



Llywodraeth Cymru
Welsh Government

Mr Gareth Williams
Thales UK Limited
350 Longwater Avenue
Green Park
Reading
RG2 6GF

6th January 2020

Dear Mr Williams

Award of Funding to establish the National Digital Exploitation Centre (NDEC) in Ebbw Vale (reference GSU00004142). This award replaces our previous award dated 18th December 2018 which is now withdrawn.

1. Award of Funding

- (a) We are pleased to inform you that your Application has been successful and funding of up to £11,400,000 (eleven million four hundred thousand pounds) ("the Funding") is awarded to you for the Purposes (as defined in Condition 4(a)).
- (b) The Funding relates to the period 07/09/2018 to 31/03/2025 and must be claimed in full by 31/03/2025 otherwise any unclaimed part of the Funding will cease to be available to you.
- (c) If you have any queries in relation to this award of Funding or the Conditions please contact the Welsh Government Official who will be happy to assist you.

2. Statutory authority and State Aid

- (a) This award of Funding is made subject to the Conditions and under the authority of the Cabinet Secretary for Economy and Transport, one of the Welsh Ministers, acting pursuant to sections 58A and 60 of the Government of Wales Act 2006.
- (b) You must comply with the European Commission's State Aid Rules. Further details of the specific State Aid Rules applicable to the Purposes and the identification numbers of any relevant State Aid approvals are contained in Schedule 5. You are responsible for ensuring that the Purposes are delivered in line with the State Aid criteria upon which the Funding is awarded.

3. Interpreting these Conditions

Any reference in these Conditions to:

'you', 'your' is to Thales UK Limited, 350 Longwater Avenue, Green Park, Reading, Berkshire, United Kingdom, RG2 6GF registered number 868273

'We', 'us', 'our' is to the Welsh Ministers;

'Welsh Government Official' is to

Dickie Davis
Welsh Government
QED Centre
Main Avenue
Treforest Industrial Estate
Pontypridd
CF37 5YR
Tel: [REDACTED]
Email: [REDACTED]

or such other Welsh Government official as we may notify you.

'Project Manager' is to

Gareth Williams
Thales UK Limited
350 Longwater Avenue
Green Park
Reading
RG2 6GF
Tel: [REDACTED]
Email: [REDACTED]

'Advanced Cyber Institute' is to the research facility proposed to be established within the NDEC;

'Application' is to your business plan dated September 2018 Issue 3 – received 07/09/2018

'Assurance Statement' is to the Assurance Statement: counter fraud and governance contained in Schedule 7

'Conditions' is to the terms and conditions set out in this letter;

'Costs Defrayed' is to costs which are discharged by payment or otherwise settled by you.

‘Costs Incurred’ is to the cost of goods and services you have received regardless of whether you have paid for them by the date of your claim;

‘Digital Education Centre’ is to the education centre proposed to be established within the NDEC;

‘Eligible project costs’ is to the anticipated costs set out in the Cost/Revenue model included at Annex I of the Application;

‘External Reviewer’ is to the third party which we appoint to carry out the Project Implementation Review;

‘NDEC’ is to the National Digital Education Centre which Thales proposes to establish in Ebbw Vale;

‘Notification Event’ is to any of the events listed in Schedule 3;

‘Payment Profile’ is to the payment profile set out in Schedule 2;

‘Personnel’ is to your management/employees and suppliers or any other person appointed or engaged by you in relation to the Purposes;

‘Project Implementation Review’ is to our proposed review at approximately 18 months after the date of this letter to assess whether the National Digital Exploitation Centre is being delivered in accordance with the Application;

‘Schedule’ is to the schedules attached to this letter;

‘State Aid Rules’ is to the rules set out in Articles 107 to 109 of the Treaty on the Functioning of the European Union (or in those Articles that may succeed Articles 107 to 109), secondary legislation such as frameworks, guidelines and block exemptions produced by the European Commission derived from Articles 107 to 109, case law of the European Courts and decisions of the European Commission regarding the application of Articles 107 to 109; and

Any reference to any legislation whether domestic, EU or international law will include all amendments to and substitutions and re-enactments of that legislation in force from time to time.

4. What you must use the Funding for

- (a) You must use the Funding solely for the purposes set out in Schedule 1 (the **“Purposes”**).
- (b) You must achieve the targets and outcomes set out in Schedule 2, as may be revised from time to time in accordance with paragraph (c) below (the **“Targets”**).

- (c) We reserve the right to modify any of the Targets following our assessment of the outcome of the Project Implementation Review. Before making any modification, we will meet with you to discuss the outcome of the Project Implementation Review, to take account of your views and requirements and to seek to formulate the appropriate modifications to the Targets on a collaborative basis. Following such meeting, discussion and collaboration, we will confirm any modification of the Targets by sending you a notice in accordance with paragraph 16 below. For the avoidance of doubt, we will only modify future Targets. We will not modify a Target which you have already achieved and in respect of which you have claimed a payment of Funding in accordance with the Payment Profile.
- (d) Any change which you wish to make to the Purposes or Targets will require our written consent which must be obtained from us in advance of implementing any change. Please note that we are not obliged to give our consent but we will consider all reasonable written requests.
- (e) You must not use any part of the Funding for: (1) party political purposes; (2) the promotion of particular secular, religious or political views; (3) gambling; (4) pornography; (5) offering sexual services; (6) purchasing capital equipment (other than specifically in connection with the Purposes); (7) your legal fees in relation to this letter; (8) Costs Incurred or costs incurred and defrayed by you in the delivery of the Purposes prior to the period referred to in Condition 1 (b); (9) any kind of illegal activities; or (10) any kind of activity which in our opinion could bring us into disrepute.

