

**Partnership Agreement between the Lead Partner and Project Partners
of the CENTRAL EUROPE project 4CE429P1**

**i.e. SMART - SMART Training Network for Innovation and Entrepreneurship
in Emerging Sustainable Economic Sectors**

Having regard to:

- the legal framework as in § 1 of the Subsidy Contract signed between the Managing Authority (hereinafter referred to as MA) and the Lead Partner - The European Office, Vienna Board of Education - of the project No 4CE429P1, acronym i.e. SMART and in particular Art. 20.1 (a) of the Regulation (EC) No 1080/2006 of the European Parliament and the Council of 5 July 2006 and
- § 6.1 to § 6.3 of the Subsidy Contract signed between the Managing Authority and the aforementioned Lead Partner on 19 November 2012.

the following Agreement shall be made between:

The European Office, Vienna Board of Education, Auerspergstraße 15/32, 1080 Vienna, Austria, represented by Ms Susanne Schöberl, Legal Representative (Lead Partner)

and

The Municipality of the Capital of the Slovak Republic, Bratislava, Primaciálne nám. 1, P.O.Box 192, 81499 Bratislava, Slovakia represented by Mr Milan Ftáčnik, Legal Representative (Project Partner 7)

for the implementation of the CENTRAL EUROPE project 4CE429P1 **SMART Training Network for Innovation and Entrepreneurship in Emerging Sustainable Economic Sectors** (i.e. SMART), approved by the Monitoring Committee of the Operational Programme CENTRAL EUROPE on 25 May 2012 in Halle/Saale (Germany).

Commentary 1:

- 1) An identical Partnership Agreement will be signed with every Project Partner separately.
- 2) All Partnership Agreements are equally valid and binding and all Partnership Agreements are based on the Subsidy Contract.
- 3) This Agreement will be validated by:
 - (a) **the initialling of every page by the Project Partner Legal Representative;**
 - (b) **and by the signature, dating and stamping of the Project Partner Legal Representative and by the counter-signature, dating and stamping of the Lead Partner Legal Representative on page 19 of this present Agreement.**
- 4) Every Project Partner will receive a digital version of the Partnership Agreements of the other Project Partners.

§ 1 Subject of the Agreement

Subject of this Agreement is the organisation of a partnership in order to implement the CENTRAL EUROPE project 4CE429P1 **SMART Training Network for Innovation and Entrepreneurship in Emerging Sustainable Economic Sectors** (i.e. SMART) as indicated in the annexes.

The Lead Partner and the Project Partners commit themselves in jointly implementing the project in accordance with the Application Form and support one another with the aim to reach the objectives of the project. This also includes the commitment to produce qualitative outputs and to achieve the results set in the Application Form and support the Lead Partner in fulfilling its obligations as defined in the Subsidy Contract between the Managing Authority and the Lead Partner dated on 19 November 2012 and its annexes (Annex II).

Therefore this Partnership Agreement must be in accordance with the provisions of the Subsidy Contract. The Project Partners declare to have carefully read and accepted the legal framework and the other relevant norms affecting the project. In case that changes in the Subsidy Contract affect the Partnership Agreement, this document has to be adjusted accordingly.

The annexes of this Agreement are considered to be an integral part of this Agreement and comprise:

- 1) The latest version of the Application Form including notification from the CENTRAL EUROPE Joint Technical Secretariat about the fulfilment of conditions dated 13 July 2012 (Annex I); and change of acronym Application Form dated 19 September 2012.
- 2) The Subsidy Contract signed between the Managing Authority and the Lead Partner dated on 19 November 2012 (Annex II)
- 3) The overall work plan and timetable of activities per Project Partner (Annex III);
- 4) The partners' budget split per work package, budget line and reporting period (Annex IV)

§ 2 Definitions

1. For the purposes of the present Agreement the following terms shall have the meanings assigned to them here:
 - (a) Project Partner: any institution financially participating in the project and contributing to its implementation according to Section 4 of the approved project Application Form (corresponds to the term "beneficiary" used in the EU-regulations on Structural Funds and is hereinafter referred to as PP);
 - (b) Lead Partner: the project partner who takes the overall responsibility for the project according to Section 4 of the approved project Application Form and as in § 6 of the Subsidy Contract (hereinafter referred to as LP);
 - (c) Associated institution: any body involved as observer without financially contributing to the project and included in the list available in Section 4 of the approved project Application Form.

