

VICINITY Standard Extension Contract

for the Research and Innovation Action

VICINITY: Open virtual neighbourhood network to connect IoT infrastructures and smart objects

Project Number: 688467

under the “Horizon 2020 – the Framework Programme for Research and Innovation (2014-2020)” of the European Commission

Version 1.0

Jan 2018

VICINITY Standard Extension Contract

This VICINITY Standard Extension Contract for providing financial support to the Selected Third Party, hereinafter referred to as the “Agreement”, is entered into by and between:

Technische Universität Kaiserslautern (“Cascade Funding Partner”), established in GOTTLIEB_DAIMLER-STRASSE Geb. 47, KAISERSLAUTERN 67663, Germany, herein represented by its Chancellor (Kanzler) Stefan Lorenz

and

[REDACTED] (“Selected Third Party”), an organization under the laws of [REDACTED] having its registered office at [REDACTED], with VAT No [REDACTED], herein represented by [REDACTED]

Hereinafter sometimes individually referred to as “**Party**” and collectively referred to as “**Parties**”.

Whereas

TECHNISCHE UNIVERSITAET KAISERSLAUTERN (UNIKL), established in GOTTLIEB-DAIMLER-STRASSE Geb. 47, KAISERSLAUTERN 67663, Germany, the Coordinator

ATOS SPAIN SA, a Spanish Corporation having its registered office at Albarracín 25, Madrid (SPAIN), declared at the Register of Commerce of Madrid (Registro Mercantil de Madrid) under Volume 2701, Book 2033, Section 3, Leaf 58, Sheet 18242, with VAT number A-28240752 and represented by Mr. José María Cavanillas San Segundo acting in his capacity of Director and duly authorized for the purposes hereof hereinafter referred to as “**ATOS**”

ETHNIKO KENTRO EREVNAS KAI TECHNOLOGIKIS ANAPTYXIS (CERTH), established in CHARILAOU THERMI ROAD 6 KM, THERMI THESSALONIKI 57001, Greece,

AALBORG UNIVERSITET (AAU), established in FREDRIK BAJERS VEJ 5, AALBORG 9220, Denmark,

GORENJE GOSPODINJSKI APARATI D.D. (GORENJE), established in PARTIZANSKA CESTA 12, VELENJE 3320, Slovenia,

HELLENIC TELECOMMUNICATIONS ORGANIZATION S.A. - OTE AE (ORGANISMOS TILEPIKOINONION TIS ELLADOS OTE AE) (OTE), established in KIFISSIAS AVENUE 99, Maroussi - Athens 15124, Greece,

bAvenir, s.r.o. (BVR), established in Jegeho 8, Bratislava 82108, Slovakia,

CLIMATE ASSOCIATES LIMITED (CAL), established in WESTLAND 1 MARTLESHAM HEATH, IPSWICH IP53SU, United Kingdom,

INTERSOFT A.S. (INTERSOFT) AS, established in FLORIANSKA 19, KOSICE 04001, Slovakia,

UNIVERSIDAD POLITECNICA DE MADRID (UPM), established in CALLE RAMIRO DE MAEZTU 7 EDIFICIO RECTORADO, MADRID 28040, Spain,

GNOMON Informatics SA (GNOMON), established in ANTONI TRITSI 21, Thessaloniki 570 01, Greece,

Tiny Mesh (TINYMESH) AS, established in Løkkegata 15, Moss 1532, Norway,

Hafenstrom (HAFENSTROM) AS, established in Roald Amundsensgate 7, Svolvær 8300, Norway,

ENERCOUTIM - ASSOCIACAO EMPRESARIALDE ENERGIA SOLAR DE ALCOUTIM (ENERCOUTIM), established in CENTRO DE ARTES E OFICIOS, RUA DAS TINAS 1 ESQ, ALCOUTIM 8970 064, Portugal,

DIMOS PYLAIAS CHORTIATI (MPH), established in AP. SAMANIDI 21, PANORAMA-THESSALONIKI 55236, Greece,

(hereinafter sometimes individually or collectively referred as “**VICINITY Beneficiary**” or the “**VICINITY Beneficiaries**”)

participate to the H2020 project entitled “Open virtual neighbourhood network to connect IoT infrastructures and smart objects” (hereinafter the “**VICINITY Project**”).

Whereas the VICINITY Beneficiaries entered into a Grant Agreement N° 688467 with the European Commission (the “Grant Agreement” or “GA”) and signed together in 2016 a Consortium Agreement with respect to the VICINITY Project (the “Consortium Agreement” or “CA”).

Whereas the VICINITY Project involves financial support to Third Parties through a Cascade Funding scheme (hereinafter “Cascade Funding”) according to art. 15 - GA.

Whereas further to an open call for a specific Extension as described in Annex 3 “Specific Extension Contract”, the Selected Third Party has been selected by the Evaluation Committee of the VICINITY Project to implement such Extension.

Whereas the Cascade Funding Partner (the VICINITY Coordinator) is willing to provide financial support to the Selected Third Party for the implementation of such Extension and the Selected Third Party is willing to receive such funding under the terms and conditions of this Agreement.

Whereas in accordance with the Grant Agreement and the Consortium Agreement, the Cascade Funding Partner shall sign the VICINITY Standard Extension Contract (hereinafter the Agreement) with the Selected Third Party compliant with the GA and CA.

Whereas the Cascade Funding Partner is responsible for the execution of this Agreement with the Selected Third Party and for the monitoring of the Agreement.

Now therefore it has been agreed as follows:

Section 1: Definitions

Words beginning with a capital letter shall have the meaning defined in the preamble of the Agreement or in this Section:

1.1. Access Rights means rights to use Results or Background under the terms and conditions laid down in this Agreement.

1.2. An Affiliated Entity of a VICINITY Beneficiary means:

- a) any legal entity directly or indirectly Controlling, Controlled by, or under common Control with that VICINITY Beneficiary, for so long as such Control lasts; and
- b) any other legal entity being an Affiliated Entity of a VICINITY Beneficiary, where such legal entity is one in which that VICINITY Beneficiary (or a legal entity qualifying as an Affiliated Entity of that VICINITY Beneficiary under (a) directly above) has a 50% equity share or is the single largest equity shareholder.