5. Funding pre-conditions

- a) We will not pay any of the Funding to you until you have provided us with the following information and documentation:
 - (i) this letter signed by you;
 - (ii) documentary evidence that the signatories who have signed this letter on your behalf are duly authorised to do so;
 - (iii) documentary evidence that you have appropriate systems in place to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
 - (iv) a signed director's report confirming that you have in place all staff and other resources detailed in the Application as are required to commence working towards the Purposes, and that you have developed appropriate systems to ensure that you will have all required staff and other resources in place as required during the continuation of the project up until the date of the last payment of Funding to enable you to achieve the Purposes;
 - (v) the completed Assurance Statement;
 - (vi) signed contract between yourselves and the University of South Wales for the operation of the Digital Education Centre and Advanced Cyber Institute;
 - (vii) confirmation of our position on the NDEC steering board;

- (viii) Confirmation that you have joined the following Welsh Forums to promote Welsh Business Forums - EstNet, the Welsh Automotive Forum , Aerospace Wales, South Wales Cyber Cluster.

(b) Where you are required to provide information and documentation to us as evidence that you have satisfied a particular pre-condition, that information and documentation must in all respects be acceptable to us. We reserve the right to reject any information and documentation which is for any reason not acceptable to us.

6. How to claim the Funding

- (a) The Funding will be paid to you in instalments as detailed in the Payment Profile, and will be paid in respect of Costs Defrayed by you. No instalment will be payable unless the Target associated with it (as detailed in Schedule 2) has been met in full by the Achievement Date associated with it (as detailed in Schedule 2).
- (b) You must claim the Funding in accordance with the dates set out in the Payment Profile. You must claim the Funding promptly. We reserve the right to withdraw any part of the Funding that you do not claim promptly.
- (c) You must submit your claims for payment of Funding to the Welsh Government Official.
- (d) You must use our current claim pro-forma (which is available from the Welsh Government Official) and attach the information and documentation specified in the Payment Profile together with:
 - i) confirmation that you are operating in all respects in accordance with your constitution; and
 - ii) confirmation that you have appropriate systems in place to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
- (e) We will aim to pay all valid claims as soon as possible and typically within 28 days.

7. Your general obligations to us

You must:

- (a) safeguard the Funding against fraud generally and, in particular, fraud on the part of your Personnel and notify us immediately if you have reason to suspect that any fraud within your organisation whether or not it relates to the Funding has occurred or is occurring or is likely to occur. You must also participate in such fraud prevention initiatives as we may require from time to time.

- (b) comply with all applicable domestic, EU or international laws or regulations or official directives;
- (c) maintain adequate insurances to cover against the risks which may arise in connection with any property or any activity undertaken in delivery of the Purposes. We reserve the right to require you to provide proof of your insurance;
- (d) put in place and maintain appropriate systems to undertake due diligence before utilising any part of the Funding to provide a grant to or procure any goods or services from third parties;
- (e) co-operate fully with the Welsh Government Official and with any other employee of the Welsh Government or consultant appointed by us to monitor your use of the Funding and your compliance with these Conditions;
- (f) inform us immediately if any of the declarations made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect.

8. Declarations

You declare that:

- (a) you have the power to enter into and to perform the obligations set out in these Conditions and you have taken all necessary action to authorise the entry into and performance of the obligations under these Conditions;
- (b) no litigation or arbitration is current or pending or, so far as you are aware, threatened, which have or could have an adverse effect on your ability to perform and comply with any of these Conditions;
- (c) the information contained in your Application is complete, true and accurate;
- (d) you have disclosed to us all material facts or circumstances which need to be disclosed to enable us to obtain a true and correct view of your business and affairs (both current and prospective) or which ought to be provided to any person who is considering providing funding to you;
- (e) you have discussed and agreed the Targets with us and you are confident that they are realistic and achievable;
- (f) the information contained in the Assurance Statement is complete, true and accurate.

9. Notification Events and their consequences

- (a) You must notify us immediately if a Notification Event has occurred or is likely to occur but we also reserve the right to notify you where we believe a Notification Event has occurred or is likely to occur.
- (b) We will either (i) notify you that we consider that the Notification Event is not capable of remedy or (ii) if we consider that the Notification Event is capable of being remedied seek to discuss the Notification Event with you with a view to agreeing a course of action to be taken to address the Notification Event.
- (c) We will be entitled to take any of the actions listed in Condition 9(d) if:
 - (i) despite our reasonable efforts we have been unable to discuss the Notification Event with you; or
 - (ii) we notify you that the Notification Event is not capable of remedy; or
 - (iii) a course of action to address the Notification Event is not agreed with you; or
 - (iv) a course of action to address the Notification Event is agreed with you but you fail to follow it, or any conditions attached to it are not met (including without limitation the timescale for such course of action); or
 - (v) the course of action fails to remedy the Notification Event to our satisfaction.
- (d) If any of the circumstances set out in Condition 9(c) occurs we may by notice to you:
 - (i) withdraw the award of Funding; and/or
 - (ii) require you to repay all or part of the Funding immediately; and/or
 - (iii) suspend or cease all further payment of Funding; and/or
 - (iv) make all further payments of Funding subject to such conditions as we may specify; and/or
 - (v) deduct all amounts owed to us under these Conditions from any other funding that we have awarded or may award to you; and/or
 - (vi) exercise any other rights against you which we may have in respect of the Funding.
- (e) All repayments of Funding must be made to us within 28 days of the date of our demand. If applicable, you must pay interest on any overdue repayments (on a compound basis) in accordance with the State Aid Rules.