§ 3

Duration of the Agreement

This Agreement shall enter into force retrospectively (*ex tunc*) as from the day after the submission of the Application Form, unless the project has a later starting date. It shall remain in force as long as the LP and its PPs have any duties linked to the ERDF subsidy, i.e. three years after the closure of the Programme, and in any case at least until 31 December 2022 if there are not national rules that require an even longer archiving period. Other possibly longer statutory retention periods remain unaffected. This applies also to all information and supporting documents regarding a grant under the *de minimis* aid scheme.

§ 4

Partnership

The PPs entitle the LP to act as contact point towards the Managing Authority during the project. They commit themselves to undertake all steps necessary to support the LP in fulfilling its obligations specified in the Subsidy Contract and in this Agreement.

§ 5

Obligations of the Lead Partner

1. The LP shall assume the sole responsibility for the entire project towards the Managing Authority and fulfil all obligations arising from the related Subsidy Contract.
2. The obligations of the LP ex Article 20(1) of the Regulation (EC) No 1080/2006 are listed in § 6 and 7 of the Subsidy Contract included in this Agreement as Annex II. In addition to these, the LP is also obliged to:
 - a) Take all the necessary actions to comply with the requirements indicated in the Control & Audit Guidelines;
 - b) In case the project foresees to implement activities outside the EU territory up to a limit of 10% of the total ERDF project budget ex art. 21.3 of Reg. (EC) No 1080/2006, ensure that funds are spent under its and/or its PPs responsibility in order to secure a proper financial control and that the total ERDF expenditure is within the limit agreed by the partnership and the aforementioned limit not exceeded;
 - c) In case the project has foreseen to involve EU PPs outside the CENTRAL EUROPE area ex art. 21.2 of Reg. (EC) No 1080/2006, ensure that the total ERDF expenditure of those PPs does not exceed the limit of 20% of the total ERDF project budget¹ and
 - d) Ensure to take all the necessary measures in order to avoid that the Subsidy Contract is terminated by the Managing Authority and thus to avoid that the partnership is asked to repay the subsidy according to §15 of the Subsidy Contract.

§ 6

Obligations of the Project Partners

1. Each PP shall comply with the relevant legal and other requirements under the law which applies to it, especially with the European Union's and national legislation as set out in § 1 of the Subsidy Contract (Annex II) and its annexes. Furthermore, each PP shall ensure that all necessary approvals have been obtained.

In particular, each PP shall ensure for the part of the project for which it is responsible:

¹ Not applicable for the projects approved within the framework of the first call for proposals.