For the above purposes, "Control" of any legal entity shall exist through the direct or indirect:

- ownership of more than 50% of the nominal value of the issued share capital of the legal entity or of more than 50% of the issued share capital entitling the holders to vote for the election of directors or persons performing similar functions, or
- right by any other means to elect or appoint directors of the legal entity (or persons performing similar functions) who have a majority vote.

Common Control through government does not, in itself, create Affiliated Entity status.

1.3. Agreement means this VICINITY Standard Extension Contract, together with its Annexes.

1.4. Background means any data, know-how or information – whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights – that:

- a) is held by a Participating Partner before start of the project, and
- b) is Needed by another Participating Partner to implement its own tasks under the Extension or to Exploit its own Results, but solely to the extent that such data, information, know-how and/or intellectual property rights are introduced into the Extension by its owner.

1.5. Exploitation or Exploit means the direct or indirect use of Results in (a) further research activities other than those covered by the Extension, or (b) in developing, creating or marketing a product or process, or (c) in creating and providing a service, or (d) in standardization activities.

1.6. Fair and Reasonable conditions means appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for Access Rights, for example the actual or potential value of the Results or Background to which Access Rights are requested and/or the scope, duration and other characteristics of the exploitation envisaged. To fall within Fair and Reasonable conditions, the conditions must also be non-discriminatory.

With respect to VICINITY Beneficiaries which are Non-Profit Organizations considering their specific positioning, "appropriate conditions" means that, if requested by such Non-Profit

Organizations, they will receive a financial compensation in case of direct or indirect industrial or commercial exploitation of their own Results.

1.7. Feedback means, in the course of or in connection with the Extension, all comments, ideas for improvements or for modifications, information about use and performance, suggestions or other feedback from any Party or the Selected Third Party regarding a Platform Partner's products or technology used in the Extension.

1.8. Financial Support means the cash element of the financial support to be given by the Cascade Funding Partner to the Selected Third Party for the implementation of the Extension as detailed in Annex 3 "Specific Extension Contract".

1.9. Extension means the work detailed in Annex 3 "Specific Extension Contract" to be carried out by the Selected Third Party, with the objective to develop a VICINITY compliant extension.

1.10. Participating Partners means the entities and organizations participating in the Extension, being: (a) the Selected Third Party, (b) the Cascade Funding Partner, (c) any other VICINITY Beneficiary.

1.11. Industrial Party means a VICINITY Beneficiary which is not a Non-Profit Organization.

1.12. Intellectual Property Rights Policy means the Policy set out at Section 5 of this Agreement.

1.13. Needed means in respect of executing or carrying out the Extension, and/or in respect of Exploitation of Results, technically essential and:

- a) where intellectual property rights are concerned, that those intellectual property rights would be infringed without Access Rights being granted under this Agreement;
- b) where Confidential Information is concerned, only Confidential Information which has been disclosed during the Extension may be considered as technically essential, except as otherwise agreed in writing between the Participating Partners.

1.14. Non-Profit Organization means a legal entity that is by its legal form non-profit-making or has a legal or statutory obligation not to distribute profits to its shareholders or individual members.

1.15. Results means any tangible or intangible outputs of the Extension, such as data, knowledge and information whatever their form or nature, whether or not they can be protected, which are generated in the Extension, as well as any rights attached to them, including intellectual property rights.

Section 2: Conditions from the Grant Agreement and the Consortium Agreement reflected in the Agreement

The Cascade Funding Partner receives funding from the European Commission for organizing the selection of Third Parties through Open Calls. Under the VICINITY Grant Agreement and the Consortium Agreement, some of the obligations have to be imposed on the Selected Third Party. Those obligations are reflected in this Agreement. The specific obligations that the Selected Third Party must ensure as described in the Grant Agreement are reproduced in Annex 1.

The Selected Third Party acknowledges and agrees that these obligations comprised in this Agreement are fully applicable to it and shall do everything that is necessary to comply with these obligations.

Section 3: Terms and Conditions for the Financial Support

3.1. The Selected Third Party shall take part in the Extension in accordance with the state of the art. The Selected Third Party shall carry out the tasks according to the schedule set forth in Annex 3 “Specific Extension Contract” at the latest and shall report to the Cascade Funding Partner on the activities’ progress in regular intervals as indicated in Annex 3 “Specific Extension Contract”. Such technical reports based on the template provided in Annex 2 shall contain detailed information on the results generated by the Selected Third Party.

3.2. The Cascade Funding Partner shall give Financial Support for the Extension carried out by the Selected Third Party, within the limits and in accordance with the schedule of payments specified in Annex 3 “Specific Extension Contract”.

3.3. The Selected Third Party shall be entitled to claim eligible costs for the Extension as described in Annex 2 of this Agreement. The financial support takes the form of a reimbursement of eligible costs and is equal to the amount of EUR _____. As a financial support provided by the Project to Selected Third Party, the following scheduled payments apply:

- 40% of the overall financial support as advance payment after the signature of this Agreement with the Coordinator.
- 30% of the overall financial support as interim payment based on the evaluation by the VICINITY consortium of the Intermediate Report, edited and provided by Selected Third Party by midterm (after half of the Extension’s duration has passed from the Extension starting date).
- 30% of the overall financial support as Final payment subject to the evaluation by the VICINITY Consortium of Final Report, edited and provided by Selected Third Party at the end of the Extension’s duration and (eventually) following a formal approval of the report and the work at a Technical Project Review by the EC.

3.4. The Selected Third Party shall provide two Reports on performed activities and related costs report to the Cascade Funding Partner. The Selected Third Party shall use the reporting template in Annex 2. The following elements shall at least be included in these costs reports:

- a) The identification of the Extension;

- b) Detailed information on technical results and further development
- c) Detailed information and documentation on the costs incurred for the implementation of the Extension that permit justification of the eligibility of the costs.

