Terms and Conditions for receiving INNO-CCUS Pool 4 Project Grants

1. Application of the Terms and Conditions

The Terms and Conditions set out herein shall apply to all grants awarded by the INNO-CCUS Partnership as part of the implementation of the Investment Agreement 4372-00003B for the INNO-CCUS Partnership with Innovation Fund Denmark.

The following documents collectively set out the terms that are to be executed in relation to the grant:

- the Project Agreement comprised of i) the Grant Information Letter and ii) these Terms and Conditions for receiving INNO-CCUS Project Grants,
- the Partnership Agreement, and
- the Innomission Guidelines.

These Terms and Conditions supplement the Innomission Guidelines from Innovation Fund Denmark and have been prepared in accordance with the Investment Agreement.

If the Innomission Guidelines, or these Terms and Conditions, are not met, the INNO-CCUS Board of Directors and the Coordinator or Administrator reserve the right to suspend or terminate the grant partially or fully and to cease all disbursements.

In the event of conflict or inconsistency between these Terms and Conditions and the Innomission Guidelines, the latter shall prevail.

In case of conflict or inconsistency between these Terms and Conditions and the Partnership Agreement, the latter shall prevail.

Capitalised terms shall have the meaning in these Terms and Conditions as defined in the Innomission Guidelines and the Partnership Agreement, to which reference is made.

Technical University of Denmark is both Administrator and Coordinator of the INNO-CCUS Partnership. “Administrator” shall mean and encompass both the role as Administrator and the role as Coordinator, and any reference to the Administrator in these Terms and Conditions shall be construed accordingly. The INNO-CCUS Secretariat at the Technical University of Denmark is the main contact point for all enquiries regarding these Terms and Conditions.

2. Admission to the INNO-CCUS Partnership and the Partnership Agreement

Receipt of the grant is conditional upon formal admission to the INNO-CCUS Partnership by the Participant’s accession to the Partnership Agreement (by the Participant’s signing of the Accession Form) within the deadline set out in the Grant Information Letter.

The Partnership Agreement is concluded among the Participants of the INNO-CCUS Partnership, and Innovation Fund Denmark is not party to the Partnership Agreement.

3. Project Agreements

In accordance with the Innomission Guidelines, the grant is conditioned by the signing of a Project Agreement between the INNO-CCUS Partnership (represented by the Chairman of the Board) and the Administrator and the Project Participants.

These Terms and Conditions and the Grant Information Letter together constitute the Project Agreement when accepted by all Project Participants of the Project with their signing of the Acceptance declaration in the Grant Information Letter within the deadline set out in the Grant Information Letter.

Innovation Fund Denmark is not party to the Project Agreements.

4. Project Collaboration Agreement

The Project Participants must enter into a written Project Collaboration Agreement governing the Project, at the latest at the start of project activities and prior to any disbursement of funds.

If the Project Collaboration Agreement is not executed by the Project Participants within the deadline, the grant will lapse, unless the Administrator has approved an extension of the deadline in writing. The Administrator is not allowed to disburse any funds to Project Participants if a Project Collaboration Agreement has not been entered into.

in accordance with the Innomission Guidelines, the Project Collaboration Agreement must regulate how to use background and foreground knowledge, distribution of the Project results, who will gain access to the Project results, rules for publication and dissemination, and the process for Project Participants leaving or entering the Project etc.

The Project Collaboration Agreement shall be in accordance with relevant state aid regulations.

Neither the Board of Directors, the Coordinator, or the Administrator of the Partnership is party to, or assumes any obligations or liabilities under, any Project Collaboration Agreement between the Project Participants.

A signed copy of the Project Collaboration Agreement must be sent to the Administrator for documentation purposes.

5. Project organisation

The Project Participants must set up a project steering committee and appoint a Project Leader.

The Project Leader shall be responsible for the overall scientific and technical execution of the Project in accordance with the approved project description (appendix A to the Grant Information Letter), the approved budget (appendix B to the Grant Information Letter), and applicable requirements. The Project Leader acts as the primary point of contact between the Project Participants and INNO-CCUS and shall facilitate effective collaboration, progress, and alignment across the Project Participants to ensure successful completion of the Project within the agreed

scope, timeline, and budget. The Project Leader must inform the INNO-CCUS secretariat without undue delay if significant problems, deviations or delays arise.

Financial reporting and accountability towards INNO-CCUS shall remain the responsibility of each individual Project Participant, unless otherwise specified.

6. Project description

The Project must be implemented according to the project description and budget approved by the Partnership Board of Directors and be compliant with the control performed by Innovation Fund Denmark.

The approved project description and budget are enclosed as appendices A and B to the Grant Information Letter.

Each Project Participant is responsible for carrying out its assigned tasks within the scientific and financial framework and within the timelines specified in the project description.

