**Grant Agreement Model**

PROJECT: FULL NAME AND ACRONYM

CONTRACTING PARTIES:

The [name initiative] established in [full address, city, country], represented for the purposes of signature of this Grant Agreement by the [function, i.e director/legal representative], [name of legal representative] of the [name initiative].

of the one part,

and (name of the Coordinator and legal form) (national registration number if any), established in

(full address city/state/province/country), represented by (name of legal representative), (function)

[and/or (name of legal representative), (function)], or her/his/their authorised representative, the

Beneficiary acting as coordinator of the consortium (the "Coordinator"),

of the other part,

Hereinafter jointly referred as "the Parties"

HAVE AGREED to the following terms and conditions including those in the following Annexes, which form an integral part of this Grant Agreement

Annex I - Approved project proposal including research plan and budget

Annex II - General conditions

Annex III - Form A - Accession of Beneficiaries to the Grant Agreement

Annex IV - Form B - Request for accession form for new Beneficiaries to the Grant Agreement

Annex V - Form C - Financial reporting forms (Cost Statement)

Annex VI - Form D - Terms of reference for the certificate on the financial report

ARTICLE 1 – SCOPE

The [name initiative] has decided to grant, under the conditions laid down in this Grant Agreement, a financial contribution for the implementation of the project as specified in Annex I, called [project

title (Acronym)] (the "project") within the framework of the [name of the programme].

ARTICLE 2 – DURATION AND START DATE OF THE PROJECT

The duration of the project shall be [insert number] months. Start date of the project shall be [insert

date].

ARTICLE 3 – REPORTING PERIODS AND LANGUAGE OF REPORTS

The project is divided into annual reporting periods as follows:

- P1: from month [number] to month [number]

- P2: from month [number] to month [number]

- P3: from month [number] to month [number]

- ……………..

Any report and deliverable, when appropriate, required by this Grant Agreement shall be in English.

ARTICLE 4 – MAXIMUM FINANCIAL CONTRIBUTION BY [name initiative] AND NATIONAL FUNDING INSTITUTIONS

1. The project is co-financed by the [name initiative] and the National Funding Institutions. The EU

financial contribution from the [name initiative] is a contribution from the [funding organization, i.e. the EU] research budget with the aim to implement the [name of the programme –if].

The maximum total financial contribution to the project shall be EUR [insert amount] ([insert amount in words] EURO). Of this, the maximum of EU funds paid by the [name initiative] under this Grant Agreement shall be [insert amount] ([insert amount in words] EURO).

2. Details of the financial contribution of the [name initiative] are contained in Annex [number] to this Grant Agreement which includes:

− a table showing the estimated breakdown of budget and financial contribution of the [funding organization funds from the [name initiative] and the national contribution including provisions of in kind infrastructures free of charge per Beneficiary.

Following the prior agreement of the [name initiative] in consultation with National Funding Institutions Beneficiaries may transfer budget between different activities and between themselves in so far as the work is carried out as foreseen in Annex [number].

3. The bank account of the Coordinator to which all payments of the financial contribution of the [name initiative] shall be made is:

Name of account holder:

Name and address of the bank:

Account reference: IBAN:

SWIFT code:

The account shall only be used to transfer payments to Beneficiaries.

The bank account shall bear interest and shall enable:

− identification of the amounts paid by the [name initiative];

− identification and monitoring of operations with Beneficiaries;

− determination of the interests and other benefits yielded.

ARTICLE 5 – PRE-FINANCING

A pre-financing of EUR [insert amount] ([insert amount in words] EURO) shall be paid to the

Coordinator in accordance with Article [number]..

ARTICLE 6 – SPECIAL CLAUSES

[if] […]

ARTICLE 7 – COMMUNICATION

1. Any communication or request concerning the Grant Agreement shall identify the Grant

Agreement number, the nature and details of the request or communication and be submitted to the following addresses:

For the [name initiative]:

[organization name]

[address]

For the Coordinator: [name of contact person]

[contact address]

2. For information or documents to be transferred by electronic means, the following addresses shall

be used:

For the [name initiative]: [email address]

For the Coordinator: [email address]

ARTICLE 8 – APPLICABLE LAW AND COMPETENT COURT

This Grant Agreement shall be governed by the terms of this Grant Agreement, the [legal references - if].

The competent court to hear any dispute between the [name initiative] and any Beneficiary concerning the interpretation, application or validity of this Grant Agreement is the Court of [city].

ARTICLE 9 – ENTRY INTO FORCE OF THE GRANT AGREEMENT

This Grant Agreement shall enter into force after its signature by the Coordinator and the [name initiative], on the day of the last signature.

Done in two originals in English.

For the Coordinator done at [insert place]:

Name of the legal entity:

Name of legal representative:

Stamp of the organisation (if applicable):

Signature of legal representative:

Date:

For the [name initiative] done at [insert place, country]:

Name of legal representative:

Signature of legal representative:

Date

**ANNEX II – GENERAL CONDITIONS**

**II.1.Definitions**

1."Access Rights" means licenses and user rights to Foreground or Background;

2. "Affiliated Entity" means any legal entity that is under the direct or indirect control of a Beneficiary, or under the same direct or indirect control as the Beneficiary, control taking any of the following forms:

(a) the direct or indirect holding of more than 50% of the nominal value of the issued share capital in the legal entity concerned, or of a majority of the voting rights of the shareholders or associates of that entity;

(b) the direct or indirect holding, in fact or in law, of decision-making powers in the legal entity concerned.

3. "Associated Country" means a third country which is party to an international agreement with the European Union under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme;

4. "Background" means information which is held by Beneficiaries prior to their accession to this Agreement, as well as copyrights or other intellectual property rights pertaining to such information, the application for which has been filed before their accession to this Agreement, and which is needed for carrying out the project or for using Foreground;

5. “Beneficiary” means a legal entity within the consortium concerned with this Grant Agreement

who may or not receive a financial contribution from the [name initiative];

6. "Dissemination" means the disclosure of Foreground by any appropriate means other than that

resulting from the formalities for protecting it, and including the publication of Foreground in any

medium;

7. "Experimental Development": The acquiring, combining, shaping and using of existing scientific,

technological, business and other relevant knowledge and skills for the purpose of producing plans

and arrangements or designs for new, altered or improved products, processes or services (including the creation of a commercially usable prototype or pilot projects under certain conditions);

8. "Fair and Reasonable Conditions" means appropriate conditions including possible financial terms taking into account the specific circumstances of the request for access, for example the actual or potential value of the Foreground or Background to which access is requested and/or the scope, duration or other characteristics of the use envisaged;