10. Monitoring requirements

You must:

- (a) provide us with such documents, information and reports which we may reasonably require from time to time in order for us to monitor your compliance with the Conditions;

- (b) meet with the Welsh Government Official and such other of our representatives as we may from time to time reasonably require;
- (c) ensure that the Project Manager (or such other person as we may agree) together with any other person we may require attends all meetings with the Welsh Government Official;
- (d) without prejudice to the generality of the foregoing provisions of this paragraph 10, fully co-operate with us and our External Reviewer in order to enable us, and the External Reviewer to carry out the Project Implementation Review. You must, in particular:
 - (i) allow us, our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers full access on reasonable notice and during normal working hours to visit and inspect the National Digital Exploitation Centre and the activities carried out within it, and full access to all your documents and records in relation to the National Digital Exploitation Centre and its activities and outputs;
 - (ii) if requested, meet with our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers, for the purpose of answering questions and providing documents and other information which we or they may reasonably request in connection with the Project Implementation Review;
 - (iii) if requested, allow our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers, the opportunity of meeting with employees and other staff working at the National Digital Exploitation Centre and to ask them questions and for other information regarding activities and outputs;
 - (iv) if requested, provide a written report setting out details of which elements of the Application have been achieved; which are on course to be achieved; and any which either may not be achieved or may take longer to achieve than envisaged, together with an explanation why; and
 - (v) procure that the University of South Wales:
 - (a) allows us, our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers full access on reasonable notice and during normal working hours to visit and inspect the Digital Education Centre and the Advanced Cyber Institute and the activities carried out within those areas, and full access to all of its documents and records in relation to the Digital Education Centre and the Advanced Cyber Institute and the related activities and outputs;

- (b) if requested, meets with our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers, for the purpose of answering questions and providing documents and other information which we or they may reasonably request in connection with the Project Implementation Review; and
- (c) if requested, allow our employees, agents and advisers, and the External Reviewer and its employees, agents and advisers, the opportunity of meeting with its employees and other staff working at the Digital Education Centre and the Advanced Cyber Institute and to ask them questions and for other information regarding activities and outputs.

11. Audit Requirements

- (a) You must:
 - (i) maintain clear accounting records identifying all income and expenditure in relation to the Purposes;
 - (ii) without charge, permit any officer or officers of the Welsh Government, Wales Audit Office or European Commission at any reasonable time and on reasonable notice being given to you to visit your premises and/or to inspect any of your activities and/or to examine and take copies of your books of account and such other documents or records howsoever stored as in such officer's reasonable view may relate in any way to your use of the Funding. This undertaking is without prejudice and subject to any other statutory rights and powers exercisable by the Welsh Government, Wales Audit Office or the European Commission or any officer, servant or agent of any of the above;
 - (iii) retain this letter and all original documents relating to the Funding until we inform you in writing that it is safe to destroy them;
 - (iv) provide us with an audit certificate in accordance with the requirements set out in Schedule 6
- (b) Under paragraph 17 of Schedule 8 to the Government of Wales Act 2006 the Auditor General for Wales has extensive rights of access to documents and information relating to monies provided by the Welsh Government. He and his officials have the power to require relevant persons who control or hold documents to give any assistance, information and explanation that they may require; and to require those persons to attend before them for such a purpose. The Auditor General and his staff may exercise this right at all reasonable times.

12. Third party obligations

- a) Nothing in the Conditions imposes any liability on us in respect of any liability incurred by you to any third party (including, without limit, employees and contractors).

- b) You must indemnify us against any liabilities, claims, proceedings, demands, losses, costs and expenses suffered or incurred by us directly or indirectly arising as a result of or in connection with any failure by you to perform fully or in part any obligation you may have to a third party.

13. Intellectual property rights and publicity

- (a) Nothing in these Conditions transfers to us any rights in any intellectual property created by you as a result of the Purposes.
- (b) You must acknowledge our support in relation to the Purposes. Such acknowledgement(s) must be in a form approved by us and must comply with the Welsh Government's branding guidelines.
- (c) You must provide the Welsh Government Official with details of all the acknowledgement(s) referred to in Condition 13(b) for our approval before any such acknowledgements are used and you may not use such acknowledgments without our prior written approval. We will endeavour to respond to all written requests for approval within 10 working days.
- (d) You agree that from the date of this letter until 5 years from the date of the final payment of Funding we may include details about your organisation and business, the Funding and the Purposes in Welsh Government promotional materials and you further agree to cooperate with our reasonable requests to achieve the production of such materials.