The Board of Directors, the Administrator, or Innovation Fund Denmark may suspend or terminate disbursements partially or fully if the Project does not demonstrate sufficient progress, or if the fundamental assumptions underlying the activities cease to be present.

7. Changes to the Project

All changes to the Project, including changes to the project description, timelines, budget allocations, composition of Project Participants, or co-funding composition, require prior written approval by the Partnership Board of Directors. Procedures for requests for project amendments as specified by the Administrator must be followed.

Budgetary changes must follow both the Innomission Guidelines and the project amendment procedures established by the Administrator and can never have retroactive effect on completed financial years.

Where the change may be significant or in other ways potentially affect state aid compliance, approval by Innovations Fund Denmark is required.

Such approval from Innovation Fund Denmark may be sought and obtained through the Administrator, who shall act as liaison with Innovation Fund Denmark.

The Project Leader must seek approval in a timely manner, and the Project Participants must provide sufficient detail to enable the assessment, including updated budgets and justifications.

No reimbursement will be made for costs associated with unapproved changes.

Requests for project changes can not be submitted within the final three (3) months of the Project period.

If the Partnership Board of Directors decides that a Project is no longer relevant, because of significant changes in the Project or lack of fulfilment of the milestones in the Project Agreement, then the Partnership Board of Directors can terminate the Project Agreement.

If the Project Agreement is terminated before the Project has been completed, cf. the provisions of the Project Agreement in the Innomission Guidelines, the INNO-CCUS Partnership will, as a main rule, cover costs only within the period of notice except for PhD scholarships.

The Partnership can continue to cover the costs of PhD scholarships beyond Project termination on the condition that a plan for the completion of the PhD scholarship is presented before the expiry of the period of notice and that this plan can be approved by the Partnership Board of Directors. The plan must cover both scientific and financial aspects (including funding of additional costs beyond payroll costs).

8. Project completion and final reporting

Upon completion of the Project, each Project Participant must contribute to the preparation and submission of a final scientific report and a final financial statement for the entire Project period.

The INNO-CCUS Secretariat will provide detailed guidance on the final reporting requirements approximately three (3) months prior to the Project end date.

The deadline for submission of both the final scientific report and the final financial statement is three (3) months after the Project end date. Timely submission is a condition for the final disbursement of funds.

9. Disbursement and payment terms

The Administrator will disburse the grant directly to each Project Participant following the Innomission Guidelines. The disbursement of the grant is made retrospectively on the basis of submitted accounts.

Disbursements may be reduced in accordance with the Innomission Guidelines.

If the Administrator becomes aware of, or suspects, any wrongful disbursements, the Administrator will demand repayment of the grant, cf. the liability of the Project Participant as set out in section 16 below, in accordance with the Investment Agreement.

10% of the grant amount will be paid out when the final scientific and financial report for the Project has been approved by Innovation Fund Denmark.

10. Co-funding and prohibition of double funding

Each Project Participant must secure and document the co-funding required for the Project in accordance with the approved budget.

Costs that can be co-financed by the INNO-CCUS Partnership are detailed in the Innomission Guidelines.

The budget can include financing obtained from Participants in the Project.

In order to ensure compliance with the EU rules on state aid, no Project Participant can receive funding from Innovation Fund Denmark for activities supported by any other public sector subsidisation schemes within the EU or EU Member States, including Denmark, unless this has been explicitly authorised in writing by Innovation Fund Denmark.

Further, the received grant must not be counted as co-financing for other public sector subsidisation schemes, unless explicitly authorised in writing by Innovation Fund Denmark.

11. State aid

The grant is awarded in accordance with state aid regulation as set out in the Grant Information Letter.

Project Participants must at all times adhere to the rules and conditions pertaining to the State Aid Regulation, including by providing the necessary information and documentation.

For Project Participants that have chosen the salary calculation cost method of "Flat rate salary (De minimis)" in the budget, the funding from INNO-CCUS is granted pursuant to the conditions for de minimis aid set out in the de minimis regulation.[1]

For all other Project Participants, the funding from INNO-CCUS is granted in accordance with the Block Exempted Aid from the EU's rules on state aid (GBER).[2]

The Board of Directors, the Administrator, or Innovation Fund Denmark may suspend or terminate disbursements partially or fully in case of non-compliance with state aid regulations relevant for a specific Project Participant.

Innovation Fund Denmark acts as the granting authority and accordingly bears the overall responsibility for ensuring compliance with the state aid framework.

Innovation Fund Denmark handles the reporting and registration obligations associated with the state aid.

An assessment by Innovation Fund Denmark to ensure compliance with state aid regulations is required before initiating any work, provided that all necessary documentation and declarations have been submitted by each Project Participant, cf. the Innomission Guidelines.