9. "Foreground" means the results, including information, whether or not they can be protected, which are generated under the project. Such results include rights related to copyright; design rights; patent rights; plant variety rights; or similar forms of protection;

10. "Fundamental Research": Experimental or theoretical work undertaken primarily to acquire new knowledge of the underlying foundations of phenomena and observable facts, without any direct practical application or use in view;

11. "Industrial Research": Planned research or critical investigation aimed at the acquisition of new

knowledge or skills for developing new products, processes or services or bringing about a significant improvement in existing products, processes or services;

12. "International European Interest Organisation" means an international organization, the majority of whose members are Member States or Associated Countries and whose principal objective of treaty is to promote scientific and technological cooperation;

13. "International Organisation" is an intergovernmental organization, other than the European Union, that has a legal personality under the international public law as well as any specialized agency set up by such an international organisation;

14. "Irregularity" means any infringement of a provision of law or any breach of obligation resulting from an act or omission by a Beneficiary which has, or would have, the effect of prejudicing the general budget of the European Union or budgets managed by it through unjustified expenditure;

15. ”Large Enterprise” should be an enterprise which cannot be qualified as an SME according the

criteria established in the EU Recommendation 2003/361/EC in the version of 6 May 2003;

16. “Medium-sized Enterprise” is an enterprise which employs fewer than 250 persons and which have either an annual turnover not exceeding EUR 50 million, or an annual balance sheet total not

exceeding EUR 43 million;

17. “National Funding Institution” means an institution providing national contribution to the [name initiative] calls;

18. "Participating States" means [names Countries];

19. "Public Body" means any legal entity established as such by national law, and international organisations;

20. "Research Organisation" means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives;

21. “Small Enterprise” is defined as an enterprise which employs fewer than 50 persons and whose

annual turnover or annual balance sheet total does not exceed EUR 10 million;

22. "Third Country" means a State that is not a Member State or Associated Country;

23. "Use" means the direct or indirect utilisation of Foreground in further research activities other than those covered by the project, or for developing, creating and marketing a product or process, or for creating and providing a service.

**Part A IMPLEMENTATION OF THE PROJECT**

**SECTION 1 – GENERAL PRINCIPLES**

**II.2. Organisation of the Consortium and role of Coordinator**

1. All the Beneficiaries together form the Consortium. Beneficiaries are represented towards the [name initiative] by the Coordinator, who shall be the intermediary for any communication between the [name initiative] and any Beneficiary, with the exceptions foreseen in this Grant Agreement.

2. The financial contribution of the [name initiative] to the project shall be paid to the Coordinator who receives it on behalf of the Beneficiaries entitled to receive a financial contribution. The payment of the financial contribution of the [name initiative] to the Coordinator discharges the [name initiative] from its obligation on payments to the Beneficiaries.

3. The Coordinator shall:

a) administer the financial contribution of the [name initiative] regarding its allocation between Beneficiaries entitled to receive a financial contribution, in accordance with this Grant Agreement.

The Coordinator shall ensure that all the appropriate payments are made to the Beneficiaries without unjustified delay;

b) keep the records and financial accounts making it possible to determine at any time what portion of the financial contribution of the [name initiative] has been paid to each Beneficiary for the purposes of the project;

c) hold all payments received from the [name initiative] within an interest-bearing Euro account exclusively for handling the project. These funds shall not be disbursed for use within the project until the conditions defined in point d) have been met. Any interest accrued in the account of the Coordinator shall be assigned to the project within the ceiling of the amount of the total [name initiative] contribution;

d) disburse the funds received from the [name initiative] to a Beneficiary for use within the project

(including by the Coordinator) on the cumulative fulfillment of the following conditions:

• The Beneficiary has acceded to this Grant Agreement.

• The Beneficiary (including the Coordinator) must have formally concluded a legal arrangement with a national funding institutions from their Participating State to provide the matched national contributions over the life time of the project.

• The Beneficiary established in a Member State or an Associated country that is not a Participating State has demonstrated that it has sufficient funds to support its participation during the life time of the project.

• The amount released towards a Beneficiary (including the Coordinator) in a Participating State does not exceed the proportion of the [name initiative] and national contributions laid down in Article 5 of this agreement.

• The national cash contribution is proven (via copies of bank statements) to have been paid by the National Funding Institutions or via the [name initiative] to the Beneficiary concerned. National cash contributions that have been made in currencies other than Euros shall be calculated in Euros on the basis of the exchange rate published by the European Central Bank on the date the national contribution was received by the Beneficiary.

e) provide the [name initiative] with reasonable assurance on the correctness of the distribution of

funding to the Beneficiaries;

f) inform the [name initiative] of the distribution of the financial contribution of the [name initiative] and the date of transfers to the Beneficiaries, when required by this Grant Agreement or by the [name initiative];

g) review the reports to verify consistency with the project tasks before transmitting them to the [name initiative];

h) monitor the compliance by Beneficiaries with their obligations under this Grant Agreement; The

Coordinator shall notify immediately the [name initiative] on any case of non-compliance.

The Coordinator is not allowed to subcontract the above-mentioned tasks.

4. Beneficiaries shall fulfill the following obligations as a Consortium:

a) provide all detailed data requested by the [name initiative] for the purposes of the proper administration of this project;

b) carry out the project jointly and severally vis-à-vis the [name initiative] and taking all necessary and reasonable measures to ensure that the project is carried out in accordance with the terms and conditions of this Grant Agreement;

c) make appropriate internal arrangements consistent with the provisions of this Grant Agreement to ensure the efficient implementation of the project. These internal arrangements shall take the form of a written consortium agreement;

d) engage, whenever appropriate, with actors beyond the research community and with the public in order to foster dialogue and debate on the research agenda, on research results and on related

scientific issues with policy makers and civil society; create synergies with education at all levels and conduct activities promoting the socioeconomic impact of the research;

e) allow the representatives of the [name initiative] and/or National Funding Institutions to take part in meetings concerning the project.