- a) that it is in compliance with the relevant EU Regulations - especially ERDF and regulations concerning equal opportunities, protection of environment, cost efficiency, publicity rule, public procurement and State Aid discipline, other applicable rules as reported in the documentation listed in Annex II of this Agreement (in particular the Control & Audit Guidelines) - and the applicable national legislation
 - b) in case *de minimis* for state aid applies, that all administrative requirements necessary to ensure the implementation of Regulation (EC) No 1998/2006 are respected; when necessary, this respect shall also be ensured by those actors/institutions benefiting of the PPs actions implemented within the project;
 - c) that the national eligibility rules, national public procurement rules and programme requirements are strictly respected.
2. Each PP confirms that data contained in the application documents and which are acquired in the project implementation shall be used by the Managing Authority according to the Law on Data Protection 2000, Austrian Federal Law Gazette No 165/1999.
 3. Furthermore each PP shall give access to the relevant authorities (Joint Technical Secretariat, Managing Authority, Certifying Authority, Audit Authority, Commission Services and national and EU controlling institutions) to its business premises for the necessary controls and audits to the extent stipulated in the Subsidy Contract.
 4. Each PP shall ensure that its part of activities to be implemented in the approved project is not fully or partly financed by other EU Programmes.
 5. Each PP shall ensure that the following project management conditions are fulfilled:
 - a) To implement the part of the project for which it is responsible in due time according to the descriptions of the work plan (Application Form, Section 3) as defined in Annex III of the present Agreement and to start the project implementation at the latest within two months after the entering into force of the Subsidy Contract or at a later date according to the project work plan;
 - b) To appoint a local coordinator for the part(s) of the project for which it is responsible and to give the appointed coordinator the authority to carry out all necessary legal transactions to carry out the project (part)s so that to ensure a sound project management;
 - c) To notify the LP without undue delay of any event that could lead to a temporary or final discontinuation or any other deviation of the approved part(s) of the project for which the PP is responsible;
 - d) To provide the independent assessors carrying out the CENTRAL EUROPE mid-term and ex-post evaluation with any document or information necessary to assist with the evaluation;
 - e) To promptly react to any request by the Managing Authority/Joint Technical Secretariat addressed to the partner through the LP;
 - f) To inform the LP about any audit that have been carried out by the bodies mentioned in §6.3 of the present Agreement.
 6. Each PP shall ensure that the following finance management conditions are fulfilled:
 - a) In case the PP is located in the EU CENTRAL EUROPE area and §5.2.b) applies to the aforementioned PP, funds shall be spent under its responsibility in order to secure a proper financial control and the expenditure shall be within the limit agreed by the partnership;
 - b) In case the EU PP is located outside the CENTRAL EUROPE and § 5.2.c) applies, funds shall be spent within the limit indicated;

- c) That expenditure presented to the LP has been incurred for the purpose of implementing the project and correspond to the activities agreed;
- d) To inform the LP without undue delay if costs are reduced or one of the disbursement conditions ceases to be fulfilled, or circumstances arise which entitle the Managing Authority to reduce payment or to demand repayment of the subsidy wholly or in part;
- e) To provide an adequate accounting system in accordance with its usual accounting and management system for the settlement of the present project and safeguard that the eligible costs as well as the received subsidies can be clearly identified.

§ 7

Organisational Structure of the Partnership

1. For the successful management and completion of the project a Steering Committee shall be set up.
2. The Steering Committee shall be composed by competent representatives of all PPs as indicated/identified in the Start-up Report and shall be chaired by the LP. It shall meet on a regular basis. Associated institutions could be invited to take part in the Steering Committee in an advisory capacity.
3. The Steering Committee shall:
 - a) Be responsible for monitoring the implementation of the project;
 - b) Decide on any budget changes as in § 11 of the present Agreement;
 - c) Be responsible for the settlement of any disputes among project participants (as stipulated in § 23 of this Agreement);
 - d) Have the possibility to set up sub-groups/ working groups to deal with specific tasks related to the project.
4. Further aspects, including the mediation or resolution of disputes between the Steering Committee and the PP(s) may be set out in the Rules of Procedure of the Steering Committee.

§ 8

Budgetary and financial management, accounting principles

1. In compliance with § 6 of this Agreement, every PP shall be held responsible towards the LP for guaranteeing a sound financial management of its budget up to the amount as to which the partner participates in the project and pledges to release its part of the co-funding. For this purpose, an appropriate accounting system must be set in place.

§ 9

EURO Conversion

1. Financial reporting from the Lead Partner to the Joint Technical Secretariat will be made in Euro. Unless limitations are set in the national rules, **all partners have to choose one of the following options for converting their expenses to Euro²:**

² Refer to Control and Audit Guidelines www.central2013.eu

The PP has chosen the following underlined option:

- use the average monthly exchange rate set by the Commission of the month the invoice was paid,
- use the 6-months average rate of the average monthly exchange rate,
- use the market exchange rate of the day the invoice was paid,
- use the market exchange rate of the last day of the reporting period.