No payment will be done by the Cascade Funding Partner if no sufficient evidence document is presented by the Selected Third Party and relevantly approved. As mentioned in above art. 3.3, two reports are planned:

- a) Intermediate Report: by midterm (after half of the Extension's duration has passed from the Extension starting date);
- b) Final Report: at the end of the Extension's duration and (eventually) following a formal approval of the report and the work at a Technical Project Review by the EC.

3.5. The Cascade Funding Partner will transfer the amount of the Financial Support to the Selected Third Party on the basis of (i) a written payment request by the Selected Third Party to be sent to the Cascade Funding Partner together with an invoice, if applicable, in accordance with the schedule set forth in Annex 3 "Specific Extension Contract" and (ii) a decision of the Cascade Funding Partner for awarding the amount to the Selected Third Party, provided the terms and conditions of this Agreement are complied with, in particular after the written validation by the Cascade Funding Partner of the corresponding deliverable(s) identified in Annex 3 "Specific Extension Contract". The payment shall be made as indicated in Annex 3 "Specific Extension Contract" after the written validation of the payment request by the Cascade Funding Partner however always provided that the conditions listed in this Section 3 are met by the Selected Third Party. In turn, the Selected Third Party should send a written acknowledgement upon the reception of the payment.

3.6. The Selected Third Party is aware that if the Cascade Funding Partner is required to make any deduction or withholding on account of any taxes ("Withholding Tax") from the amount payable to the Selected Third Party, then the Cascade Funding Partner shall make the relevant deduction or withholding from the amount due to the Selected Third Party. The Cascade Funding Partner shall i) promptly pay to the relevant authority within the relevant period permitted by law the full amount of such deduction or withholding and ii) provide the Selected Third Party with written evidence (including certification where appropriate) that it has made the payment to the relevant tax authority.

3.7. The collaboration between Selected Third Party and Cascade Funding Partner will last maximum five (5) months. The start date of the Extension is May, 15th 2019 and the end date is October, 15th 2019.

Section 4: Liability

4.1. The Selected Third Party shall comply with all applicable laws, rules and regulations, including, but not limited to safety, security, welfare, social security and fiscal laws, rules and regulations.

4.2. The Selected Third Party shall not be entitled to act or to make legally binding declarations on behalf of the Cascade Funding Partner and/or any other VICINITY Beneficiary and shall fully indemnify all of the latter from any third party claim resulting from a breach of these obligations.

4.3. The total contractual liability of the Cascade Funding Partner for any reason whatsoever and howsoever arising out of and/or in connection with this Agreement shall in any case be limited to the amount of the Financial Support provided to the Selected Third Party hereunder. The Cascade Funding Partner shall not in any case be liable for any indirect, incidental, punitive, special and/ or consequential damages and losses including but not limited to:

- loss of profits, interest, savings, production and business opportunities;
- loss of contracts, goodwill, and anticipated savings;
- loss of or damage to reputation or to data;
- costs of recall of products.

4.4. This limitation of liability shall not apply in cases of willful act or gross negligence.

4.5. The Selected Third Party shall fully and exclusively bear the risks and has any and all liabilities arising out of and/or in connection with the Extension for which Financial Support is granted by the Cascade Funding Partner. The Selected Third Party shall indemnify the VICINITY Beneficiaries and the Cascade Funding Partner for any and all damages, losses, penalties, costs and expenses which the VICINITY Beneficiaries and/or the Cascade Funding Partner would incur or have to pay to the European Commission and/or to any third parties with respect to such Extension financially supported and/or for any damages and losses in general which the VICINITY Beneficiaries or the Cascade Funding Partner incur as a result thereof. In addition, should the European Commission have a right to recovery against the Cascade Funding Partner or another VICINITY Beneficiary regarding the Financial Support granted under this Agreement, the Selected Third Party shall pay the sums in question, in the terms and the date specified by the Cascade Funding Partner. Moreover, the Selected Third Party shall indemnify and hold the VICINITY Beneficiaries and the Cascade Funding Partner, their respective officers, directors, employees and agents harmless from and against all repayments, loss, liability, costs, charges, claims or damages that result from or arising out of any such recovery action by the European Commission.

4.6. In respect of any information or materials (including Results and Background) supplied by one Party to another Party or to a VICINITY Beneficiary, or by a VICINITY Beneficiary involved in the applicable Extension to a Party, no warranty or representation of any kind is made, given or implied as to the sufficiency, accuracy or fitness for purpose nor as to the absence of any infringement of any proprietary rights of third parties. Therefore,

- the recipient, shall in all cases be entirely and solely liable for the use to which it puts such information and materials (including Results and Background), and
- there is no liability in case of infringement of proprietary rights of a third party resulting from any Access Rights.

Section 5: Intellectual Property Rights Policy

The Selected Third Party acknowledges the terms of the “Intellectual Property Rights Policy” defined hereinafter. The Selected Third Party agrees that it will comply with the Intellectual Property Rights Policy to ensure that the Cascade Funding Partner will always be able to comply with such terms towards the other VICINITY Beneficiaries.

5.1 General Principle regarding Ownership

Results are owned by the Party or by the VICINITY Beneficiary that generates them.

5.2 Joint Results

As requested in the Consortium Agreement signed between the VICINITY Beneficiaries, among which the Cascade Funding Partner, if, in the course of carrying out the Extension, a Result is generated by the Selected Third Party with one or several VICINITY Beneficiaries (the "Contributors"), and if the contributions to or features of such Result form an indivisible part thereof to the extent that none of the said Contributors could reasonably claim full ownership of this Result, such Result shall be jointly owned by them in equal shares, unless differently agreed by the Contributors.

Where such joint Result is covered by intellectual property rights, the Contributors shall execute a joint ownership agreement regarding the allocation and the conditions of exploitation of the joint Result as soon as possible. They shall do all their best efforts to execute such joint ownership agreement at the latest five (5) months after the beginning of the industrial or commercial exploitation of such joint Result.

The Contributors shall agree on all protection measures, on their joint ownership shares and on the division of related costs in a joint ownership agreement to be negotiated.