**II.3. Specific performance obligations of each Beneficiary**

Each Beneficiary shall:

a)carry out the work to be performed, as identified in Annex I; If clearly identified within Annex I, the Beneficiary may use resources that are made available by third parties in order to carry out its part of the work or may call upon third parties to carry out certain elements where it is necessary for the implementation of the project and according to the conditions established in Article II.7 or any special clause in Article 7;

b) ensure that any agreement or contract related to the project, entered into force between the Beneficiary and any third party contain provisions that this third party, including the auditor providing the certificate on the financial report, shall have no rights vis-à-vis the [name initiative] under this Grant Agreement;

c) ensure that the rights of the [name initiative], the Commission and the Court of Auditors to carry out audits are extended to the right to carry out any such audit or control on any third party whose costs are reimbursed in full or in part by the financial contribution of the [name initiative] or National Funding Institutions on the same terms and conditions as those indicated in this Grant Agreement;

d) ensure that the conditions applicable to it under Articles II.4.4, II.10, II.11, II.12, II.13 and II.14 are also applicable to any third party whose costs are claimed under the project according to the provisions of this Grant Agreement;

e) ensure that the tasks assigned to it are correctly and timely performed;

f) inform the other Beneficiaries and the [name initiative] through the Coordinator in due time of:

• the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;

• any event which might affect the implementation of the project and the rights of the [name initiative];

• any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control and, in particular, any change of status as regards secondary and higher education establishments undertaking research, Research Organisations, Small Enterprises, Mediumsized Enterprises;

• any circumstance affecting the conditions of participation referred to in the [name initiative] Decision, in the FP7 Rules for Participation, the EU Financial Regulation and its Implementing Rules or of any requirements of the Grant Agreement, especially if and when any eligibility criteria cease(s) to be met during the duration of the project.

g) provide the [name initiative], National Funding Institutions, the Commission including the European Anti-Fraud Office (OLAF) and Court of Auditors directly with all information requested in the framework of controls and audits;

h) take part in meetings concerning the supervision, monitoring and evaluation of the project which are relevant to it;

i) report to the [name initiative] on the use of in-kind infrastructure contributions;

j) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this Grant Agreement and inform Coordinator, the [name initiative] and respective National Funding Institutions of any unavoidable obligations which may arise during the duration of the Grant Agreement which may have implications for any of its obligations under the Grant Agreement;

k) ensure that it complies with the provisions of the state aid framework;

l) carry out the project in accordance with fundamental ethical principles;

m) endeavour to promote equal opportunities between men and women in the implementation of

the project;

n) have regard to the general principles of the Commission Recommendation of 11 March 2005 on

the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the project;

o) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the project;

p) avoid any double funding, in particular, from other EU sources, such as FP7.

**SECTION 2 – REPORTING AND PAYMENTS**

**II.4. Reports and deliverables**

1. The Consortium shall submit a periodic report to the [name initiative] for each reporting period within [number] days after the end of each respective period. The report includes all the incurred expenditure for the respective reporting period including the expenditure relating to the National Funding Institution's contribution. The report shall comprise:

a) an overview, including a publishable summary, of the progress of work towards the objectives of the project, including achievements and attainment of any milestones and deliverables identified in Annex I. This report should include the differences between work expected to be carried out in accordance with Annex I and that actually carried out;

b) an explanation of the use of the resources;

c) a financial report, from each Beneficiary together with a summary financial report from the Coordinator consolidating the claimed contribution of the [name initiative] of all the Beneficiaries in an aggregate form, based on the information provided in financial report by each Beneficiary; and

d) a report on use, as indicated in the approved proposal, of infrastructure free of charge services

according to a form provided by the [name initiative].

2. The Consortium shall submit a final report to the [name initiative], within 60 days after the end of the project. The report shall comprise:

a) a final publishable summary report covering results, conclusions and socio-economic impact of the project;

b) a report covering the wider societal implications of the project, including gender equality actions, ethical issues, efforts to involve other actors and spread awareness as well as the plan for the use and dissemination of Foreground.

3. The Coordinator shall submit a report on the distribution of the financial contribution of the

[name initiative] between Beneficiaries and a report regarding the payment of the National Funding

Institution’s contribution. This report must be submitted 30 days after receipt of the final payment.

4. A certificate on the financial report shall be submitted for claims of interim payments and final

payments when the amount of the financial contribution of the [name initiative] claimed by a Beneficiary under the form of reimbursement of costs is equal to or superior to EUR [amount], when cumulated with all previous payments for which a certificate on the financial report has not been submitted.

This certificate must be forwarded in the form of a detailed description verified as factual by its

external auditor.

Certificates on the financial reports shall certify that the costs claimed and the receipts declared

during the period for which they are provided, as well as the declaration of the interest yielded by

the pre-financing meet the conditions required by this Grant Agreement. Where third parties’ costs

are claimed under the Grant Agreement, such costs shall be certified in accordance with the provisions of this Article. The auditor shall include in its certificate that no conflict of interest exists

between him/herself and the Beneficiary in establishing this certificate.

Certificates on the financial reports shall be prepared and certified by an external auditor.

Each Beneficiary is free to choose any qualified external auditor, including its usual external auditor,

provided that the cumulative following requirements are met:

i) the auditor must be independent from the Beneficiary;

ii) the auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation implementing the 8th Council Directive on statutory audits of annual accounts and consolidated accounts2 or any European Union legislation replacing this Directive.

Secondary and higher education establishments and Research Organisations may opt for a competent public officer to provide their certificate on the financial report, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the independence of that officer, in particular regarding the preparation of the financial report, can be ensured. Certificates by external auditors according to this Article do not

affect the liability of Beneficiaries nor the rights of the [name initiative], European Commission, arising from this Grant Agreement.

5. The Consortium shall transmit the reports, information and other deliverables through the Coordinator to the [name initiative]. The Coordinator shall compile these into integrated and consistent reports for the project. The scientific reports and deliverables shall be submitted electronically via the [name initiative] [EPSS - if]. The financial reports shall be submitted to the [name initiative] on paper and in electronic format. In addition, the financial report, must be signed by the authorised person(s) within the Beneficiary’s organisation, and the certificates on the financial report must be signed by an authorised person of the auditing entity, and the originals shall be sent to the [name initiative]. Any other information shall be submitted in electronic format unless otherwise requested.

6. The layout and content of the reports shall conform to the instructions and guidance notes

established by the [name initiative].

7. The publishable parts of the reports submitted to the [name initiative] should be of a suitable quality to enable direct publication. Their submission to the [name initiative] in publishable form indicates that no confidential material is included therein.

8. Deliverables identified in Annex I shall be submitted as foreseen therein.

9. The [name initiative] may be assisted by external experts in the analysis and evaluation of the reports and deliverables.

**II.5. Approval of reports and deliverables, time-limit for payments**

1. At the end of each reporting period, the [name initiative] shall evaluate project reports and

deliverables required by the provisions of Annex I and disburse the corresponding payments within [number] days of their receipt unless the time-limit, the payment or the project has been suspended.

2. Payments shall be made after the [name initiative] 's approval of reports and/or deliverables and payments of the relevant National Funding Institutions' contributions. The absence of a response from the [name initiative] within this time-limit shall not imply its approval. The [name initiative] may reject reports and deliverables even after the time-limit for payment. Approval of the reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and do not imply exemption from any audit or review.