Whatever the choice, conversion into Euro must already take place at each partner's level and remains unchanged during the entire lifetime of the project.

The average monthly exchange rates set by the Commission are available from <http://ec.europa.eu/budget/inforeuro/>

The daily market exchange rates from the European Central Bank are available at <http://www.ecb.int/stats/exchange/eurofxref/html/index.en.html>

§ 10

Reporting, certification of expenditure and requests for payment

1. Every PP commits to providing the LP with the information needed to draw up and submit, according to the deadlines set in the Subsidy Contract, Progress reports and other specific documents required by the Managing Authority. The reporting periods as laid down in the Subsidy Contract as well as instructions in the reporting forms, Implementation Manual and Control & Audit Guidelines shall be observed.
2. In addition, in order to allow the LP to submit a payment request to the Managing Authority, every PP shall submit to the LP its certification of expenditure issued by the responsible public authorities or private institutions as referred to in Art 16(1) of Regulation (EC) No 1080/2006, accompanied by the compulsory elements presented in the control and audit guidelines (i.e., the internal control report and the control checklist).
3. In order to meet the deadlines as stipulated in §10.1, each PP commits itself to deliver the necessary documentation to the LP:
 - (a) For the **Activity Report Section** of the Progress Report **60 days** before the deadline set in the Subsidy Contract (i.e. 1 July respectively 1 January / Final Report 1 February).
(cf. Subsidy Contract page 5 and CENTRAL EUROPE Implementation Manual in particular Section 2. Project Reporting and Payment).
 - (b) for the **Financial Report Section** of the Progress Report **60 days** before the deadline set in the Subsidy Contract (i.e. 1 July respectively 1 January / Final Report 1 February).
(cf. Subsidy Contract page 5 and CENTRAL EUROPE Implementation Manual in particular Section 2. Project Reporting and Payment).
 - (c) for the **Validation of Expenditure** by the relevant First Level Controller **30 days** before the deadline set in the Subsidy Contract (i.e. 1 August respectively 1 February / Final Report 1 March).
(cf. Subsidy Contract page 5 and CENTRAL EUROPE Implementation Manual in particular Section 2. Project Reporting and Payment).

4. Requests for postponement of the reporting deadline shall be asked by the LP to the Managing Authority via the JTS at the latest one week prior to the due deadline and accompanied by justification documents.
5. The LP shall be in charge of confirming that the expenditure reported by each PP has been incurred by the nominated PP and for the purpose of implementing the project and that it corresponds to the activities laid down in the approved Application Form. The LP shall also verify that the expenditure has been certified by the relevant controller according to the system chosen by the Member State where the PP is located.
6. In the event of expenditure certified by the PP(s) which has not been incurred for the purpose of implementing the project or does not correspond to the activities agreed, the LP shall ask the PP(s) to redraft the submitted financial documents; the LP shall be entitled to deny the expenditure declared by the affected PP(s). In that case, the LP is obliged to inform the PP(s) concerned on the denial of the expenditure declared and the motivation thereto.
7. Payments not requested in time and in full or non in compliance may be lost: in case of decommitment of funds § 18.10 applies.
8. The first level controller who, in accordance with the system set up by each Member State, shall carry out the certification of the expenditure of the PP is:

Institution: Ministry of Environment, Division of Environmental Programmes and Projects