Project Participants must comply with any request from the Administrator or Innovation Fund Denmark in this regard and are obliged to inform the Administrator of any changes relevant to the state aid. The Administrator shall act as liaison with Innovation Fund Denmark.

12. Audit and reporting

Each Project Participant must comply with any reporting and audit rules set out in the Innomission Guidelines and provided by the INNO-CCUS Partnership or Innovation Fund Denmark.

The audit must be carried out in accordance with the applicable audit instructions published on Innovation Fund Denmark's website.

Each Project Participant's financial statements must be audited separately.

[1] Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.
[2] Commission Regulation (EU) no. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, Article 8.

The audit requirements for a Project Participant's financial statements vary depending on whether the Project Participant receives a funding amount from INNO-CCUS, the size of the funding amount, and the organisation type of the Project Participant.

The accounts from the Project Participants in a Project are subject to audit according to the applicable audit instructions in the following cases:

- Accounts for periods where the total grants disbursed by the INNO-CCUS Partnership exceed DKK 500,000.
- Final accounts for the entire project period, audited upon completion of the Project.

Accounts from Project Participants that do not receive funding from the Partnership are not subject to audit but must be approved by a legally authorised employee of the Project Participant.

If a Project Participant is a government institution or a self-governing institution funded by the state, a statement from the institution's chief financial officer confirming compliance with applicable rules for the Project may replace an audit statement for the Project Participant's activities. Such statement may only cover the Project Participant's own activities within the Project, as any other Project Participant remains subject to the requirement for an auditor's statement. The template for this statement shall be approved by Innovation Fund Denmark before the accounts are submitted and should preferably adhere to Innovation Fund Denmark's prevailing templates.

Each Project Participant must, upon request, contribute to the evaluation of the Project as specified in the Innomission Guidelines and must also contribute to the Partnership's financial reporting and evaluation on the Project's progress and entitlement to continued funding.

The reporting must demonstrate the Project's status and progress, including a description of and documentation for achieved results, as well as the status with respect to contributions to the milestones and goals set out by the Partnership and the Project's status in relation to the fulfilment of the roadmap.

All Projects must prepare a final report which may be attached as an appendix to the Partnership's final report. Project Participants must comply with any requests from the INNO-CCUS Partnership and Innovation Fund Denmark in this regard.

In accordance with the Innomission Guidelines, the Administrator will not transfer funds to a Project Participant who has not provided accounting data or other required information that should have been submitted at the time of transfer.

Suspicion of fraud or deceit in the Project will be investigated and prosecuted, and all necessary documentation must be provided in such cases, in accordance with section 17 below regarding the obligation to pursue legal proceedings.

13. Oversight and monitoring

The Administrator and Innovation Fund Denmark may conduct oversights and monitoring on the Project, including review on the progress, impact, and overall accordance with the grant framework.

Each Project Participant shall, upon request from the Administrator or Innovation Fund Denmark, provide information for the purpose of oversight and monitoring in connection with the audit and reporting obligations as set out in section 11 above.

14. Delay, breach, and anticipated breach

Each Project Participant must promptly notify the Administrator of any actual or anticipated delay, deviation, failure to secure co-funding, or other circumstances that may affect the Project's progress or compliance with these Terms and Conditions or the Innomission Guidelines.

The Administrator may suspend or terminate disbursements partially or fully in case of delay, breach, or anticipated breach.

15. Administrative changes and regulatory interventions

The Project Participants acknowledge that changes, delays, or requirements imposed by competent authorities or by Innovation Fund Denmark, including but not limited to the disbursements, timelines and reporting obligations, may affect the grant.

The Board of Directors may implement such changes, including pausing or adjusting disbursement, with effect for the Project Participants to ensure continued compliance.

The Project Participants shall cooperate and take all reasonable steps to mitigate impacts.

See further on the liability of the Project Participant in section 16 below.

16. Claims against the Partnership or the INNO-CCUS Administrator

Any legal claims and associated costs brought against the Partnership or against the Technical University of Denmark in its capacity as the Administrator and arising from or relating to the disbursement of grants shall, to the extent possible, be covered by the funds allocated to the Partnership by Innovation Fund Denmark.

17. Project Participants' liability

The Partnership, the Administrator, and Innovation Fund Denmark may demand repayment of any amounts paid in error or otherwise not justified under the Innomission Guidelines, the Project Agreements, the Partnership Agreement, applicable law, or as a consequence of decisions, changes, or guidance issued by Innovation Fund Denmark or other competent authorities that affect eligibility or funding.

Where a payment was made on an unauthorised, incorrect, incomplete, or misleading basis; involved fraud or misuse; related to ineligible or undocumented costs; constituted double funding; or is otherwise unjustified, the Partnership, the Administrator, or Innovation Fund Denmark may demand repayment from the specific Project Participant.