3. After reception of the reports the [name initiative] may after consultation with the respective National Funding Institutions:

a) advance payment deriving from EU funds shall be cleared at the time of acceptance of the annual report based on the costs incurred for the reporting period which are accepted by the [name initiative]. Such clearance shall be without prejudice to adjustments following subsequent checks and audits.

b) approve the reports and deliverables, in whole or in part or make the approval subject to certain conditions.

c) reject the reports and deliverables by giving an appropriate justification and, if appropriate, start the procedure for termination of the Grant Agreement in whole or in part.

d) suspend the time limit if one or more of the reports or appropriate deliverables have not been

supplied, or are not complete or if some clarification or additional information is needed or there are doubts concerning the eligibility of costs claimed in the financial report and/or additional checks are being conducted. The suspension will be lifted from the date when the last report, deliverable or the additional information requested is received by the [name initiative], or where the [name initiative] decides to proceed with an interim payment in part in accordance with paragraph 4. The [name initiative] shall inform respective National Funding Institutions as well as the Consortium in writing via the Coordinator of any such suspension and the conditions to be met for the lifting of the suspension.

Suspension shall take effect on the date when notice is sent by the [name initiative].

e) suspend the payment at any time, in whole or in part for the amount intended for the Beneficiary(ies) concerned:

• if the work carried out does not comply with the provisions of the Grant Agreement;

• if a Beneficiary has to reimburse to its national state an amount unduly received as state aid;

• if the provisions of the Grant Agreement have been infringed or if there is a suspicion or presumption thereof, in particular in the wake of any audits and checks provided for in Articles II.20 and II.21;

• if there is a suspicion of irregularity committed by one or more Beneficiary(ies) in the performance of the Grant Agreement;

• if there is a suspected or established irregularity committed by one or more Beneficiary(ies) in the performance of another Grant Agreement funded by the [name initiative] or the general budget of the European Union or by budgets managed by it. In such cases, suspension of the payments will occur where the irregularity (or suspected irregularity) is of a serious and systematic nature which is likely to affect the performance of the current Grant Agreement.

When payments to the Consortium are suspended, the Consortium shall be duly informed of the reasons why payment in whole or in part will not be made.

4. The [name initiative] may proceed with an interim payment in part if some reports or deliverables are not submitted as required, or only partially or conditionally approved. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.

5. Interest on late payment shall be paid to the project in the case of a late payment of the related

EU funds to the [name initiative], The interest shall not be treated as a receipt for the project for the purposes of determining the final grant. The suspension of the time-limit, of payment or of the

project by the [name initiative] may not be considered as late payment.

6. At the end of the project, the [name initiative] may decide in coherence with the respective National Funding Institutions not to make the payment of the corresponding financial contribution of [name initiative] subject to one month's written notice of non-receipt of a report, of a certificate on the financial reports or of any other project deliverable.

7. The [name initiative] shall inform the Coordinator of the amount of the final payment of the financial contribution of [name initiative] and shall justify this amount. The Coordinator shall have two months from the date of receipt to give reasons for any disagreement. After the end of this period such requests will no longer be considered and the Consortium is deemed to have accepted the [name initiative] 's decision. The [name initiative] undertakes to reply in writing within two months following the date of receipt, giving reasons for its reply. This procedure is without prejudice to the Beneficiary’s right to appeal against the [name initiative]’s decision.

**II.6. Payment modalities**

1. The [name initiative] shall make the following payments to the project Coordinator

a) A single pre-financing payment paid at the start of the project;

b) Interim payments following each reporting period;

c) The final payment at the end of the project for the last reporting period taking account of any adjustments needed.

2. The [name initiative] shall pay a single pre-financing 3 during the life time of the project. Beneficiaries shall not contribute to the Guarantee Fund established in order to manage the risk associated with non-recovery of sums due the European Union by Beneficiaries of the FP7 model grant agreement.

3. The [name initiative] shall pay this pre-financing to the Coordinator within 45 days after the fulfillment of the following cumulative conditions:

a) The Coordinator and the [name initiative] have signed the Grant Agreement and the minimum

number of Beneficiaries required by the call of proposal has acceded to the Grant Agreement;

b) All Beneficiaries having acceded to the Grant Agreement have signed the mandatory consortium agreement;

c) The [name initiative] and the National Funding Institutions from the Participating States, whose national legal entities are Beneficiaries in the Grant Agreement have formally concluded the bilateral agreements;

d) The Coordinator has notified the [name initiative] that:

- For those Participating States that administer their own national funding,

Beneficiaries (including the Coordinator) have formally concluded contractual agreements with their National Funding Institutions to provide the required national contributions over the life time of the project. This amount shall comprise at least [number] % of the total of all national cash contributions required for the project.

- Each Beneficiary established in a country other than a Member State or an associated country has demonstrated that it has sufficient funds to support its participation during the life time of the project.

4. For projects with more than one reporting period, the [name initiative] shall make interim payments.

However the total amount of pre-financing and interim payments shall not exceed [number] % of the maximum amount of EU financial contribution as defined in the Grant Agreement. After the prefinancing, the [name initiative] shall only make payments to the Coordinator on the basis of the amount accepted by the [name initiative] for each reporting period and after receipt of evidence of payment of the national contributions. Costs accepted by the [name initiative] within the periodic reports in relation to the pre-financing shall be cleared at the end of each year.

5. The Coordinator shall send to the [name initiative] copies of bank statements demonstrating the

payment of national contributions to their national participants or evidence concerning the in-kind

infrastructure contribution provided.

6. The final payment shall be transferred after the approval of the final reports by the [name initiative] and consists of the difference between the EU contribution due minus the amounts already paid. The total payment shall however be limited to the maximum EU contribution as defined in the Grant Agreement. If the total amount already paid would prove to be higher than the total accepted EU contribution, then the [name initiative] shall recover the difference.

7. The Coordinator will hold all payments received from the [name initiative] within an interest-bearing Euro account exclusively for handling the project. Any interest accrued in the account of the Coordinator shall be assigned to the project within the ceiling of the amount of the total EU

contribution. These funds may only be disbursed to a Beneficiary for use within the project (including by the Coordinator) on the cumulative fulfillment of the following conditions mentioned in Article II.2.3 d)

8. Payments by the [name initiative] shall be made in Euro.

9. Costs shall be reported in Euro. Beneficiaries with accounts in currencies other than the Euro shall report costs by using, either the conversion rate published by the European Central Bank that would have applied on the date that the actual costs were incurred, or its rate applicable on the first day of the month following the end of the reporting period. Beneficiaries with accounts in Euro shall convert costs incurred in other currencies according to their usual accounting practice.