Name: Ing. Roman Rodák

Address: Nám. Ľ. Štúra 1

SK - 812 35 Bratislava

Telephone: + 421 2 59 98 0736

Fax: + 421 2 54 77 6207

Email: roman.rodak@enviro.gov.sk

9. This controller will base its work on the rules provided by each Member State and the requirements set in the respective EC Regulations and in the Control and Audit Guidelines of the CENTRAL EUROPE Programme.
10. The PPs from countries having set a decentralised control system, accepts the right of the Managing Authority, after agreement with the national responsible institution, to require that the controller directly selected by the PPs shall be replaced if considerations, which were unknown when the contract was signed, cast doubts on the controller's independence or professional standards.
11. Any change of control authority/institution or name of controller(s) shall be duly notified to the LP who has subsequently to notify the Managing Authority via the Joint Technical Secretariat.
12. PPs must provide additional information if the LP or the Managing Authority via the Joint Technical Secretariat deem that necessary in order to proceed with the analysis of the Progress Report. In case it is the latter asking additional clarifications, these will be collected by the LP and sent to the Managing Authority via the Joint Technical Secretariat.

13. After the Progress report has been checked by the Managing Authority via the Joint Technical Secretariat and the respective ERDF funds have been transferred to the LP account, the LP shall forward the ERDF share to each PP according to their quota without any delay and in full to the following account:

The PP's bank details:

Account No (IBAN): 25828023/7500

Name of the holder: The Municipality of the Capital of the Slovak Republic

Name of the bank: ČSOB a.s.

Bank code (SWIFT): CEKOSKBX

14. These accounts shall be whenever possible specific for project purposes and shall provide for registration in Euros (EUR; €) of total expenses (expenditure) and of the return (income) related to the project. Changes of the account details shall be duly notified to the LP.
15. In case of delay in the transfer of ERDF funds imputable to the LP, the PPs may claim interest rates which the LP must not pay from the approved project budget. The maximum acceptable delay is of **20 working days**. In exceptional and duly justified cases, public and public equivalent bodies could benefit from an extension of the afore-mentioned set time in order to comply with the internal administrative procedures in transferring public funds.
16. The LP shall systematically send every PP copies of the final Progress Reports submitted to the Managing Authority via the JTS and keep the PPs informed on a regular basis of all relevant communication with the bodies implementing the Programme.

§ 11

Audit trail

1. Each PP shall maintain for audit purposes all supporting documents regarding expenditure incurred and payments made for which it is responsible recorded and stored on commonly accepted data carriers as referred to in Article 19 (4) of Regulation (EC) No 1828/2006 and made available for verifications according to Article 16 of Regulation (EC) No 1080/2006 as well as audits according to Articles 62 and 90 of Regulation (EC) No 1083/2006. All supporting documents shall be stored in a safe and orderly manner for three years after the closure of the programme, and in any case at least until 31 December 2022, if there are not national rules that require an even longer archiving period. Other possibly longer statutory retention periods remain unaffected. This applies also to all information and supporting documents regarding a grant under the *de minimis* aid scheme.

The documents will be held for the PP by the following institution and in the following location:

Institution: The Municipality of the Capital of the Slovak Republic

Address: Primaciálne nám. 1, P.O.Box 192, 81499 Bratislava, Slovakia

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2. In case documents exist in electronic version only, the computer system used must meet accepted security standards that ensure that the documents held comply with national legal requirements and can be relied on for audit purposes.

§ 12

Budget deviation and reallocation

1. The LP is responsible towards the Managing Authority for monitoring and ensuring that budget changes in budget lines, work packages budgets and partner budgets are allowed as long as the maximum amount of funding awarded is not exceeded, that provisions related to State Aid discipline are respected and that they follow the conditions below:
 - a) an increase of the original amount, as stated in the approved application, is possible in the budget line³, the work packages budget (with the exception of work package “WP 0”) and/or the budget of partners. The increase is limited to a maximum of either € 20.000,- or 10% of the original amount of the budget line, the work packages and the budget of the partners⁴ and under the rules as defined in §4.5 a) of the Subsidy Contract;
 - b) reallocation of amounts between budget lines, work packages budget (with the exception of work package “WP 0”) and/or between PPs resulting in an increase of up to 20% but to a maximum of EUR 250.000,- of the original budget of the budget line, work package budget and partner budget as stated in the latest approved application documents is possible⁵. The reallocation shall take place only once during the project period and under the rules as defined in § 4.5 b) of the Subsidy Contract.
2. Every PP shall timely inform the LP on any request of revision of its budget quota in respect to its original commitment.
3. In case § 12.1 a) or b) applies, the LP shall negotiate changes with its PPs beforehand and submit the proposal to the project Steering Committee for approval.
4. For budget changes exceeding the limit set in §12.1 b) of this Agreement, the LP based on its own and on information received from its PPs - shall submit a motivated request to the Managing Authority via the Joint Technical Secretariat. These changes may be approved by the Monitoring Committee on a case by case basis.
1. In case a change in the budget occurs, all affected annexes of the present Agreement have to be amended accordingly and this change must be notified to the Managing Authority via the Joint Technical Secretariat.