14. Information

- (a) You acknowledge that we are subject to the requirements of the Freedom of Information Act 2000 (the "FOIA"), the Environmental Information Regulations 2004 (the "EIR") and the Data Protection Act 1998 (the "DPA").
- (b) You acknowledge that we are responsible for determining in our absolute discretion whether:
 - (i) to disclose any information which we have obtained under or in connection with the Funding to the extent that we are required to disclose such information to a person making a disclosure request under the FOIA or the EIR; and/or
 - (ii) any information is exempt from disclosure under the FOIA or the EIR.
- (c) You acknowledge that we may share any data you provide to us with fraud prevention agencies and third parties for the purposes of preventing and detecting fraud. Any personal data we collect will be managed in accordance with our Privacy Notice which is available to view here <https://beta.gov.wales/privacy-notice-welsh-government-grants>
- (d) For the avoidance of doubt, you are the data controller (as defined in the Data Protection Act 2018) in respect of the Purposes'.

15. Buying goods and services

If you decide to buy any goods and/or services to deliver the Purposes, they must be purchased in a competitive and sustainable way so as to demonstrate that you have achieved best value in the use of public funds.

16. Giving notice

- (a) Where notice is required to be given under these Conditions it must be in writing (this does not include email but may include a letter attached to an email) and must prominently display the following heading:

“Notice in relation to establish The National Digital Exploitation Centre (NDEC) in Ebbw Vale (reference GSU00004142)”

- (b) The address and contact details for the purposes of serving notice under these Conditions are as follows

You: the Project Manager at the address stated in Condition 3.

Us: the Welsh Government Official at the address stated in Condition 3.

- (c) A notice will be deemed to have been properly given as follows:-

Prepaid first class post:	on the second working day after the date of posting.
---------------------------	--

By hand:	upon delivery to the address or the next working day if after 4pm or on a weekend or public holiday.
----------	--

By email attachment:	upon transmission or the next working day if after 4pm or on a weekend or public holiday.
----------------------	---

17. Equal opportunities

You must apply a policy of equal opportunities as employers, as users of volunteers, and as providers of services, regardless of race, gender/gender identification, sexual orientation, religion and belief, age or any disability.

18. Welsh language

Where the Purposes include or relate to the provision of services in Wales they must be provided in such a way as to not treat the Welsh language less favourably than English, in accordance with the Welsh Language (Wales) Measure 2011.

19. Sustainability

Your use of the Funding must (where reasonably practicable) meet the Welsh Government's current agenda for sustainable development and the environment.

20. Welsh Ministers' functions

You acknowledge that the Welsh Ministers have a range of functions which will continue to accrue and be amended and that decisions in relation to each such function are obliged to be taken in the light of all relevant and to the exclusion of all irrelevant considerations. You agree that nothing contained or implied in , or arising under or in connection with, these Conditions will in any way prejudice, fetter or affect the functions of the Welsh Ministers or any of them nor oblige the Welsh Ministers or any of them to exercise, or refrain from exercising, any of their functions in any particular way.

21. General

- (a) If at any time any of these Conditions is deemed to be or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.
- (b) No failure or delay on our part to exercise any power, right or remedy under these Conditions will operate as a waiver of any such power, right or remedy or preclude its further exercise or the exercise of any other power, right or remedy. The powers, rights or remedies hereby provided are cumulative and not exclusive of any powers, rights or remedies provided by law.
- (c) Any amendment or variation to these Conditions must be in writing and signed by us and you in the same manner as this letter.
- (d) You may not assign or otherwise dispose of in any way your rights, benefits, obligations or duties under these Conditions.
- (e) Conditions 7, 9, 11, 13, 14, and 21(e) and such other Conditions which by implication need to continue in force beyond the final payment of Funding will so continue in full force and effect.
- (f) The award of the Funding is to you alone and no one else is entitled to make any claim in respect of the Funding or seek to rely on or enforce any of these Conditions.
- (g) These Conditions are to be governed by and construed in accordance with the laws of Wales and England as applied in Wales and the parties hereto submit to the exclusive jurisdiction of the courts of Wales and England.
- (h) Without prejudice to any other provision of this letter, if any of the Funding is found to involve unlawful State aid, we shall be entitled to recover from you the value of that unlawful State aid, together with compound interest calculated in accordance with Commission Regulation (EC) No 794/2004 of

21 April 2004. You shall pay any amount which we are entitled to recover under this paragraph 21(h) in full in pounds sterling (without any set-off or counterclaim) within 28 days of a written demand from us for payment of the same.

22. How to accept this offer of Funding

- (a) To accept this award of Funding you must sign and return a copy of this letter to the Welsh Government Official. None of the Funding will be paid to you until we have received your signed letter and the completed Assurance Statement.
- (b) We must receive your signed letter on or before 31st January 2020 or this award of Funding will automatically be withdrawn.

Yours faithfully

Signed by Sioned Evans – Director Business and Regions

Under authority of the Cabinet Secretary for Economy and Transport, one of the Welsh Ministers

SCHEDULE 1

The Purposes

The Purpose of the Funding is to help with the establishment of the Digital Education Centre and the Advanced Cyber Institute within the National Digital Exploitation Centre (NDEC) in Ebbw Vale, the capability of which is described in the Business Plan V3 September 2018 (received 7th September 2018) and NDEC BC Final Cost Model (received 12th August 2019).

