

- 6.1. In the event that the ATI ceases to operate for any reason, any surplus Industrial Contributions remaining in the possession of the ATI after all of its Operational Costs have been paid in full (“**Surplus Funds**”) shall

be distributed between the Lead Project Partners on the following basis (to the extent permitted by law):

$$S = \text{LPPIC} / \text{TIC}$$

- 6.2. For the purposes of this paragraph 5.9:
 - 6.2.1. S = the Surplus Funds to be distributed to each Lead Project Partner respectively in accordance with this paragraph 5.9;
 - 6.2.2. LPPIC = the total Industrial Contribution provided by the respective Lead Project Partner to the ATI; and
 - 6.2.3. TIC = the total Industrial Contribution received by the ATI from the Lead Project Partners collectively.
- 6.3. For the avoidance of any doubt the ATI shall have no obligation to pay any party any Surplus Funds, even if such party is a Consortia Member and had directly or indirectly contributed towards the Industrial Contribution for any Project, save for its obligations to pay the Lead Project Partners in accordance with this paragraph 5.9.
- 6.4. Any surplus Government Contribution remaining in the possession of the ATI after all of its Operational Costs has been paid in full shall be paid to the Government (or such other party or parties as the ATI and the Government shall agree) on such terms as shall be agreed between the ATI and the Government.

Schedule 5 Accession Agreement

THIS AGREEMENT is dated

PARTIES

- (1) Aerospace Technology Institute a company limited by guarantee registered in England and Wales with company number 08707779 (the “**ATI**”).
- (2) [] a [limited company] incorporated and registered in England and Wales with [company] number [] whose registered office is at [] (the “**Incoming Organisation**”).

BACKGROUND

- (A) The Incoming Organisation is a business, research institute or academic body in the aerospace industry with UK operations.
- (B) The Incoming Organisation wishes to become a party to the framework agreement dated 16th March 2016 (the “**Framework Agreement**”) and be admitted as an Organisation (as defined in the Framework Agreement).
- (C) This agreement is entered into under Clause 13 of the Framework Agreement.

AGREED TERMS

1. Words and expressions used in this agreement shall, unless the context expressly requires otherwise, have the meaning given to them in the Framework Agreement. The “**Effective Date**” means the date of this agreement.
2. The Incoming Organisation confirms that it has been supplied with a copy of the Framework Agreement and undertakes with each Party to the Framework Agreement that, from and including the Effective Date, the Incoming Organisation shall observe, perform and be bound by the provisions of the Framework Agreement as an Organisation.
3. The ATI confirms that (on behalf of the ATI and each of the existing Parties to the Framework Agreement) the Incoming Organisation shall, from and including the Effective Date, be a Party to the Framework Agreement and admitted as an Organisation.
4. The Organisation’s address and contact details for the purposes of Clause 19 of the Framework Agreement is as follows:
 - 4.1. Address: [];
 - 4.2. For the attention of: [].
5. This agreement 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.

This document has been entered into and is delivered and takes effect on the date stated at the beginning of it.

Signed on behalf of the **Incoming Organisation:**

.....

Name:

Position:

Signed on behalf of the **ATI:**

.....

Name:

Position:

The Incoming Organisation acknowledges and accepts that, for the purposes of Clause 5.2 of the Framework Agreement, the Data Protection Act 1998 has been superseded by the General Data Protection Regulation 2016 (2016/679) and the Data Protection Act 2018.

Signed on behalf of the **Incoming Organisation:**

.....

Name:

Position:

Appendix 1: Security Obligations

Information Security at the ATI

The ATI takes information security seriously and has implemented a policy and supported processes to ensure its importance is realised in how ATI conducts its business. The objectives of the policy are as follows:

- To clearly articulate the importance of information security to ATI employees;
- To document the responsibilities of the ATI and how these responsibilities are discharged through processes and procedures to enact this policy; and
- To detail the responsibilities that reside with employees regarding information security.

The purpose of information security is to ensure business continuity and minimise risk to the ATI by preventing or minimising the impact of security incidents. Information security enables information to be shared whilst ensuring the protection of such information, and the protection of related processing assets. The key focus of information security is the protection of the CONFIDENTIALITY, INTEGRITY and AVAILABILITY thereof. From a security perspective, appropriate protection is applied to all forms of information, including paper-based information, computer databases, tapes, media disks and any other methods used to convey knowledge and ideas.

The ATI adopts a “Defence in Depth” security strategy with identification and management of risk at its core, which it seeks to implement at every level and in every place where the ATI has a presence.

The security of the ATI’s information systems is of paramount importance and ATI operates within a fully encrypted system on all storage devices, eg laptops, multimedia and servers.

The ATI has sought to be Cyber Essentials compliant and goes beyond the requirements of the Cyber Essentials standards. The ATI trains its personnel in cyber security and is advised on a monthly basis on threat levels or immediately if an additional cyber risk has been identified. The ATI closely monitors all activities relating to cyber security.

The ATI shall comply with generally accepted industry practice (meaning the exercise of skill, diligence, prudence, foresight and judgement and the making of any expenditure that would reasonably be expected from a skilled person engaged in the

same type of undertaking under the same or similar circumstances) in relation to keeping information secure.

Observation of the ATI's security strategy is mandatory and should employees fail to comply then disciplinary procedures are enacted with immediate effect, including full withdrawal of access to ATI's information systems and buildings whilst an investigation is held.

The policy document is available to all personnel in both hard and soft copies and is reviewed annually.

A copy of the ATI's full security policy is available to any Organisation upon request, save that nothing in this Framework Agreement shall incorporate the terms of the full security policy, bind the ATI to the terms of its full security policy or prevent it from amending its full security policy from time to time (providing that such amendments comply with the terms of this Appendix 1).

All ATI personnel go through mandatory, annual security briefings. The ATI also provides updates on cyber security alerts as advised by our security providers who also carry out regular exercises on the ATI awareness, eg phishing campaigns, with regards to cyber security.

The ATI's security policy has been endorsed by Context Ltd, a Government endorsed information security advisor.

Appendix 2: Charter of Trust

CHARTER OF TRUST

The Aerospace Technology Institute (ATI) boldly aims to sustain and grow the UK's competitive position in aerospace technology and manufacturing. We recognise the international nature of the sector and the variety of touch points that our Institute will have with companies and organisations around the world as we aim to innovate and enhance the UK's commercial aerospace sector.

We believe this will afford genuine advantage to the sector but recognise the commercial sensitivity of the discussion and information to which we could be exposed.

We have therefore established this very distinct and clear 'Charter of Trust' to create trust, ensure confidentiality and allow discussion to be conducted in a controlled manner which encourages discussion and sharing for the benefit of all involved.

The over-riding principle is:

The Institute treats all information it receives as sensitive and confidential.

Specifically:

It will only discuss, publicly or with others, its generalised findings and will not reveal specific information nor its sources.

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The organisation(s) dealing with the ATI can specify their expectations around the use and confidentiality of the information discussed and/or shared.

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The ATI will, where necessary, establish information barriers internally to prevent exchanges of information that could cause conflicts of interest.

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The ATI Board, executives and employees are each legally bound to the charter and associated confidentiality.

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The ATI's premises and systems adhere to the highest standards of security and protection.

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The Board is committed to a formal annual review of the Charter