If a payment to a Project Participant constitutes illegal state aid, the Administrator may also demand repayment from the Project Participant of the amount reclaimed by Innovation Fund Denmark from the Administrator.

In such case, the Project Participant shall return the relevant amount together with applicable statutory interest.

The Project Participant's liability toward the Administrator is limited to the Project Participant's share of the funding granted by INNO-CCUS. However, a Project Participant shall be liable without limitation for any claim or loss that results from, or is attributable to, that Project Participant's gross negligence, wilful misconduct, or other conduct for which the Project Participant is directly responsible.

The liability between the Project Participants is regulated in the Project Collaboration Agreement.

18. Obligation to pursue legal proceedings

As a consequence of the Investment Agreement entered into by Innovation Fund Denmark and the Administrator, the Administrator is, as part of its ordinary project monitoring and control of disbursed funds, under an obligation to investigate any substantiated suspicion of fraud or deceit in relation to the Project.

In this connection, the Administrator is under a formal obligation to pursue legal proceedings in respect of any claims arising from a Participant's breach, where such breach involves fraud or deceit.

19. Disclosure of information and dissemination

Each Project Participant confirms to comply with the rules on disclosure of information as set out in the Innomission Guidelines.

The Project Participants must inform the Administrator of any communication opportunities that arise from the Project and provide input for communication efforts upon request.

The Administrator must be informed in advance of all dissemination activities to ensure coordination.

Any publication of results from a Project or by a Project Participant, as well as any publications, reports or other material published by a Project Participant that contain references to the Project and/or results achieved in connection with the Project, must state that the Project is supported by Innovation Fund Denmark and is part of the INNO-CCUS Partnership.

The logo of Innovation Fund Denmark as well as INNO-CCUS must be clearly displayed in the published material. However, the logo may be omitted in scientific publications and similar materials to the extent that the use of logos is not customary.

Upon request from the Administrator, a Project Participant must on a yearly basis prepare a brief description of the Project, its status and results in both Danish and English, as well as any accompanying visual material, for use in Innovation Fund Denmark's annual report and on Innovation Fund Denmark's website, etc.

20. Consent to Publication of Data on Project Participants and Projects

The Project Participants accept that Innovation Fund Denmark, the INNO-CCUS Partnership, and the Administrator publish the names of the Project Participants, the Project title and duration, and key figures from the grant, including the size of the grant, in the database "Research Portal Denmark" (https://forskningsportal.dk/), on Innovation Fund Denmark's website

(www.innovationsfonden.dk) and in Innovation Fund Denmark's publications and on the INNO-CCUS Partnership website and social media profiles.

21. Communication through the INNO-CCUS Partnership

Project Participants must participate actively in ongoing activities for the Partnership. Additionally, communication is encouraged to be through INNO-CCUS websites, social media accounts, and international communications platforms, as well as through the Project Participants' channels.

22. Code of Conduct for Research Integrity and Open Access

Project Participants must implement the Project in accordance with:

- the Danish Code of Conduct for Research Integrity (https://ufm.dk/en/publications/2014/files-2014-1/the-danish-code-of-conduct-for-research-integrity.pdf), and
- the Open Access policy for public-sector research councils and foundations (https://ufm.dk/en/research-and-innovation/cooperation-between-research-and-innovation/open-access/Publications/councils-and-foundations).

23. Sanctions adherence requirements

Innovation Fund Denmark endorses the guidelines for international research and innovation (URIS) (https://ufm.dk/publikationer/2022/afrapportering-udvalg-om-retningslinjer-for-internationalt-forsknings-og-innovationssamarbejde).

Each Project Participant warrants that the award and use of the grant from Innovation Fund Denmark do not contravene applicable national or international sanctions, including sanctions on the freezing of funds or prohibitions on making funds or economic resources available, directly or indirectly.

The Project Participants are aware that, in connection with the conflict between Russia and Ukraine, the EU has significantly restricted the ability to make funds and economic resources available to certain persons or legal persons, entities, or bodies pursuant to Regulation (EU) No 269/2014 "concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine", and the Project Participants warrant that the award and use of the grant from Innovation Fund Denmark do not contravene this Regulation. A consolidated list of persons, entities and bodies subject to EU sanctions is available online (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02014R0269-20251023).

24. Governing law

These Terms and Conditions and any non-contractual obligations arising out of or in connection with them are governed by Danish law, excluding its conflict of laws rules.

Disputes shall, where feasible, be resolved through a stepwise process of good faith negotiations, followed by escalation to senior management, and, if unresolved, referral to the competent Danish courts, unless the parties agree to mediation.

All disputes arising out of or in connection with these Terms and Conditions and the awarded grant that cannot be settled amicably shall be decided by the Court of Lyngby as the court of first instance.