SCHEDULE 2

The Targets and Payment Profile

You must achieve the Targets set out below in the Payment Profile which, for the avoidance of doubt, replace those KPIs set out at section 4.14 of the Application. Subject to paragraph 4(c) in the main body of this letter, any change to the Targets, Payment Date and/or Payment Profile shall not be allowed without prior written agreement of the Parties.

The instalments and targets below require all four zones of the NDEC to be operational and each claim will need to be supported by the required evidence described in Schedule 4.

In relation to the Targets which relate to job creation, the jobs created must be for the personnel set out in the table in Schedule 8, and those personnel must be employed on at least the basic salary indicated in Schedule 8.

All targets set for each of the instalments must be met if the full amount of instalment funding is to be drawn down. Failure to meet any one of the targets will see the full proportion of the funding relating to that specific target withheld until such time as the target is met in full.

Amount of instalment	Target (figures are cumulative)	Achievement Date
£500,000	- You have defrayed a total of £666,019 of eligible project costs; at least £446,972 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - You have engaged with 5 schools/FE/HE establishments in the Blaenau Gwent Unitary Authority - You have engaged with 5 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs - You have created a total of 4 jobs - Confirmation from you that USW has created a total of 1 job at the NDEC	31/03/2019
£500,000	- A total of £3,165,059 of eligible project costs have been defrayed, at least £2,025,673 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - You have engaged with 10 schools/FE/HE establishments across South East Wales and the Valleys Region	30/09/2019

	- You have engaged with 30 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs - Total number of fee paying projects in progress or completed of 3 - Total revenue achieved by NDEC of £20,000 - You have created a total of 7 jobs - Confirmation from you that the USW has created a total of 2 jobs at the NDEC	
£500,000	- You have defrayed a total of £4,918,506 of eligible project costs; at least £3,093,611 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £100,000 - You have engaged with 20 schools/FE/HE establishments across South East Wales and the Valleys Region - You have engaged with the Advanced Manufacturing Research Centre (AMRC) Cymru and the Compound Semiconductor Applications Catapult - You have sponsored 3 PHD/ Masters in Cyber Security or related Disciplines with the University of South Wales, using NDEC. - You have engaged with 40 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs - Total number of fee paying projects in progress or completed of 5 - You have created a total of 7 jobs at the NDEC - Confirmation from you that the USW has created a total of 2 jobs at the NDEC	31/03/2020
£1,000,000	- You have defrayed a total of £6,507,067 of eligible project costs; at least £4,046,798 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £150,000 - You have engaged with 40 schools/ FE/HE establishments across South East Wales and the Valleys Region - You have sponsored 3 PHD / Masters in Cyber Security or related disciplines with the University	30/09/2020

	of South Wales, Cardiff or Swansea University using NDEC. - You have engaged with 50 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs - Total number of fee paying projects in progress or completed of 7 - You have created a total of 9 jobs at the NDEC - Confirmation from you that the USW has created a total of 2 jobs at the NDEC	
£1,250,000	- You have defrayed a total of £8,077,896 of eligible project costs; at least £4,996,376 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £200,000 - You have engaged with 50 schools/FE/HE establishments across South East Wales and the Valleys Region - You have sponsored 6 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. - You have sponsored 4 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) - You have engaged with 60 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs - Total number of fee paying projects in progress or completed of 10 - Total amount of R&D spend in which NDEC has participated is £2,550,000 - You have created a total of 9 jobs in the NDEC - Confirmation from you that the USW have created a total of 2 jobs at the NDEC	31/03/2021
£1,250,000	- You have defrayed a total of £9,729,196 of eligible project costs; at least £5,984,987 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £500,000 - You have engaged with 70 schools /FE/HE establishments across South East Wales and the Valleys Region	30/09/2021

	- You have sponsored 6 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. - You have sponsored 4 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) - You have engaged with 100 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. - Total number of fee paying projects in progress or completed of 30 - You have created a total of 9 jobs at the NDEC - Confirmation from you that the USW have created a total of 2 jobs at the NDEC - You have held 1 supplier day in Wales - You have signed a minimum 5-year lease with BGCBC on the REGAIN building with break clause 31 March 2025	
£1,000,000	- You have defrayed a total of £11,294,984 of eligible project costs; at least £6,947,208 of which must be eligible project costs incurred in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £1,000,000 - You have engaged with 90 schools /FE/HE establishments across South East Wales and the Valleys Region - You have sponsored 7 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. - You have sponsored 8 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) - You have engaged with 140 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. - Total number of fee paying projects in progress or completed of 40 - Total amount of R&D spend in which NDEC has participated is £5.1M - You have created a total of 9 jobs at the NDEC	31/03/2022