§ 13

Changes in Project Partnership

1. In case of PP withdrawal from the project due to structural, financial or technical obstacles not existing at the moment of the establishment of the partnership, submission of the project proposal and further (project) implementation, the LP has to inform the Managing Authority via the Joint Technical Secretariat without delay and has to find rapid and efficient solutions in order to ensure the proper project implementation.
2. The remaining PPs will endeavour to cover the contribution of the withdrawing PP either by assuming its tasks by one or more of the present PPs or by asking a new PP to join the partnership. In case the former applies, the LP shall ensure that the partnership eligibility requirements are ensured.

³ Except for new items/work under the budget line Investment not foreseen in the Application Form

⁴ Resulting decreases in the budget of other budget lines, work packages and/or budgets of partners may exceed these thresholds as long as the implementation of the approved work plan and the partners' foreseen involvement remain unaffected.

⁵ As in the previous footnote.

3. In case a new PP is asked to join the partnership, the LP must ensure that it has adequate experience, technical, organizational and financial capabilities to properly participate in the project and to adequately replace the withdrawing one. The LP shall submit to the Managing Authority via the Joint Technical Secretariat on behalf of the new PP all relevant documents (including, if necessary, a declaration on the status with regard to the State Aid compliance). Also in this case, the LP shall ensure that the partnership eligibility requirements are ensured.
4. The entry of any new PP becomes legally effective only after approval by the Monitoring Committee. Funds of the withdrawing PP are only available for the new PP or the remaining PPs after the approval of its replacement by the Monitoring Committee.
5. In case a change in partnership occurs, the present Partnership Agreement will be signed by the new PP and the LP (a digital copy of the new signed Partnership Agreement will be sent to all PPs).
6. In case the replacing PP, both new or from within the partnership, has a different co-financing rate than the withdrawing one, the initial total ERDF granted to the project by the Monitoring Committee cannot be exceeded.
7. The withdrawn PP has nevertheless to keep documents for audit purposes three years after the closure of the programme, and in any case at least until 31 December 2022.

§ 14

Changes in activities and in project duration

2. In case modification of activities and/or extension of project duration would become necessary, the LP has to inform the Managing Authority via the Joint Technical Secretariat without delay providing adequate justification.
3. Modification of activities and/or extension of the project duration become legally effective only after approval by the Managing Authority.
4. No extension of duration will be allowed beyond 31 December 2014.
5. In case a change in the activities and/or the duration occurs, all affected annexes of the present Agreement have to be amended accordingly and this change must be notified to the Managing Authority via the Joint Technical Secretariat.

§ 15

Information and publicity measures

1. The LP and the PPs shall ensure adequate promotion of the project both towards potential beneficiaries of the project results and towards the general public.
2. Any notice or publication by the project, including a conference or a seminar, must specify that the project has received a subsidy from the Programme funds in compliance with requirements set by the regulatory framework as in §1 of the Subsidy Contract in particular with Articles 8 and 9 of Regulation (EC) No 1828/2006 on information and publicity measures for the public and its Annex I.

