

AMNESTY INTERNATIONAL UK SECTION CHARITABLE TRUST
MEMORANDUM OF UNDERSTANDING ON GRANT PROCEDURES

Between

(1) Amnesty International (UK Section) Charitable Trust, a charity (registration number 1051681) incorporated as a company limited by guarantee (registration number 03139939), whose registered office is at 17-25 New Inn Yard, London EC2A 3EA ("AIUKCT"); and

(2) Amnesty International Limited, incorporated as a company limited by guarantee (registration number 1606776), whose registered office is at 1 Easton Street, London WC1X 0DW ("AIL")

1. BACKGROUND

- (A) AIUKCT is a charity registered in England and Wales with the objects set out in Appendix 1 to this Memorandum of Understanding (the "Charitable Aims")
- (B) AIL is a not-for profit company with objects that include charitable objects consistent with the Charitable Aims
- (C) AIUKCT is aware of AIL's charitable human rights work and believes that AIL is well placed to meet larger, long term human rights goals and projects given its experience and resources and unique ability to advance the Charitable Aims
- (D) AIUKCT has agreed to make grants to AIL to support the charitable work of AIL and this Memorandum of Understanding is intended to define and agree the terms on which the grants are made ("MoU")

2. TERM / TERMINATION

- 2.1 This MoU applies to all grants payments made by AIUKCT to AIL, with effect from 1 July 2012.
- 2.2 This MoU will be effective once signed and will continue in effect until terminated by either party with 30 days' written notice to the other in writing.
- 2.3 Termination of this MoU will not affect the respective rights and obligations of the parties in relation to grant funds received by AIL during a calendar year.

3. PROVISION OF GRANT FUNDS

- 3.1 Each year, and subject always to their overall discretion and applicable legal and fiduciary duties, the trustees of AIUKCT will resolve to make an annual grant payment to AIL in accordance with the terms of this MoU ('Grant Funds').
- 3.2 The procedure for provision of the Grant Funds by AIUKCT is as follows:
 - 3.2.1 By 30 November of the calendar year preceding the annual grant period, AIL will provide AIUKCT with a request for an annual grant payment which identifies AIL's planned activities in relation to its total international budget for the following year in accordance with Amnesty International's global priorities and which confirms the intended value of such AIL activities which comply with the Charitable Aims ('Charitable Activities'), (the 'Grant Request');
 - 3.2.2 AIUKCT will approve the Grant Request, subject to the provision by AIL of such additional information as AIUKCT may request;

- 3.2.3 following approval of the Grant Request, and during the calendar year, AIUKCT will transfer the Grant Funds to AIL by the payment method and in the instalments agreed by the parties;
- 3.2.4 AIL will provide quarterly reports to AIUKCT which confirm AIL's expenditure in relation to the Grant Request and the value of the Charitable Activities;
- 3.2.5 AIL will provide an annual report by 15 June of the year following the annual grant period confirming that the Grant Funds were spent in accordance with the Charitable Aims and providing detailed information regarding AIL's Charitable Activities

4. OBLIGATIONS OF AIL

- 4.1 AIL will ensure that the Grant Funds are expended in accordance with the Charitable Aims.
- 4.2 In addition to its obligations under clause 3, AIL will, in relation to its use of the Grant Funds:
 - 4.2.1 maintain a database, accessible to AIUKCT that provides, at project level, details of AIL planned and actual activities, and their outcomes;
 - 4.2.2 maintain records, receipts and expenditure for a period of seven years;
 - 4.2.3 make available to AIUKCT on request and with reasonable notice all books and records relating to its use of the Grant Funds;
 - 4.2.4 on request and with reasonable notice allow any person authorised by the AIUKCT to inspect such books and records;
 - 4.2.5 disclose true and accurate financial information to AIUKCT at all times. and
 - 4.2.6 on request by AIUKCT provide further clarification or reporting on its compliance with the terms of this Agreement.
 - 4.2.7 promptly send AIUKCT a copy of any management letter sent by AIL's auditors.
 - 4.2.8 ensure that it takes all necessary steps to ensure that all payments of the Grant Funds comply with HMRC guidance and in particular in relation to payments made overseas.
 - 4.2.9 ensure that all recipients of Grant Funds report back to AIL on their expenditure promptly and appropriately.
- 4.3 AIL will not use the Grant Funds for any of the following purposes:
 - 4.3.1 inducing or encouraging violations of law or public policy;
 - 4.3.2 making any payment to AIL's company directors or members;
 - 4.3.3 purchasing any land or buildings without the prior written agreement of AIUKCT;
 - 4.3.4 undertaking political campaigning or political activity which would be in breach of AIUKCT's charitable status;
 - 4.3.5 making payments in contravention of the UK Bribery Act 2010; or
 - 4.3.6 taking any other action which is inconsistent with the AIUKCT's charitable status
- 4.4 AIL represents and warrants that:

- 4.4.1 it has all the necessary resources and expertise to comply with the terms of this MoU;
- 4.4.2 it will at all times comply with applicable legal and regulatory requirements; and
- 4.4.3 it has and will keep in place appropriate internal controls and systems to deal with fraud, corruption and bribery.