	• Confirmation from you that the USW has created a total of 2 jobs at the NDEC • You have held 1 supplier day in Wales	
£1,000,000	• You have defrayed a total of £12,989,560 of eligible project costs; at least £7,980,540 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute • Total revenue achieved by NDEC of £1,300,000 • You have engaged with 110 schools /FE/HE establishments across South East Wales and the Valleys Region • You have sponsored 7 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. • You have sponsored 8 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) • You have engaged with 180 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. • Total number of fee paying projects in progress or completed of 50 • You have created a total of 9 jobs at the NDEC • Confirmation from you that the USW has created a total of 2 jobs at the NDEC • You have held 2 supplier days in Wales	30/09/2022
£1,000,000	• You have defrayed a total of £14,623,296 of eligible project costs; at least £8,993,666 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute • Total revenue achieved by NDEC of £1,600,000 • You have engaged with 130 schools /FE/HE establishments across South East Wales and the Valleys Region • You have sponsored 8 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. • You have sponsored 12 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC)	31/03/2023

	- You have engaged with 220 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. - Total number of fee paying projects in progress or completed of 60 - Total amount of R&D spend in which NDEC has participated is £7,650,000 - You have created a total of 9 jobs at the NDEC - Confirmation from you that the USW has created a total of 2 jobs at the NDEC - You have held 2 supplier days in Wales	
£1,000,000	- You have defrayed a total of £16,310,966 of eligible project costs; at least £10,020,388 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £2,000,000 - you have engaged with 150 schools /FE/HE establishments across South East Wales and the Valleys Region - You have sponsored 8 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC. - you have sponsored 12 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) - You have engaged with 260 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. - Total number of fee paying projects in progress or completed of 80 - You have created a total of 9 jobs at the NDEC - Confirmation from you that that the USW has created a total of 2 jobs at the NDEC - You have held 3 supplier days in Wales	30/09/2023
£1,000,000	- You have defrayed a total of £17,971,890 of eligible project costs; at least £11,047,829 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute - Total revenue achieved by NDEC of £2,500,000 - You have engaged with a total of 170 schools /FE/HE establishments across South East Wales and the Valleys Region across the funding period	31/03/2024

	• You have sponsored a total of 9 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC across the funding period • You have sponsored 16 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) • You have engaged with a total of 300 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. • Total number of fee paying projects in progress or completed of 100 • Total amount of R&D spend in which NDEC has participated is £10,200,000 • you have created a total of 9 jobs at the NDEC • Confirmation from you that the USW has created a total of 2 jobs at the NDEC • You have held 4 supplier days in Wales	
£900,000	• You have defrayed a total of £19,717,202 of eligible project costs; at least £12,109,774 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute • Total revenue achieved by NDEC of £2,800,000 • You have engaged with a total of 190 schools /FE/HE establishments across South East Wales and the Valleys Region across the funding period • You have sponsored a total of 10 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC across the funding period • You have sponsored 16 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) • You have engaged with a total of 350 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. • Total number of fee paying projects in progress or completed of 120 • You have created a total of 9 jobs at the NDEC • Confirmation from you that the USW has created a total of 2 jobs at the NDEC • You have held 5 supplier days in Wales	30/09/2024

£500,000	• You have defrayed a total of £21,466,831 of eligible project costs; at least £13,190,814 of which must be eligible project costs defrayed in relation to the Digital Education Centre and/or the Advanced Cyber Institute • Total revenue achieved by NDEC of £3,500,000 • You have engaged with a total of 210 schools /FE/HE establishments across South East Wales and the Valleys Region across the funding period • You have sponsored a total of 10 PHD / Masters in Cyber Security or related Disciplines with the University of South Wales, Cardiff or Swansea University using NDEC across the funding period • You have sponsored 20 bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC) • You have engaged with a total of 400 projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs. • Total number of fee paying projects in progress or completed of 140 • Total amount of R&D spend in which NDEC has participated is £12,750,000 • You have created a total of 9 jobs at the NDEC • Confirmation from you that the USW has created a total of 2 jobs at the NDEC • You have held 5 supplier days in Wales • You have introduced us to 20 blue chip businesses not currently active in Wales.	31/03/2025
----------	---	------------

SCHEDULE 3

Notification Events

The Notification Events referred to in Condition 9 are listed below:

1. repayment of any part of the Funding is required under European Law (whether under State Aid Rules or otherwise);
2. you fail to comply with any of the Conditions;
3. the Funding, in full or in part, is not being used for the Purposes;
4. you fail to achieve any or all of the Targets;
5. there is unsatisfactory progress towards completing the Purposes, including meeting the Targets;
6. you fail to provide information about the Purposes requested by us, the European Commission or the European Court of Auditors, or any of their auditors, agents or representatives;
7. we have reason to believe that you and/or any of your Personnel are involved in fraudulent activity or have been involved in fraudulent activity;
8. we have made an overpayment of Funding to you;
9. any declaration made in Condition 8 is incorrect in any respect or, if repeated at any time with reference to the facts and circumstances then existing, would be incorrect;
10. any petition is presented or resolution passed or other action taken for your bankruptcy or winding-up or a petition is presented for an administration order against you;
11. a receiver or an administrative receiver is appointed in respect of you or in respect of all or any part of your assets;
12. a moratorium in respect of all or any of your debts or a composition or an agreement with your creditors is agreed, applied for, ordered or declared;
13. you are unable, or admit in writing your inability, to pay your debts as they fall due;
14. any distress, execution, attachment or other process affects any of your assets;
15. a statutory demand is issued against you;
16. you cease, or threaten to cease, to carry on all or a substantial part of your business;

17. there is a change in your constitution, status, control or ownership and/or your external auditors resign;
18. there is a change in your shareholders, directors, trustees or partners;
19. any event occurs or circumstances arise which in our opinion gives reasonable grounds for believing that you may not, or may be unable, to perform or comply with any of your obligations under these Conditions.