3. The LP must ensure that all the PPs and itself respect the additional publicity requirements as laid down in the Implementation Manual and Control and Audit Guidelines which form an integral part of this Agreement.
4. The LP and the PPs commit themselves that any notice or publication by the project, in whatever form and on or by whatever medium, including the Internet, must specify that it reflects the author's view and that the Managing Authority and the programme bodies are not liable for any use that may be made of the information contained therein.
5. The LP and PPs authorise the Managing Authority and the Member States to publish, in whatever form and on or by whatever medium, including the Internet, the following information:
 - the name of the LP and its PPs,
 - the purpose of the subsidy,
 - the amount of funding awarded and the proportion of the total cost of the project accounted for by the funding,
 - the geographical location of the project,
 - abstracts of progress reports and of the final report,
 - whether and how the project has previously been publicised.
6. The LP and PPs agree that the Managing Authority on behalf of the Monitoring Committee and of other CENTRAL EUROPE promoters at national level are entitled to use the outputs of the project in order to guarantee a widespread publicity of such deliverables and to make them available to the public.
7. Project communication and public relation outputs shall be forwarded by the PP to the LP. The LP will forward these outputs via the Joint Technical Secretariat to the Managing Authority.

§ 16

Assignment, legal succession

1. Succession to the LP or a PP and assignment of its duties and rights is possible under exceptional cases and in well-founded circumstances and prior written consent of the Managing Authority and the Monitoring Committee.
2. In the case of legal succession, e.g. where the LP or a PP changes its legal form, the LP or the PP concerned is obliged to transfer all duties under this Agreement to the legal successor. Legal changes must not affect the eligibility of the partnership.
3. The LP shall notify the Managing Authority about any change beforehand.
4. In case § 16.1 applies, the present Agreement has to be amended accordingly.

§ 17

Cooperation with Third parties and outsourcing

1. In the event of outsourcing, the PPs must obey community and national rules on public procurement and shall remain the sole responsible parties towards the LP and through the latter to the Managing Authority concerning compliance with their obligations by virtue of the conditions set forth in this Agreement including its annexes.

2. Eventual financial involvement of Associated institutions must not enter in conflict with public procurement rules. Expenditure incurred by the Associated institutions shall be finally borne by any of the PPs or by the LP in order to be considered as eligible and on condition that this is allowed by national rules.

§ 18 Liability

1. According to §8 of the Subsidy Contract, the LP bears the overall financial and legal responsibility for the project and for the PPs towards the Managing Authority and towards third parties.
2. Within the partnership, each party to this Agreement shall be liable to the other parties and shall indemnify and hold harmless such other party for and against any liabilities, damages and costs resulting from the grossly negligent or intentional non-compliance of its duties and obligations as set forth in this Agreement and its annexes or of other legal norms. Eventual repayment of undue funds by the PP to the LP, for which the LP is liable towards the Managing Authority is ruled in §19 of the present Agreement.
3. Towards third parties the LP shall assume sole liability, including liability for damage or injury of any kind sustained by them while the project is being carried out as stipulated in § 8.4 of the Subsidy Contract. The LP is entitled to subrogate against the PP that caused the damage. The PP causing damage shall be liable to the LP therefore.
4. The parties to this contract accept that the Managing Authority cannot be under any circumstances or for any reason whatsoever held liable for damage or injury sustained by the staff or property of the LP or one of its PPs while the project is being carried out. No claims can be accepted by the Managing Authority for compensation or increases in payment in connection with such damage or injury.
5. No party shall be held liable for not complying with obligations ensuing from this Agreement in case of *force majeure* as described in § 26 of this Agreement.