Unless otherwise agreed in the joint ownership agreement:

- each of the Contributors shall be entitled to use their jointly owned Results for internal research activities on a royalty-free basis including for internal educational activities, and without requiring the prior consent of the other Contributors subject to confidentiality obligations, and
- the Contributors shall be entitled to otherwise exploit the jointly owned Results and to grant non-exclusive licenses to third parties (without any right to sub-license), if the other Contributors are given:
 - a) at least 45 calendar days advance notice;
 - b) and fair and reasonable compensation.

With respect to the "Fair and Reasonable compensation" due to the Selected Third Party which are Non-Profit Organizations, considering their specific positioning, "Fair and Reasonable compensation" means, if requested by such Non-Profit Organizations, that they will receive a financial compensation in case of direct or indirect exploitation of joint Results.

The Parties expressly agree herein that in case of joint ownership between Industrial Parties, such Industrial Parties are entitled to directly Exploit their joint Result without asking the other Industrial Parties' approval and without paying any compensation to the other Industrial Parties.

5.3 Access Rights

For the purpose of this article 5.3, Background shall mean the Background as listed in the Annex 3 “Specific Extension Contract” and validated by the Participating Partners for the concerned Extension.

Access Rights to Background and to the Results of the Grant Agreement may be requested by the Selected Third Party only from the Cascade Funding Partner, only if the following conditions are fulfilled:

- The Selected Third Party Needs such listed Background for implementation of its tasks in the Extension. Where this is the case, the Selected Third Party will have Access Rights to that Background for the duration of the Extension on royalty-free basis, solely to the extent Needed to implement its tasks in the Extension; Due to provisions of the consortium agreement signed between the VICINITY Beneficiaries, Access Rights to Background and Results may be requested by the Selected Third Party only from the Participating Partner, only in the following case and if the following conditions are fulfilled:
- The Selected Third Party Needs such listed Background for Exploitation of its own Extension Results. Where this is the case and subject to the limitations stated in the Specific Extension Contract, the Selected Third Party shall be granted Access Rights to such Background on Fair and Reasonable conditions and upon separate written bilateral agreement between the Selected Third Party and the owning Participating Partner. A request for Access Rights for Exploitation may be made up to twelve months after the end of the Extension.
- The VICINITY Beneficiaries involved in the Extension enjoy the same Access Rights on Background or Results owned by the Selected Third Party for implementation of the Extension or, direct or indirect exploitation of their Results, under the same conditions mentioned here above.

For the avoidance of doubt, any grant of Access Rights not covered by this Section shall be at the absolute discretion of the owner and subject to such terms and conditions as may be agreed between the owner and recipient.

Section 6: Confidentiality

All information of whatever nature and in whatever form or mode of communication, which is disclosed by a Party (the “Disclosing Party”) to another Party (the “Recipient”) in connection with the Extension during its implementation and which has been explicitly marked as “confidential” at the time of disclosure, or when disclosed orally has been identified as confidential at the time of disclosure and has been confirmed and designated in writing within fifteen (15) calendar days from oral disclosure at the latest as confidential information by the Disclosing Party, is “Confidential Information”.

The Recipients hereby undertake for the duration of the Extension and a period of 4 years after the end of the Extension:

- not to use Confidential Information otherwise than for the purpose for which it was disclosed;
- not to disclose Confidential Information to any third party without the prior written consent by the Disclosing Party;
- to ensure that internal distribution of Confidential Information by a Recipient to its employees shall take place on a strict need-to-know basis; and
- except as required for continuing Access Rights, to return to the Disclosing Party on demand all Confidential Information which has been supplied to or acquired by the Recipients including all copies thereof and to delete all information stored in a machine-readable form. The Recipients may keep a copy to the extent it is required to keep, archive or store such Confidential Information because of compliance with applicable mandatory laws and regulations (i.e. public policy legislation).

The Recipients shall be responsible for the fulfillment of the above obligations on the part of their employees involved in the Extension and shall ensure that they remain so obliged, as far as legally possible, during and after the end of the Extension and/or after the termination of the contractual relationship with the employee or third party. The above shall not apply for disclosure or use of Confidential Information, if and in so far as the Recipient can show that:

- the Confidential Information becomes publicly available by means other than a breach of the Recipient’s confidentiality obligations;
- the Disclosing Party subsequently informs the Recipient that the Confidential Information is no longer confidential;
- the Confidential Information is communicated to the Recipient without any obligation of confidence by a third party who is to the best knowledge of the Recipient in lawful possession thereof and under no obligation of confidence to the Disclosing Party;
- the disclosure or communication of the Confidential Information is foreseen by provisions of the Grant Agreement;
- the Confidential Information, at any time, was developed by the Recipient completely independently of any such disclosure by the Disclosing Party; or
- the Confidential Information was already known to the Recipient prior to disclosure or

- the Recipient is required to disclose the Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order subject to the last paragraph of this Section.

The Recipient shall apply the same degree of care with regard to the Confidential Information disclosed within the scope of the Extension as with its own confidential and/or proprietary information, but in no case less than reasonable care.

Each Recipient or Disclosing Party shall promptly advise the other Recipient or Disclosing Party in writing of any unauthorized disclosure, misappropriation or misuse of Confidential Information after it becomes aware of such unauthorized disclosure, misappropriation or misuse.

If a Recipient becomes aware that it will be required to disclose Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order, it shall, to the extent it is lawfully able to do so, prior to any such disclosure:

- notify the Disclosing Party of said request, and
- comply to the extent possible with the Disclosing Party's reasonable instructions to protect the confidentiality of the information at the Disclosing Party's expense, and
- make such disclosure only to the extent it is compelled.

As far as Cascade Funding Partner is concerned, disclosure of Confidential Information to the European Commission shall be governed by the terms of the GA.

As far as Selected Third Party is concerned, disclosure of Confidential Information to or from another Participating Partner (other than the Cascade Funding Partner) shall be governed by the terms of a specific non-disclosure agreement to be signed between them.

Section 7: Dissemination

Each Party agrees that any dissemination activity (including publications, presentations or contributions to any standards organisation) by the Selected Third Party is subject to the prior written approval of the other Participating Partners.

The Cascade Funding Partner and the other Participating Partners are entitled to include the main issues and information regarding the Extension in their reporting towards the European Commission, subject to prior written notification to the Selected Third Party.