SCHEDULE 4

Payment Profile Evidence

Each payment point has a number of targets that need be met. The table below outlines the target definition and the documentary evidence required

All documentary evidence concerning costs and revenues must show how those costs and revenues are allocated between the Digital Education Centre, the Advanced Cyber Institute and the other elements of NDEC. Where a cost or revenue item is apportioned between two or more different elements of NDEC, the documentary evidence must contain a note explaining the basis on which the apportionment has been made.

Target	Documents which must accompany claim pro-forma
eligible project costs defrayed	Independent accountants report with a clear breakdown of Costs Defrayed against each of the four zones within NDEC
Revenue achieved by NDEC	Independent accountants report. For the avoidance of doubt, revenue shall include the charges paid by Thales as a 'fee paying customer' of the Project Zone in accordance with the Application. The charges Thales pays which are counted towards revenue must be based on the charges which an equivalent third party customer would pay in respect of the same sort of project. You must also provide us with documentary evidence of the project to which the charges which Thales pays relate.
Engagement with schools/FE/HE establishments An engagement is defined as having a dialogue (verbal/email), having a follow-up meeting (minuted) where NDEC benefits are explained and matched to the school "needs", and a decision reached as to whether the school would like to receive NDEC services or not. An engagement will also have been deemed to have occurred with a school if (a) the dialogue/meeting has been brokered by an appropriate third party; and/or (b) NDEC services are provided to a school, even if the process explained above is circumvented.	Signed directors report to include copies of meeting notes and any arising action plans

Sponsorship of PHD / Masters in Cyber Security or related disciplines with Welsh Universities, using NDEC	Signed directors report to include numbers of students, qualification level, study discipline and at which University Costs of sponsorship to be verified by the independent accountants report
Sponsorship of bursaries in cyber security or related disciplines (students to be from Welsh Universities with their industrial placement at NDEC)	Signed directors report to include numbers of students, qualification level, study discipline and at which University Costs of bursaries to be verified by the independent accountants report
Engagement with projects in the Applied Digital Trust Environment to draw out creative strategies, using industry proven methodologies to address identified needs An engagement is defined as having a dialogue (verbal/email), having a follow-up meeting (minuted) where NDEC benefits are explained and matched to the registered company's "needs", and a decision reached as to whether the registered company would like to work with NDEC to deliver a project or not. An engagement will also have been deemed to have occurred if NDEC services are provided to a registered company, even if the process explained above is circumvented.	Signed directors report to include copies of meeting notes and any arising action plans. For the avoidance of doubt, the registered company concerned can be a Thales group company, but in this case you must provide documentary evidence to show that it is a genuine engagement.
number of fee paying projects	Signed contracts between Thales UK and companies to include name, address, company size
amount of R&D spend in which NDEC has participated	Thales will provide a list of UK R&D projects, the costs associated with each project and details of NDEC's participation in each project. The projects in which NDEC has participated will total at least the amounts specified in the various Targets. Please note. This list will be commercially sensitive and will be supplied to WG in strictest confidence.
you will create and contract USW to create jobs at the NDEC	Independent accountants report

supplier days to have been held in Wales	Signed directors report to include outline detail of viable opportunities
Introductions for us to blue chip businesses not currently active in Wales	Signed directors report
you will join the following Welsh Forums to promote Welsh Business Forums (EstNet, WAF, Aerospace Wales, South Wales Cyber Cluster)	Written evidence of membership/affiliation
you will create a governance structure with an advisory board to include representation for us BGCBC , Tech Valleys, South Wales Cyber Cluster , EstNET / Industry Wales	Offer of representation to us and copies of agreed minutes
you will engage with Innovation Point, AMRI and Semiconductor Catapult An engagement is defined as having a dialogue (verbal/email), having a follow-up meeting (minuted) where NDEC benefits are explained and matched to the organisation “needs”, and a decision reached as to whether the organisation would like to receive NDEC services or not.	Agreed minutes including any arising action points

SCHEDULE 5

State Aid

Funding of up to £11,400,000 has been offered to you on the basis that it does not constitute State Aid within the meaning of Article 107(1) of the Treaty on the Functioning of the European Union. To ensure that the Funding is awarded to you on a no State Aid basis, you must ensure that the Funding is used only in relation to costs incurred in relation to the Digital Education Centre and the Advanced Cyber Institute and that it is not used to subsidise any economic activities.

You must obtain your own legal advice if you require advice regarding your duties and responsibilities under State Aid rules.