10. The bank account mentioned in Article 5.3 shall allow that the financial contribution of [name initiative] and related interest are identified. Otherwise, the accounting methods of the Beneficiaries or intermediaries must make it possible to identify the financial contribution of [name initiative] and the interest or other benefits yielded.

11. Any payment may be subject to an audit or review and may be adjusted or recovered based on

the results of such audit or review.

12. Payments by the [name initiative] shall be deemed to be effected on the date when they are debited to the [name initiative] 's account.

**SECTION 3 – IMPLEMENTATION**

**II.7. Subcontracting**

1. A subcontractor is a third party which has entered into an agreement on business conditions with one or more Beneficiaries, in order to carry out part of the work of the project without the direct supervision of the Beneficiary and without a relationship of subordination. Where the Beneficiary enters into a subcontract to carry out some parts of the tasks related to the project, it remains bound by its obligations to the [name initiative] and the other Beneficiaries under the Grant Agreement and retains sole responsibility for carrying out the project and for compliance with the provisions of the Grant Agreement. Provisions of this Grant Agreement applying to subcontractors shall also apply to external auditors who certify financial report.

2. Where it is necessary for the Beneficiaries to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:

− subcontracts may only cover the execution of a limited part of the project;

− resource to the award of subcontracts must be duly justified in Annex I having regard to the nature of the project and what is necessary for its implementation;

− recourse to the award of subcontracts by a Beneficiary may not affect the rights and obligations of the Beneficiaries regarding Background and Foreground;

− annex I must indicate the tasks to be subcontracted and an estimation of the costs.

Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment.

Subcontracts concluded on the basis of framework contracts entered into force between a Beneficiary and a subcontractor, prior to the beginning of the project in accordance with the Beneficiary's usual management principles may also be accepted.

3. Beneficiaries may use external support services for assistance with minor tasks that do not represent per se project tasks as identified in Annex I.

**II.8. Suspension of the project**

1. The Coordinator shall immediately inform the [name initiative] and respective National Funding

Institutions of any event affecting or delaying the implementation of the project.

2. The Coordinator can propose to suspend the whole or part of the project if force majeure or exceptional circumstances render its execution excessively difficult or uneconomic. The Coordinator must inform the [name initiative] and respective National Funding Institutions without delay of such circumstances, including full justification and information related to the event, as well as an estimation of the date when the work on the project will begin again.

3. The [name initiative] may suspend after consultation of the respective National Funding Institutions the whole or part of the project where it considers that the Consortium is not fulfilling its obligations according to this Grant Agreement. The Coordinator shall be informed without delay of the justification for such an event and the conditions necessary to reinstate the work again. The Coordinator shall inform the other Beneficiaries. This suspension takes effect 10 days after the receipt of the notification by the Coordinator.

4. During the period of suspension, no costs may be charged to the project for carrying out any part of the project that has been suspended.

5. The suspension of the whole or part of the project may be lifted once the parties to the Grant Agreement have agreed on the continuation of the project and, as appropriate, any necessary modification, including extension of the duration of the project, has been identified by means of a

written amendment.

**II.9. Confidentiality**

1. During the project and for a period of five years after its completion or any other period thereafter as established in the Consortium Agreement, the Beneficiaries undertake to preserve the confidentiality of any data, documents or other material that is identified as confidential in relation to the execution of the project (“confidential information”). The [name initiative] undertakes to preserve the confidentiality of "confidential information" until five years after the completion of the project.

Upon a duly substantiated request by a Beneficiary, the [name initiative] may agree to extend this period regarding specific confidential information.

Where confidential information was communicated orally, its confidential character must be confirmed by the disclosing party in writing within 15 days after disclosure.

2. Paragraph 1 no longer applies where:

− the confidential information becomes publicly available by means other than a breach of confidentiality obligations;

− the disclosing party subsequently informs the recipient that the confidential information is no

longer confidential;

− the confidential information is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality;

− the disclosure or communication of the confidential information is foreseen by other provisions of this Grant Agreement or the Consortium Agreement;

− the disclosure or communication of confidential information is required by the national law of one of the Beneficiaries and this exception to the confidentiality requirement is foreseen in the Consortium Agreement4.

3. The Beneficiaries undertake to use such confidential information only in relation to the execution of the project unless otherwise agreed with the disclosing party.

4. Notwithstanding the preceding paragraphs, the treatment of data, documents or other material

which are classified (“Classified Information”) or subject to security restrictions or export- or transfercontrol, must follow the applicable rules established by the relevant national and [European Community and European Union] legislation for such information, including the [name initiative]'s internal rules for handling Classified Information5. Where a Beneficiary is established in a third country, any security agreements between that third country and the European Union shall also apply.

**II.10. Communication of data for evaluation, impact assessment and standardization purposes**

1. Beneficiaries shall provide, at the request of the [name initiative] or National Funding Institutions, the data necessary for:

− the continuous and systematic review of [name initiative];

− the evaluation and impact assessment of activities of [name initiative], including the use and Dissemination of Foreground.

Such data may be requested throughout the duration of the project and up to five years after the end of the project. The data collected may be used by the [name initiative] in its own evaluations but will not be published other than on an anonymous basis.

2. Without prejudice to the provisions regarding protection of Foreground and confidentiality, the

Beneficiaries shall, where appropriate, during the project and for two years following its end, inform the [name initiative] and the European standardisation bodies about Foreground which may contribute to the preparation of European or international standards.

**II.11. Information to be provided to Participating States, other Member States or Associated Countries**

1. The [name initiative] shall, upon request, make available to any Member State or Associated country any useful information in its possession on Foreground, provided that the following cumulative conditions are met:

− the information concerned is relevant to public policy;

− the Beneficiaries have not provided sound and sufficient reasons for withholding the information concerned;

− the applicable European Union law on Classified Information does not prohibit such action.

2. The provision of information pursuant to paragraph 1 shall not transfer to the recipient any rights or obligations and the recipient shall be required to treat any such information as confidential unless it becomes duly public, or it was communicated to the [name initiative] without restrictions on its confidentiality.

**II.12. Information and communication**

1. The Beneficiaries shall, throughout the duration of the project, take appropriate measures to engage with the public and the media about the project and to highlight the financial support of [name initiative]. Unless the [name initiative] requests otherwise, any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc), must specify that the project has received research funding from the [name initiative], European Union and the respective National Funding Institutions and display the [name initiative] and European emblems and the logos of the National Funding Institutions. When displayed in association with a logo, the [name initiative] and European emblems should be given appropriate prominence. This obligation to use the [name initiative] and European emblems in respect of projects to which [name initiative] contributes implies no right of exclusive use. It is subject to general third-party use restrictions which do not permit the appropriation of the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, Beneficiaries are exempted from the obligation to obtain prior permission from the [name initiative] and/or European Commission to use the respective emblems.