Section 8: Checks and Audits

The Selected Third Party undertakes to provide any detailed information, including information in electronic format, requested by the European Commission or by any other outside body authorized by the European Commission to check that the Extension and the provisions of this Agreement are being properly implemented.

The Selected Third Party shall keep at the European Commission disposal all original documents, especially accounting and tax records, or, in exceptional and duly justified cases, certified copies of original documents relating to the Agreement, stored on any appropriate medium that ensures

their integrity in accordance with the applicable national legislation, for a period of five years from the date of payment of the balance specified in the grant agreements.

The Selected Third Party agrees that the European Commission may have an audit of the use made of the Financial Support carried out either directly by the European Commission staff or by any other outside body authorized to do so on its behalf. Such audits may be carried out throughout the period of implementation of the Agreement until the balance is paid and for a period of five years from the date of payment of the balance. Where appropriate, the audit findings may lead to recovery decisions by the European Commission.

The Selected Third Party undertakes to allow European Commission staff and outside personnel authorized by the European Commission the appropriate right of access to the sites and premises of the Selected Third Party and to all the information, including information in electronic format, needed in order to conduct such audits.

In accordance with Union legislation, the European Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors (ECA) may carry out spot checks and inspections of the documents of the Selected Third Party, and of any recipient of Cascade Funding, including at the premises of the Selected Third Party, in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities. Where appropriate, the inspection findings may lead to recovery decisions by the European Commission. The Articles 22 and 23 of the Grant Agreement, reproduced in Annex 1, also apply to the Selected Third Party.

Section 9: Termination

The Cascade Funding Partner can terminate this Agreement harmless for itself with immediate effect through written notice to the Selected Third Party and to the other Participating Partners:

9.1. if the Selected Third Party is in breach of any of its material obligations under this Agreement, which breach is not remediable, or, if remediable, has not been remedied within thirty (30) days after written notice to that effect from the party not in breach,

9.2. if, to the extent permitted by law, the Selected Third Party is declared bankrupt, is being wound up, is having its affairs administered by the courts, has entered into an arrangement with its creditors, has suspended business activities, or is the subject of any other similar proceeding concerning those matters, or

9.3. if the Selected Third Party is subject to an Event of Force Majeure, which prevents the Selected Third Party from correct performance of its obligations hereunder and such circumstances have lasted, or can reasonably be expected to last more than 3 months.

9.4. In any case of termination of the Grant Agreement and/or the Consortium Agreement, for any reason whatsoever and howsoever.

9.5. In any case of expiration or termination of the present, the Cascade Funding Partner's sole liability shall be to give to the Selected Third Party Financial Support for the Extension (or part of it) which the European Commission has formally approved.

9.6. Access Rights granted to the Selected Third Party shall cease immediately upon the effective date of termination.

Section 10: Concluding Conditions

10.1. The Selected Third Party's consistent level in its respective field of expertise played a key role in the selection of the Selected Third Parties to implement the Extension. Any total or partial transfer of provisions and the rights and duties needs the prior formal approval of all signatories.

10.2. The Selected Third Party shall not, without prior written consent of the Cascade Funding Partner, assign the Agreement or any part of the project, or assign, mortgage, charge or encumber any benefit whatsoever arising or which may arise under the Agreement. Such assignment may only be consented to by the Cascade Funding Partner.

The Selected Third Party shall not, without prior written consent of the Cascade Funding Partner, subcontract any part of the Agreement. The Selected Third Party shall secure that the subcontractor will comply with all obligations – especially coming from the Grant Agreement, and with regard to confidentiality – resulting from this Agreement and that the results attained by the subcontractor will be available in accordance with Section 5 of this Agreement.

In any event, the Selected Third Party shall not be relieved from his responsibility under the Agreement for such parts of the Agreement as are subcontracted and the Selected Third Party shall be responsible and liable for the acts or defaults of any subcontractor or their employees, servants and agents, as fully as if they were the acts or defaults of the Selected Third Party or the Selected Third Party's employees, servants and agents.

Any assignment, mortgage, charge, encumbrance or subcontract in contravention of this clause shall, as against the Cascade Funding Partner, be void and of no effect, and may be ignored by the Cascade Funding Partner.

The Selected Third Party shall protect, defend, indemnify and keep the Cascade Funding Partner indemnified against all claims, demands, actions, suits, proceedings, writs, judgment, orders, decrees, damages, losses and expenses suffered or incurred by the Cascade Funding Partner arising out of or related to such assignment, mortgage, charge, encumbrance or subcontract.

10.3. If any provision of this Agreement is determined to be illegal or in conflict with the applicable law, the validity of the remaining provisions shall not be affected. The ineffective provision shall be replaced by an effective provision which is economically equivalent. The same shall apply in case of a gap.

10.4. This Agreement shall be binding on the Selected Third Party and on the Cascade Funding Partner and their respective successors and their permitted assigns.

10.5. Any dispute arising out of or in connection with this Extension, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration under the LCIA Rules, which Rules are deemed to be incorporated by reference into this clause. The number of arbitrators shall be three. The seat, or legal place, of arbitration shall be Brussels, Belgium. The language to be used in the arbitral proceedings shall be the English language. The governing law of the Extension, shall be the law of Belgium, without reference to its conflicts of law provisions.

Section 11: Annexes

Annex 1: Grant Agreement Specific Obligations

Annex 2: Technical report template

Annex 3: Specific Extension Contract

are attached to the present and constitute an integral part thereof.

Section 12: Signatures

Done in two originals, one for each Party.

Cascade Funding Partner Selected Third Party

Name:

Name:

Title:

Title:

Date:

Date:

Annex 1: Grant Agreement Specific Obligations

The Selected Third Party has to fulfill the obligations described in article 22, 23, 35, 36, 38 and 46 of the Grant Agreement. These sections are part of the Agreement. In case of contradiction between these sections and the Agreement, the terms of the Agreement will prevail. For completeness, any other sections referenced by the aforementioned articles can be found in the H2020 Annotated Model Grant Agreement, available from the following link:

http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/amga/h2020-amga_en.pdf

In this Annex 1, the term “**action**” means “**Extension**”, the term “**beneficiary**” means “**Selected Third Party**” and the term “**grant**” means “**Extension**”.