SCHEDULE 6

INDEPENDENT AUDITOR'S REPORT

The accountant providing the report must be independent of the Applicant, and must produce the report in the form set out below on the firm's headed paper and be:

- eligible under Part 42, Chapter 2, Section 1212 of the Companies Act 2006 for appointment as a company auditor; or,
- for companies that are not quoted on the Stock Exchange of Great Britain or elsewhere, eligible under Part 42, Chapter 2, Section 1222 of the Companies Act 2006. or

Form of Auditor's Report

[Date]

1. I/We have examined the enclosed claim form(s) and associated documents dated [date] from [name of company/business].
2. I/We have also examined the records of [name of company/business] and have obtained the explanations and carried out the tests, which I/we consider necessary in order to provide this report.
3. In my/our opinion subject to any reservations set out in my/our accompanying letter [date], the enclosed claim(s) for payment meet(s) the conditions of the Funding Agreement dated [date]. [Name of company/business] has:
 - i during the period from ¹ [date] to [date] defrayed (value excluding VAT) on eligible costs for the Project in accordance with the Funding Agreement together with the nature of the costs and the end recipient of any monies defrayed in each of the enclosed claims;
 - ii during the period from ¹ [date] to [date] defrayed (value excluding VAT) on eligible costs in respect of the Digital Education Centre and the Advanced Cyber Institute in accordance with the Funding Agreement together with the nature of the costs and the end recipient of any monies defrayed in each of the enclosed claims;
 - iii during the period from [date] to [date] created [number] permanent full time jobs making up the current site total of [] at [insert full address at which the Project is being undertaken] as a result of the Project in accordance with the Funding Agreement;
 - iv contracted the University of South Wales to create permanent full time jobs at NDEC as defined in Schedules 2 & 4 of the Funding Agreement. During the period from [date] to [date] University of South Wales has created [number] permanent full time jobs at NDEC;
 - v during the period from [date] to [date] generated income of [£ amount] as a result of chargeable activity as defined at Schedule 4 of the Funding Agreement;
 - vi during the period from [date] to [date] has defrayed [£ amount] sponsoring [number] of PHD/Masters Degrees in Cyber Security as defined in Schedule 4 of the Funding Agreement;

vii during the period from [date] to [date] has defrayed [£ amount] sponsoring [number] of Bursaries in Cyber Security as defined in Schedule 4 of the Funding Agreement;

viii at the last mentioned date in sub-paragraph () the total of permanent full-time jobs was [] at the Premises;

ix paid the gross annual salaries recorded in the Salary Details Appendix (A) form supporting the claim form dated [];

x maintained adequate records to enable me/us to report on this claim.

xi ²met the job target on [] and completed expenditure on the assets in sub paragraph (3i) above on [].

Signature:

Date:

Name for enquiries:

Business address:

Note 1: each report must cover the period from the start of the Project until the date of the claim including amounts defrayed on assets and jobs created which were the subject of an interim claim(s)

Note 2: this sub paragraph must only be included in the report accompanying the claim for the final instalment of grant.

SCHEDULE 7

Assurance Statement: Counter fraud and Governance

The Welsh Government has a duty to protect public funds, ensuring they are handled with probity and in the public interest. It is important that people in Wales are able to have confidence in the Welsh Government and the organisations it funds. Welsh Government officials require assurance that reasonable and adequate governance and counter fraud procedures exist in the organisations funded by the Welsh Government.

Are you in receipt of any other funding from any other organisation to support the Purposes? If so please provide details including amounts of other funding, posts funded and source of funding. This includes applications that are pending.	Yes No Further details can be provided in the table below		
Please name the personnel within your organisation who has/have specific responsibility for financial management in respect of the Purposes.	Name: Position:		
Who is responsible for the supervision of the personnel named above?	Name: Position:		
You declare that your employees, officials, directors, trustees and board members: - where applicable, fully understand their duties and responsibilities under the relevant legislation relating to companies and charities; - have sufficient knowledge about governance issues to carry out their roles in a manner which is fully compliant with the relevant legislation; - Properly scrutinise and oversee the work of those with primary responsibility for your financial management.			
Please provide details of any other funding, both capital and revenue, (including other Welsh Government funding streams) from any organisation to support the Purposes as detailed in Schedule 1. You must include details of capital items, posts funded, amounts of other funding and source of funding. This includes applications that are pending.			
Type of Funding and Purpose	Amount of funding received (including pending applications) £	% of post cost/capital item	Source of funding
<i>e.g. 3 full time development officer posts</i>	<i>£150,000</i>	<i>100%</i>	<i>Big Lottery</i>
<i>e.g. Purchase of capital equipment</i>	<i>£30,000</i>	<i>70%</i>	<i>Barclays Bank</i>

TWO SIGNATORIES ARE REQUIRED

We hereby accept the award of Funding to establish the National Digital Exploitation Centre (NDEC) in Fhbw Vale (reference GSU00004142) and the Conditions relating to the Funding

An authorised signatory of Thales UK Limited

Signature

Gareth Williams

Name

VP Secure Communications & Information Systems

Job Title

7 January 2020

Date

An authorised signatc

Signature

Dave Harrop

Name

Contracts Director

Job Title

7 January 2020

Date

SCHEDULE 8
Job Creation

Job Title	Jobs Created	Basic salary £
Thales Employees		
Business Manager	1	58,000
Service Delivery Lead	1	45,000
Office Manager/Customer Liaison Lead	1	20,000
Business Development Lead	1	44,000
Cyber Security Engineer	1	44,000
Trust Technical Innovation Engineer (JNR) OT Senior Engineer and Linux/Cloud/Senior Systems Engineer	2	38,000
Marketing/Communications Lead	2	22,000
USW Employees		
Education Lead	1	45,000
Trainer	1	35,000
Total	11	