Further detailed information on the EU emblem can be found on the Europa website and about

[name initiative] logo on the [name initiative] website.

Any publicity made by the Beneficiaries in respect of the project, in whatever form and on or by whatever medium, must specify that it reflects only the author’s views and that the [name initiative] and the European Union is not liable for any use that may be made of the information contained therein.

2. The [name initiative], the European Commission and the respective National Funding Institutions shall be authorised to publish, in whatever form and on or by whatever medium, the following information:

− the name of the Beneficiaries;

− contact addresses of Beneficiaries;

− the general purpose of the project in the form of the summary provided by the Consortium;

− the amount and rate of the financial contribution, including the Participating States contribution, of [name initiative] foreseen for the project; after the final payment, the amount and rate of the financial contribution, including the Participating States contribution, of [name initiative] accepted by the [name initiative];

− the estimated amount and rate of the financial contribution, including the Participating States contribution, of [name initiative] foreseen for each Beneficiary in the table of the estimated breakdown of budget in Annex I; after the final payment, the amount and rate of the financial contribution, including the Participating States contribution, of [name initiative] accepted by the [name initiative] for each Beneficiary;

− the geographic location of the activities carried out;

− the list of Dissemination activities and/or of patent (applications) relating to Foreground;

− the details/references and the abstracts of scientific publications relating to Foreground

− the publishable reports submitted to it;

− in compliance with relevant third party rights, any picture or any audiovisual or web material

provided to the [name initiative] in the framework of the project.

The Consortium shall ensure that all necessary authorisations for such reports and other dissemination material have been obtained and that the publication of the information by the [name initiative] does not infringe any rights of third parties. Upon a duly substantiated request by a Beneficiary, the [name initiative] may agree to forego such publicity if disclosure of the information indicated above would risk compromising the Beneficiary’s security, academic or commercial interests.

**II.13. Processing of personal data**

1. All personal data contained in the Grant Agreement shall be processed in accordance with Regulation (EC) No 45/2001 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data by the institutions and bodies of the Union and on the free movement of such data. Such data shall be processed by the [name initiative] solely in connection with the implementation and follow-up of the Grant Agreement and the evaluation and impact assessment of activities of [name initiative] including the use and Dissemination of Foreground, without prejudice to the possibility of passing the data to the bodies in charge of a monitoring or inspection task in accordance with European Union legislation and this Grant Agreement.

2. Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the [name initiative]. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.

3. Any Communication or request relating to the processing of personal data shall be submitted, using the address(es) for the [name initiative] identified in Article 8 paragraphs 1 and 2 of this GA.

**Part B FINANCIAL PROVISIONS**

**SECTION 1 – GENERAL FINANCIAL PROVISIONS**

**II.14. Eligible costs of the project**

1. Costs incurred for the implementation of the project shall meet the following conditions in order to be considered eligible:

a) they must be actual;

b) they must be incurred by the Beneficiary;

c) they must be incurred during the duration of the project; with the exception of costs incurred in relation to final reports and reports corresponding to the last period as well as certificates on the financial reports when requested at the last period and final reviews if applicable, which may be incurred during the period of up to 60 days after the end of the project or the date of termination whichever is earlier;

d) they must be determined in accordance with the usual accounting and management principles

and practices of the Beneficiary. The accounting procedures used in the recording of costs and

receipts shall respect the accounting rules of the State in which the Beneficiary is established. The

Beneficiary’s internalaccounting and auditing procedures must permit direct reconciliation of the

costs and receipts declared in respect of the project with the corresponding financial reports and

supporting documents;

e) they must be used for the sole purpose of achieving the objectives of the project and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;

f) they must be recorded in the accounts of the Beneficiary; in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;

g) they must be indicated in the estimated overall budget in Annex I.

2. Costs incurred by third parties in relation to resources they make available free of charge to a

Beneficiary, can be declared by the Beneficiary provided they meet the conditions established in

paragraphs 1 and 3, mutatis mutandis and are claimed in conformity with Article II.17.

3. Non recoverable value added tax shall be considered as an eligible cost.

4. The following costs shall be considered as non-eligible and may not be charged to the project:

a) recoverable VAT

b) duties

c) interest owed

d) provisions for possible future losses or charges

e) exchange losses, cost related to return on capital

f) costs declared or incurred, or reimbursed in respect of another project of the [name initiative], of the Union or of Euratom or of a Member or Associated Country

g) debt and debt service charges, excessive or reckless expenditure.

**II.15. Identification of direct and indirect costs**

1. Direct costs are all those eligible costs which can be attributed directly to the project and are identified by the Beneficiary as such, in accordance with its accounting principles and its usual internal rules. With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out work under the project may be charged. Such persons must:

− be directly hired by the Beneficiary in accordance with its national legislation,

− work under the sole technical supervision and responsibility of the latter, and

− be remunerated in accordance with the normal practices of the Beneficiary. Costs related to parental leave for persons who are directly carrying out the project are eligible costs, in proportion to the time dedicated to the project, provided that they are mandatory under national law.

2. Indirect costs are all those eligible costs which cannot be identified by the Beneficiary as being directly attributed to the project but which can be identified and justified by its accounting system as being incurred in direct relationship with the eligible direct costs attributed to the project. They may not include any eligible direct costs. Indirect costs shall represent a fair apportionment of the overall overheads of the organisation. Indirect costs shall be calculated as [number] % of the total direct eligible costs, excluding direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the Beneficiary.

**II.16. The financial contribution of the [name initiative]**

1. The financial contribution of the [name initiative] and the contribution by the Participating States to the project shall be determined by applying the upper funding limits indicated in Article II.16, per activity and per Beneficiary to the actual eligible costs and/or to the flat rates accepted by the [name initiative].

2. The financial contribution of the [name initiative] shall be calculated by reference to the cost of the project as a whole and its reimbursement shall be based on the accepted costs of each Beneficiary and received Participating States contribution.

3. The financial contribution of the [name initiative] cannot give rise to any profit for any Beneficiary. For this purpose, at the time of the submission of the last financial report, the final amount of the financial contribution of the [name initiative] will take into account the Participating State’s contribution from the National Funding Institution and any receipts of the project received by each Beneficiary.

For each Beneficiary, the financial contribution of the [name initiative] cannot exceed the eligible costs minus the Participating States contribution minus the receipts for the project.

4. The total amount of payments by the [name initiative] shall not exceed in any circumstances the

maximum amount of the financial contribution of the [name initiative] referred to in Article 5.