ARTICLE 22 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

22.1 Checks, reviews and audits by the Commission

22.1.1 Right to carry out checks

The Commission will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing deliverables and reports.

For this purpose the Commission may be assisted by external persons or bodies.

The Commission may also request additional information in accordance with Article 17. The Commission may request beneficiaries to provide such information to it directly.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

22.1.2 Right to carry out reviews

The Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports), compliance with the obligations under the Agreement and continued scientific or technological relevance of the action.

Reviews may be started **up to two years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of

the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Commission may request beneficiaries to provide such information to it directly.

The coordinator or beneficiary concerned may be requested to participate in meetings, including with external experts.

For **on-the-spot** reviews, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a **‘review report’** will be drawn up.

The Commission will formally notify the review report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations (**‘contradictory review procedure’**).

Reviews (including review reports) are in the language of the Agreement.

22.1.3 Right to carry out audits

The Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Audits may be started **up to two years after the payment of the balance**. They will be formally notified to the coordinator or beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party (see Articles 10 to 16), the beneficiary concerned must inform the third party.

The Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The coordinator or beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. The Commission may request beneficiaries to provide such information to it directly.

For **on-the-spot** audits, the beneficiaries must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a 'draft audit report' will be drawn up.

The Commission will formally notify the draft audit report to the coordinator or beneficiary concerned, which has 30 days to formally notify observations ('contradictory audit procedure'). This period may be extended by the Commission in justified cases.

The '**final audit report**' will take into account observations by the coordinator or beneficiary concerned. The report will be formally notified to it.

Audits (including audit reports) are in the language of the Agreement.

The Commission may also access the beneficiaries' statutory records for the periodical assessment of unit costs or flat-rate amounts.

22.2 Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/2013¹ and No 2185/96² (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

22.3 Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012³, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

¹ Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJL 248, 18.09.2013, p. 1).

² Council Regulation (Euratom, EC) No 2185/1996 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

³ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

22.4 Checks, reviews, audits and investigations for international organisations

Not applicable

22.5 Consequences of findings in checks, reviews, audits and investigations — Extension of findings

22.5.1 Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44) or to any of the other measures described in Chapter 6.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount (see Article 5.4).

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of Annex 2 (see Article 55).

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions (**‘extension of findings from this grant to other grants’**).

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

22.5.2 Findings in other grants

The Commission may extend findings from other grants to this grant (**‘extension of findings from other grants to this grant’**), if:

- a) the beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — no later than two years after the payment of the balance of this grant.

The extension of findings may lead to the rejection of costs (see Article 42), reduction of the grant (see Article 43), recovery of undue amounts (see Article 44), suspension of payments (see Article 48), suspension of the action implementation (see Article 49) or termination (see Article 50).

22.5.3 Procedure

The Commission will formally notify the beneficiary concerned of the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

22.5.3.1 If the findings concern **eligibility of costs**: the formal notification will include:

- a) an invitation to submit observations on the list of grants affected by the findings; the request to submit revised financial statements for all grants affected;

b) the correction rate for extrapolation established by the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected if the beneficiary concerned:

- considers that the submission of revised financial statements is not possible or practicable or
- does not submit revised financial statements.

The beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated alternative correction method. This period may be extended by the Commission in justified cases. The amounts to be rejected will be determined on the basis of the revised financial statements, subject to their approval. If the Commission does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements, it will formally notify the beneficiary concerned the application of the initially notified correction rate for extrapolation. If the Commission accepts the alternative correction method proposed by the beneficiary concerned, it will formally notify the application of the accepted alternative correction method.

22.5.3.2 If the findings concern improper implementation or a breach of another obligation:

the formal notification will include:

- a) an invitation to submit observations on the list of grants affected by the findings and
- b) the flat-rate the Commission intends to apply according to the principle of proportionality.

The beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate. If the Commission does not receive any observations or does not accept the observations or the proposed alternative flat-rate, it will formally notify the beneficiary concerned the application of the initially notified flat-rate. If the Commission accepts the alternative flat-rate proposed by the beneficiary concerned, it will formally notify the application of the accepted alternative flat-rate.

22.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible (see Article 6) and will be rejected (see Article 42).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 23 — EVALUATION OF THE IMPACT OF THE ACTION 23.1 Right to evaluate the impact of the action

The Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and up to five years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the coordinator or beneficiaries.

The Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The coordinator or beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

23.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the Commission may apply the measures described in Chapter 6.

ARTICLE 23a — MANAGEMENT OF INTELLECTUAL PROPERTY

23a.1 Obligation to take measures to implement the Commission Recommendation on the management of intellectual property in knowledge transfer activities. Beneficiaries that are universities or other public research organisations must take measures to implement the principles set out in Points 1 and 2 of the Code of Practice annexed to the Commission Recommendation on the management of intellectual property in knowledge transfer activities⁴. This does not change the obligations set out in Subsections 2 and 3 of this Section. The beneficiaries must ensure that researchers and third parties involved in the action are aware of them.

23a.2 Consequences of non-compliance

If a beneficiary breaches its obligations under this Article, the Commission may apply any of the measures described in Chapter 6.

ARTICLE 34 — ETHICS

34.1 Obligation to comply with ethical principles

The beneficiaries must carry out the action in compliance with:

- a) ethical principles (including the highest standards of research integrity — as set out, for instance, in the European Code of Conduct for Research Integrity⁵ — and including, in particular, avoiding fabrication, falsification, plagiarism or other research misconduct) and
- b) applicable international, EU and national law.

⁴ Commission Recommendation C (2008) 1329 of 10.4.2008 on the management of intellectual property in knowledge transfer activities and the Code of Practice for universities and other public research institutions attached to this recommendation.

Funding will not be granted for activities carried out outside the EU if they are prohibited in all Member States. The beneficiaries must ensure that the activities under the action have an exclusive focus on civil applications.