4.5 AIL will manage conflicts of interest, in particular ensuring that:

- 4.5.1 any relationship between AIL and commercial organisations shall be appropriate and not unduly benefit the commercial organisation; and
- 4.5.2 AIUKCT is notified of any conflicts which may be relevant to the by use by AIL of the Grant Funds.

4.6 If at any point AIL is in breach, or has reason to believe it may be in breach, of the terms of this MoU, it will notify AIUKCT as soon as practicably possible and in any event within five working days of becoming aware of the fact or possibility.

5. OBLIGATIONS / RIGHTS OF AIUKCT

- 5.1 AIUKCT will transfer the Grant Funds to AIL by the payment method and payment frequency agreed by the parties.
- 5.2 AIUKCT's liability under this MoU is limited to the value of the Grant Funds.
- 5.3 AIUKCT reserves the right to recover any unspent Grant Funds, or any Grant Funds not spent in accordance with the provisions of this MoU.
- 5.4 AIUKCT may suspend, withdraw or terminate any obligations under this MoU by notice to AIL, in the following events:
 - 5.4.1 AIUKCT is unable to make payment of the Grant Funds;
 - 5.4.2 any breach by AIL of its obligations under this MoU;
 - 5.4.3 AIL suspends or threatens to suspend its activities, becomes insolvent or makes any voluntary arrangement with its creditors or becomes subject to an administration order or goes into liquidation; or
 - 5.4.4 AIL makes any changes to its legal status or is subject to change of control.
 - 5.4.5 Any director or employee of AIL acts dishonestly at any time.

6. OTHER MATTERS

- 6.1 Neither party will take any action which brings the name of the other into disrepute.

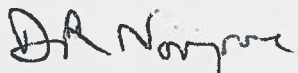
7. FORCE MAJEURE

- 7.1 If a party is prevented from or delayed in performing any of its obligations under this MoU by a force majeure event, it must notify the other party as soon as possible, in any event not more than 5 working days following the occurrence of such event.
- 7.2 Events referred to in clause 7.1 includes: acts of nature (including fire, flood, earthquake, storm, hurricane or other natural disaster), war, invasion, act of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation, terrorist activities,


nationalisation, government sanction, blockage, embargo, labour dispute, strike, lockout or interruption or failure of electricity or telephone service, or other disturbance outside of its control that means the party is unable to comply with its obligations under this MoU.

8. GENERAL

- 8.1 If a provision of the body of this MoU is inconsistent with a provision of any of the Annexes or any other document produced by in relation to the grant procedures, the terms of this MOU will prevail.
- 8.2 Any amendments to this MoU are valid only if it is in writing and signed by or on behalf of each party.
- 8.3 No party may assign, transfer, sub-licence or sub-contract any right or obligation under this MoU without having first obtained the written consent of the others.
- 8.4 Nothing in this MoU is intended to, or shall be deemed to, constitute a partnership or joint venture of any kind between any of the parties, nor constitute any party the agent of another party for any purpose.
- 8.5 A person who is not a party to this MoU shall not have any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this MoU.
- 8.6 This MoU is governed by English Law
- 8.7 In the event that any dispute arises in relation to this MoU, the Parties agree that the matter will be resolved, if at all possible, by amicable negotiations. If the dispute is not resolved within 90 days of instituting such negotiations, the Parties agree to settlement by the competent court in England and Wales.

Signed by 
Name D. R. NORBREN
Position: Chair AI Charitable Trust
Date: 12/7/12

For and on behalf of Amnesty International (UK Section) Charitable Trust


Name: GEORGE MACFARLANE
Position: DIRECTOR
Date: 16-7-2012

For and on behalf of Amnesty International Limited

APPENDIX 1: Charitable Aims

Extract of "Objects" from the Memorandum and Articles of Association of Amnesty International (UK Section) Charitable Trust as amended by Special Resolution and passed on 10th March 2008.

Objects

3.1 To promote human rights (as set out in the Universal Declaration of Human Rights ("UDHR") and subsequent United Nations conventions and declarations and in regional codes of human rights which incorporate the rights contained in the UDHR and those subsequent conventions and declarations) throughout the world by all or any of the following means:-

- (a) Monitoring abuses of human rights
- (b) Obtaining redress for the victims of human rights abuse;
- (c) Relieving need among the victims of human rights abuse;
- (d) Research into human rights issues;
- (e) Educating the public about human rights
- (f) Providing technical advice to government and others on human rights matters;
- (g) Contributing to the sound administration of human rights law;
- (h) Commenting on proposed human rights legislation;
- (i) Raising awareness of human rights issues;
- (j) Promoting public support for human rights;
- (k) Promoting respect for human rights among individuals and corporations;
- (l) International advocacy of human rights; and
- (m) Eliminating infringements of human rights.