Beneficiaries shall not be entitled to receive any double funding for the [name initiative] project activity, such as 7th Framework Programme and Structural Funds.

5. Without prejudice to the right to terminate the Grant Agreement under Article II.35, and without prejudice to the right of the [name initiative] to apply the penalties referred to in Articles II.22 and II.23 if the project is not implemented or is implemented poorly, partially or late, the [name initiative] may reduce the grant initially provided for in line with the actual implementation of the project on the terms laid down in this Grant Agreement.

6. The [name initiative] shall recover from the Coordinator, for each reporting period following the

implementation of the agreement, the amount of interest generated when such pre-financing

exceeds the amount fixed in the Financial Regulation and its Implementing Rules. The interest

accrued from pre-financing shall be included in a calculation of maximum of the [name initiative]

contribution.

7. The pre-financing of the [name initiative] contribution coming from the European Union and also interest yielded by this pre-financing remains the property of the European Union.

8. The Beneficiaries shall administer the [name initiative] contribution according to the principles of sound financial management, namely in accordance with the principles of economy, efficiency and effectiveness.

**Part C INTELLECTUAL PROPERTY RIGHTS, USE AND**

**DISSEMINATION**

**SECTION 1 – FOREGROUND**

**II.17. Ownership**

1. Foreground shall be the property of the Beneficiary carrying out the work generating that Foreground.

2. Where several Beneficiaries have jointly carried out work generating Foreground and where their respective share of the work cannot be ascertained, they shall have joint ownership of such

Foreground. They shall establish an agreement9 regarding the allocation and terms of exercising that joint ownership. However, where no joint ownership agreement has yet been concluded, each of the joint owners shall be entitled to grant non-exclusive licenses to third parties, without any right to sub-license, subject to the following conditions:

a) at least 45 days prior notice must be given to the other joint owner(s); and

b) fair and reasonable compensation must be provided to the other joint owner(s).

3. If employees or other personnel working for a Beneficiary are entitled to claim rights to Foreground, the Beneficiary shall ensure that it is possible to exercise those rights in a manner compatible with its obligations under this Grant Agreement.

**II.18. Transfer**

1. Where a Beneficiary transfers ownership of Foreground, it shall pass on its obligations regarding

that Foreground to the assignee including the obligation to pass those obligations on to any subsequent assignee.

2. Subject to its obligations concerning confidentiality such as in the framework of a merger or an acquisition of an important part of its assets, where a Beneficiary is required to pass on its obligations to provide access rights, it shall give at least 45 days prior notice to the other Beneficiaries of the envisaged transfer, together with sufficient information concerning the envisaged new owner of the Foreground to permit the other Beneficiaries to exercise their access

rights. However, the Beneficiaries may, by written agreement, agree on a different time-limit or waive their right to prior notice in the case of transfers of ownership from one Beneficiary to a specifically identified third party.

3. Following notification in accordance with paragraph 2, any other Beneficiary may object within [number] days of the notification or within a different time-limit agreed in writing, to any envisaged transfer of ownership on the grounds that it would adversely affect its access rights. Where any of the other Beneficiaries demonstrate that their access rights would be adversely affected, the intended transfer shall not take place until agreement has been reached between the Beneficiaries concerned.

4. Beneficiaries shall not be entitled to transfer ownership of foreground to third parties established in Third Countries.

**II.19. Use**

1.The Beneficiaries shall use the Foreground which they own or ensure that it is used.

2.The Beneficiaries shall report to the [name initiative] on the expected use to be made of Foreground in the plan for the use and dissemination of Foreground. The information must be sufficiently detailed to permit the [name initiative] and/or the European Commission to carry out any related audit.

**FINAL PROVISIONS**

**II.20. Requests for amendments and termination at the initiative of the Consortium**

1. Amendments to this Grant Agreement may be requested by any of the Parties. Requests for amendments and termination shall be signed by the legal representative of the Parties and submitted in accordance with Article 8. Any request or acceptance by the Consortium or a Beneficiary(ies) shall be submitted by the Coordinator. The Coordinator is deemed to act on behalf of all Beneficiaries when signing a request, an acceptance or rejection letter concerning an amendment as well as when requesting a termination. The Coordinator shall ensure that adequate proof of the Consortium’s Agreement to such an amendment or termination exists and is made available in the event of an audit or upon request of the [name initiative], the National Funding Institutions and/or the European Commission.

2. In the case of change of Coordinator without its agreement, the request shall be submitted by all other Beneficiaries or by one of them representing the others.

3. Requests for the addition of a new Beneficiary shall include a completed Form B (Annex IV), duly signed by such new entity. Such additional entity shall assume the rights and obligations of Beneficiaries as established by the Grant Agreement with effect from the date of its accession specified in the signed Form B.

4. The amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of the Beneficiaries.

5. Requests for termination of the participation of one or more Beneficiaries shall include:

− the consortium’s proposal for reallocation of the tasks and budget of that Beneficiary,

− the reasons for requesting the termination,

− the proposed date on which the termination shall take effect,

− a letter containing the opinion of the Beneficiary whose participation is requested to be

terminated and

− the reports and deliverables referred to in Article II.4, relating to the work carried out by this Beneficiary up to the date on which the termination takes effect, together with a comment of the Coordinator on behalf of the Consortium on these reports and deliverables and a declaration on distribution of payments to this Beneficiary by the Coordinator.

In the absence of receipt of such documents, the request shall not be considered as a valid request.

The letter containing the opinion of the Beneficiary concerned can be substituted by proof that this Beneficiary has been requested in writing to express its opinion on the proposed termination of its participation and to send the reports and deliverables but failed to do so within the time-limit established by that notification. This time-limit shall not be inferior to one month. In this case, if no reports have been submitted with the request for termination, the [name initiative] and respective National Funding Institutions shall not take into account any further cost claims of that Beneficiary and shall not make any further reimbursement for it. Unless otherwise agreed with the [name initiative] and the National Funding Institutions, all the tasks of the Beneficiary whose participation is terminated must be reallocated within the Consortium.

Requests for termination of the Grant Agreements shall provide the justification for termination and the reports and deliverables referred to in Article II.4 relating to the work carried out up to the date on which the termination takes effect.

**II.21. Approval of amendments and termination requested by the Consortium**

1. The Parties to this Grant Agreement undertake to approve or reject any valid request for an amendment or termination within 45 days of its receipt. The absence of a response within 45 days of receipt of such a request shall be considered as a rejection.

2. The [name initiative] 's approval of the requested amendment or termination shall be notified to the Coordinator after consultation with the respective National Funding Institutions, which receives it on behalf of the Consortium.