The beneficiaries must ensure that the activities under the action do not:

- a) aim at human cloning for reproductive purposes;
- b) intend to modify the genetic heritage of human beings which could make such changes heritable (with the exception of research relating to cancer treatment of the gonads, which may be financed), or
- c) intend to create human embryos solely for the purpose of research or for the purpose of stem cell procurement, including by means of somatic cell nuclear transfer.

34.2 Activities raising ethical issues

Activities raising ethical issues must comply with the 'ethics requirements' set out in Annex 1.

Before the beginning of an activity raising an ethical issue, the coordinator must submit (see Article 52) to the Commission copy of:

- a) any ethics committee opinion required under national law and
- b) any notification or authorisation for activities raising ethical issues required under national law.

If these documents are not in English, the coordinator must also submit an English summary of the submitted opinions, notifications and authorisations (containing, if available, the conclusions of the committee or authority concerned).

If these documents are specifically requested for the action, the request must contain an explicit reference to the action title. The coordinator must submit a declaration by each beneficiary concerned that all the submitted documents cover the action tasks.

34.3 Activities involving human embryos or human embryonic stem cells

Not applicable.

34.4 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50). Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 35 — CONFLICT OF INTERESTS

35.1 Obligation to avoid a conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the action is compromised for reasons involving economic interest,

political or national affinity, family or emotional ties or any other shared interest ('conflict of interests').

They must formally notify to the Commission without delay any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation.

The Commission may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

35.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43) and the Agreement or participation of the beneficiary may be terminated (see Article 50).

Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 36 — CONFIDENTIALITY

36.1 General obligation to maintain confidentiality

During implementation of the action and for four years after the period set out in Article 3, the parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed ('**confidential information**').

If a beneficiary requests, the Commission may agree to keep such information confidential for an additional period beyond the initial four years.

If information has been identified as confidential only orally, it will be considered to be confidential only if this is confirmed in writing within 15 days of the oral disclosure.

Unless otherwise agreed between the parties, they may use confidential information only to implement the Agreement. The beneficiaries may disclose confidential information to their personnel or third parties involved in the action only if they:

- a) need to know to implement the Agreement and
- b) are bound by an obligation of confidentiality.

This does not change the security obligations in Article 37, which still apply. The Commission may disclose confidential information to its staff, other EU institutions and bodies or third parties, if:

- a) this is necessary to implement the Agreement or safeguard the EU's financial interests and
- b) the recipients of the information are bound by an obligation of confidentiality.

Under the conditions set out in Article 4 of the Rules for Participation Regulation No 1290/2013⁵, the Commission must moreover make available information on the results to other EU institutions, bodies, offices or agencies as well as Member States or associated countries.

The confidentiality obligations no longer apply if:

- a) the disclosing party agrees to release the other party;
- b) the information was already known by the recipient or is given to him without obligation of confidentiality by a third party that was not bound by any obligation of confidentiality;
- c) the recipient proves that the information was developed without the use of confidential information;
- d) the information becomes generally and publicly available, without breaching any confidentiality obligation, or
- e) the disclosure of the information is required by EU or national law.

36.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43). Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 38 — PROMOTING THE ACTION — VISIBILITY OF EU FUNDING

38.1 Communication activities by beneficiaries

38.1.1 Obligation to promote the action and its results

The beneficiaries must promote the action and its results, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the dissemination obligations in Article 29, the confidentiality obligations in Article 36 or the security obligations in Article 37, all of which still apply.

Before engaging in a communication activity expected to have a major media impact, the beneficiaries must inform the Commission (see Article 52).

38.1.2 Information on EU funding — Obligation and right to use the EU emblem

Unless the Commission requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the grant must:

- a) display the EU emblem and

⁵ Regulation (EU) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)" (OJ L 347, 20.12.2013 p.81).

b) include the following text:

For communication activities: “This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 688156”.

For infrastructure, equipment and major results: “This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 688156”.

When displayed together with another logo, the EU emblem must have appropriate prominence.

For the purposes of their obligations under this Article, the beneficiaries may use the EU emblem without first obtaining approval from the Commission. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

38.1.3 Disclaimer excluding the Commission responsibility

Any communication activity related to the action must indicate that it reflects only the author's view and that the Commission is not responsible for any use that may be made of the information it contains.

38.2 Communication activities by the Commission

38.2.1 Right to use beneficiaries’ materials, documents or information

The Commission may use, for its communication and publicising activities, information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material that it receives from any beneficiary (including in electronic form). This does not change the confidentiality obligations in Article 36 and the security obligations in Article 37, all of which still apply.

However, if the Commission’s use of these materials, documents or information would risk compromising legitimate interests, the beneficiary concerned may request the Commission not to use it (see Article 52).

The right to use a beneficiary’s materials, documents and information includes:

- a) **use for its own purposes** (in particular, making them available to persons working for the Commission or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- b) **distribution to the public** (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- c) **editing or redrafting** for communication and publishing activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- d) translation;

- e) giving **access in response to individual requests** under Regulation No 1049/2001⁶, without the right to reproduce or exploit;
- f) storage in paper, electronic or other form;
- g) archiving, in line with applicable document-management rules, and
- h) the right to authorise third parties to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicizing activities of the Commission.

If the right of use is subject to rights of a third party (including personnel of the beneficiary), the beneficiary must ensure that it complies with its obligations under this Agreement (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the beneficiaries), the Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the *European Union (EU)* under conditions.”

38.3 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 43). Such breaches may also lead to any of the other measures described in Chapter 6.

ARTICLE 46 — LIABILITY FOR DAMAGES

46.1 Liability of the Commission

The Commission cannot be held liable for any damage caused to the beneficiaries or to third parties as a consequence of implementing the Agreement, including for gross negligence.

The Commission cannot be held liable for any damage caused by any of the beneficiaries or third parties involved in the action, as a consequence of implementing the Agreement.

46.2 Liability of the beneficiaries

46.2.1 Conditions

Except in case of force majeure (see Article 51), the beneficiaries must compensate the Commission for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement.

⁶ Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

Each beneficiary is responsible for paying the damages claimed from it.

46.2.2 Amount of damages - Calculation

The amount the Commission can claim from a beneficiary will correspond to the damage caused by that beneficiary.

46.2.3 Procedure

Before claiming damages, the Commission will formally notify the beneficiary concerned:

- informing it of its intention to claim damages, the amount and the reasons why and
- inviting it to submit observations within 30 days.

If the Commission does not receive any observations or decides to claim damages despite the observations it has received, it will formally notify **confirmation** of the claim for damages and a **debit note**, specifying the amount to be recovered, the terms and the date for payment.

If payment is not made by the date specified in the debit note, the Commission may recover the amount:

- a) by **'offsetting'** it — without the beneficiary's consent — against any amounts owed to the beneficiary concerned by the Commission or an executive agency (from the EU or Euratom budget). In exceptional circumstances, to safeguard the EU's financial interests, the Commission may offset before the payment date specified in the debit note;
- b) by **taking legal action** (see Article 57) or by **adopting an enforceable decision** under Article 299 of the Treaty on the Functioning of the EU (TFEU) and Article 79(2) of the Financial Regulation No 966/2012.

If payment is not made by the date in the debit note, the amount to be recovered (see above) will be increased by **late-payment interest** at the rate set out in Article 21.11, from the day following the payment date in the debit note, up to and including the date the Commission receives full payment of the amount.

Partial payments will be first credited against expenses, charges and late-payment interest and then against the principal.

Bank charges incurred in the recovery process will be borne by the beneficiary, unless Directive 2007/64/EC applies.

Annex 2 - Technical report template



Intermediate Report/Final Report on Extensions	
Acronym:	
Full Title:	
VICINITY call identification:	
Starting date of the Extension:	
Name of Third Party:	

Part A. Summary of the work performed so far

Max 300 words. The information in this section may be used in public documents and reports by the VICINITY consortium

Part B. Detailed description

Describe the achievements so far and the deviation incurred during the implementation for each of the item below.

B.1 Concept, Objectives, Set-up and Background

Briefly describe the Extension objectives, key deliverables and outputs realized so far.

B.2 Technical Results

In this section you should describe what and how has been done regarding the different technical/substantial components of the extension

B.3 Lessons learned

Compare the results achieved against the objectives: clearly assess whether the objectives were met and describe the successes and lessons learned.

B.4 Impact

Describe Impact that would enhance innovation capacity, create new market opportunities, strengthen competitiveness and growth of companies, or bring other important benefits for society, Potential for technical and commercial application, etc. Describe how the proposed extension has sufficient sustainable benefits for the VICINITY project.

Part C. Resources

C.1 Resources Deployed

Complete the following table concerning the incurred project costs and comment on each of the cost categories focusing particularly on discrepancies compared to awarded budget. Besides the table below, extra information can be provided to support the requested funding and which may help to judge the cost to the VICINITY project.

Extension Costs Incurred			
Cost category	<i>Budget according VICINITY Standard Collaboration Agreement</i>	<i>Cost incurred within the extension</i>	<i>%</i>
Equipment			
Other goods and services			
Travel			
Total			

C.2 Further development and exploitation

Describe the plan for further development and exploitation related to the Extension and its successful conclusion and/or beyond the finalization of the collaboration with VICINITY project.

Annex 3 - Specific Extension Contract**VICINITY Specific Extension Contract**

This VICINITY Specific Extension Contract for implementation of the Extension by the Selected Third Party, hereinafter referred to as the “Specific Extension Contract”, is entered into by and between:

Technische Universität Kaiserslautern (“Cascade Funding Partner”), established in GOTTLIEB_DAIMLER-STRASSE Geb. 47, KAISERSLAUTERN 67663, Germany, herein represented by its Chancellor (Kanzler) Stefan Lorenz

and

_____ (“Selected Third Party”), an organization under the laws of _____, having its registered office at _____, herein represented by _____

Hereinafter sometimes individually or collectively referred to as “Party” or “Parties”.

Whereas the Cascade Funding Partner and the Selected Third Party have agreed the main terms and conditions to implement the Extension in the course of the VICINITY Project by signing the VICINITY Standard Extension Contract which form part of this Specific Extension Contract.

Now therefore it has been agreed as follows:

1. Terms and Conditions for the Extension

The Selected Third Party shall implement the Extension in accordance with the following:

Description of the extension	
Acronym:	
Full Title:	
VICINITY call identification:	
Starting date of the extension:	
Name of third party:	

Extension outcomes	
Expected results in terms of the extension	
Expected results in terms of architecture or infrastructure components or value-added services	

Implementation of the extension	
Outline scope of work	
Deliverable 1	<i>Intermediate report</i>
Description	
Submission date	<i>01.08.2019</i>
Inputs	
Deliverable 2	<i>Final report</i>
Description	
Submission date	<i>15.10.2019</i>
Inputs	

Information on Background	
VICINITY Background (including limitations and restrictions)	<i>Describe here</i>
Selected Third Party's Background (including limitations and restrictions)	<i>Describe here</i>

Software under Controlled License Termse	
Name	<i>Insert here</i>
Applicable Controlled License Terms	<i>Describe here</i>

Financial Support

Payment conditions	Scheduled payments: After the signature of this Agreement, or after the receipt of the appropriate reports (intermediate and final), the Financial Support will be transferred to the Selected Third Party without unjustified delay according to the schedule of payments.
Schedule of payments	<ul style="list-style-type: none"> - 40% of the overall Financial Support as advance payment after the signature of this Agreement with the Coordinator. - 30% of the overall Financial Support as interim payment based on the evaluation by the VICINITY consortium of the Intermediate Report, edited and provided by Selected Third Party by midterm (after half of the Extension's duration has passed from the Extension starting date). - 30% of the overall Financial Support as Final payment based on the evaluation by the VICINITY Consortium of Final Report, edited and provided by Selected Third Party at the end of the extension's duration and (eventually) following a formal approval of the report.
Total funding for the extension	- €

Parties involved in the extension	
Selected Third Party Project Manager	
Full name & title	
Organization and department	
Telephone number	
E-mail address	
Cascade Funding Project Manager	
Full name & title	
Organization and department	
Telephone number	
E-mail address	
Date of agreement of all the parties involved in the extension	