3. Amendments and terminations shall take effect on the date agreed by the Parties; where there is no date specified they shall take effect on the date of the [name initiative]’s approval.

**II.22. Termination of the Grant Agreement or of the participation of one or more Beneficiaries at the [name initiative]’s initiative**

1. The [name initiative] may terminate the Grant Agreement or the participation of a Beneficiary after consultation with the respective National Funding Institutions in the following cases:

a) where one or more of the legal entities identified in Article 1 does not accede to this Grant Agreement;

b) in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by this Grant Agreement that is not remedied following a written request to the Consortium to rectify the situation within a period of 30 days;

c) where the Beneficiary has deliberately or through negligence committed an irregularity in the performance of any Grant Agreement with the [name initiative] and/or National Funding Institutions;

d) where the Beneficiary has contravened fundamental ethical principles;

e) where the required reports or deliverables are not submitted or the [name initiative] and/or National Funding Institutions do not approve the reports or deliverables submitted;

f) for major technical or economic reasons substantially adversely affecting the completion of the project;

g) if the potential use of the Foreground diminishes to a considerable extent;

h) where a legal, financial, organisational or technical change or change of control of a Beneficiary

calls into question the decision of the [name initiative] and/or National Funding Institution to accept its participation;

i) where any such change identified in h) above or termination of the participation of the Beneficiary(ies) concerned substantially affects the implementation of the project, or the interests of the [name initiative] or of the European Union or calls into question the decision to grant the

contribution of the [name initiative];

j) in case of force majeure notified in conformity with Article II.37, where any reactivation of the

project after suspension is impossible;

k) where the conditions for participation in the project established by the [name initiative] Decision and the call for proposals to which the project was submitted are no longer satisfied, unless the [name initiative] considers that the continuation of the project is essential to the implementation of the programme;

l) where a Beneficiary is found guilty of an offence involving its professional conduct by a judgment having the force of res judicata or if it is guilty of grave professional misconduct proven by any justified means;

m) where further to the termination of the participation of one or more Beneficiaries, the Consortium does not propose to the [name initiative] an amendment to the Grant Agreement with the necessary modifications for the continuation of the project including the reallocation of task of the Beneficiary whose participation is terminated within the time-limit determined by the [name initiative] or where the [name initiative] and /or National Funding Institutions does not accept the proposed modifications;

n) where a Beneficiary is declared bankrupt or is being wound up.

2. Termination of the participation of one or more Beneficiaries at the [name initiative]’s and/or National Funding Institutions’ initiative shall be notified to the Coordinator and shall take effect on the date indicated in the notification and at the latest 30 days after its receipt by the Coordinator.

The [name initiative] and/or National Funding Institutions shall inform the Consortium of the effective date of termination. In the case of termination of the Grant Agreement, the Coordinator shall be notified, who shall in turn notify all the other Beneficiaries and the termination shall become effective 45 days after receipt by the Coordinator.

3. The consortium has up to 30 days after the effective date of termination of the Beneficiary’s participation to provide the [name initiative] with information on the share of its contribution that has been effectively transferred to such Beneficiary since the beginning of the project.

4. In the absence of receipt of such information within the time-limits, the [name initiative] shall consider that the Beneficiary whose participation is terminated owes no money to the [name initiative] and that its contribution already paid is still at the disposal of the consortium and under its responsibility.

5. Within 45 days after the effective date of termination, the Beneficiary(ies) whose participation is terminated shall submit (through the Coordinator) all required reports and deliverables referred to in Article II.4 relating to the work carried out up to that date. In the absence of receipt of such documents within the above time-limits, the [name initiative] and/or National Funding Institutions may, after providing 30 days' notice in writing of the non-receipt of such documents, determine not to take into account any further cost claims and not to make any further reimbursement and, where appropriate, require the reimbursement of any pre-financing due by the Beneficiary(ies).

6. Based on documents and information referred to in the paragraphs above, the [name initiative] and/or National Funding Institutions shall establish the debt owed by the Beneficiary whose participation is terminated.

7. Where the participation of one or more Beneficiaries is terminated, the Beneficiary(ies) whose

participation is terminated shall reimburse the amount due to the [name initiative] and/or National Funding Institutions or transfer it to the Coordinator as requested by the [name initiative] within 30 days.

The [name initiative] and/or National Funding Institutions shall send a copy of such a request to the Coordinator. In the latter case, the Coordinator shall inform the [name initiative] and/or National Funding Institutions at the latest 10 days after the end of this time-limit whether the amount has been transferred to it.

8. Where the Grant Agreement is terminated, the [name initiative] and/or National Funding Institutions shall establish the debt owed by the Consortium and notify it to the Coordinator.

**II.23. Force majeure**

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfillment of any obligation under this Grant Agreement by the Parties, which is beyond their control and cannot be overcome despite their reasonable endeavors. Any default of a product or service or delays in making them available for the purpose of performing this Grant Agreement and affecting such performance, including, for instance, anomalies in the functioning or performance of such product or service, labour disputes, strikes or financial difficulties do not constitute force majeure.

2. If any of the Beneficiaries is subject to force majeure liable to affect the fulfillment of its obligations under this Grant Agreement, the Coordinator shall notify the [name initiative] and/or National Funding Institutions without delay, stating the nature, likely duration and foreseeable effects.

3. If [name initiative] is subject to force majeure liable to affect the fulfillment of its obligations under this Grant Agreement, it shall notify the Coordinator without delay, stating the nature, likely duration and foreseeable effects.

4. No party shall be considered to be in breach of its obligation to execute the project if it has been

prevented from complying by force majeure. Where Beneficiaries cannot fulfill their obligations to

execute the project due to force majeure, remuneration for accepted eligible costs incurred may be made only for tasks which have actually been executed up to the date of the event identified as force majeure. All necessary measures shall be taken to limit damage to the minimum.

**II.24. Liability**

1. The [name initiative] cannot be held liable for any acts or omissions of the Beneficiaries in relation to this Grant Agreement. It shall not be liable for any defaults of any products, processes or services created on the basis of Foreground, including, for instance, anomalies in the functioning or performance thereof.

2. Each Beneficiary fully guarantees the [name initiative] and agrees to indemnify it, in case of any action, complaint or proceeding brought by a third party against the [name initiative] as a result of damage caused, either by any of its acts or omissions in relation to this Grant Agreement, or by any products, processes or services created by it on the basis of Foreground resulting from the project. In the event of any action brought by a third party against a Beneficiary in connection with the performance of this Grant Agreement, the [name initiative] may assist the latter upon written request. The costs incurred by the [name initiative] in this connection shall be borne by the Beneficiary concerned.