§ 19 Non-fulfilment of obligations or delay, irregularities

1. Every PP is obliged to promptly inform the LP and to provide the latter with all necessary details should there be events that could jeopardise the implementation of the project.
2. Should one of the PPs be in default, the LP shall admonish the respective PP to comply with its obligations within **a maximum of 30 days** after the stated deadlines in the agreement for all documentation related to the Progress Report (cf §9 Reporting, certification of expenditure and requests for payment) as well as any other necessary project-related documentation. The LP shall make any effort to contact the PP in resolving the difficulties including seeking the assistance of the Managing Authority/Joint Technical Secretariat.
3. Should the non-fulfilment of obligations continue, the LP may decide to exclude the PP concerned from the project, prior approval of the other PPs. The Managing Authority via the Joint Technical Secretariat shall be informed immediately if the LP intends to exclude a PP from the project. Request of withdrawing a PP must be endorsed by the Monitoring Committee.

4. The excluded PP is obliged to refund to the LP any programme funds received which it cannot prove on the day of exclusion that they were used for the implementation of the project and any damage to the remaining project partnership due to its exclusion.
5. The excluded PP has to keep documents for audit purposes according to what is stated in §11.1 of the present Agreement.
6. The LP and all PPs are obliged to compensate each other for those damages that may result from culpable non-performance or mal-performance of any of their obligations under the present Agreement, in particular what foreseen in §5, §6 and §18.2.
7. In case of non-fulfilment of a PP's obligation having financial consequences for the funding of the project as a whole, the LP may demand compensation from the responsible PP to cover the sum involved.
8. In case of irregularities discovered by the Managing Authority or by the Certifying Authority during the day-to-day project management, in case the Managing Authority is notified of such irregularities as well as in case of breach of contract or infringement of provisions it is based on, or in case that an on-the-spot check or provision of information previously not existing bring to the conclusion that some expenditure previously certified and already paid out by the Certifying Authority might be declared as non-eligible, the LP will be asked - according to §19 of the present Agreement - to repay the subsidy in whole or in part if the funds have been already paid out. The obligation of PPs to repay the LP is regulated in §19 of this Agreement.
9. If decommitment of funds applies and the Monitoring Committee decides that ERDF funds allocated to projects have to be reduced, the PPs herewith agree that the deduction shall be imputed to those PPs that have contributed to the decommitment of funds unless a different decision is taken by the Monitoring Committee. Deduction of funds shall be done in a way not to jeopardise future involvement of PPs and implementation of activities.
10. In case of legal problems, i.e. the project [Lead Partner] is sued by the CENTRAL EUROPE Managing Authority or any other institution, each responsible project partner who has caused the legal problems has to pay for this damage and refund all costs in full to the Lead Partner. This refund must be within 30 days after the date the Lead Partner has made payment to the CENTRAL EUROPE Managing Authority or any other institution.
11. In case of a budget cut (e.g. through the EU) for mal-practice, each responsible project partner who has caused the budget cut through mal-practice has to refund all costs that this responsible project partner has caused to the Lead Partner. This refund must be within 30 days after the date the Lead Partner has made payment to the CENTRAL EUROPE Managing Authority.

§ 20

Demand for repayment of undue funds

1. Should the Managing Authority in accordance with the provisions of the Subsidy Contract demand the repayment of subsidy already transferred to the LP, every PP is obliged to transfer its portion of undue amount to the LP. The LP shall, without delay, forward the letter by which the Managing Authority has asserted the repayment claim and notify every PP of the amount repayable. Alternatively and when possible, the repayment amount will be calculated against the next payment of the Managing Authority to the LP or, where applicable, remaining payments can be suspended. In case repayment is deemed as necessary, this repayment is due within three months following the date of the letter by which the Managing Authority asserts the repayment claim to the LP. The LP shall be entitled to set an internal deadline in order to meet the Managing Authority request. The amount repayable shall be subject to interest according to § 10.3 of the Subsidy Contract; further provisions of the Subsidy Contract shall apply by analogy.
2. In case that no PP can be held responsible for the request for repayment, and if the project Steering Committee's proposal to distribute the repayment of subsidy among the partners is rejected, the amount requested shall be apportioned between all PPs pro rata to their project share (i.e.: the amount of ERDF they have been granted according to the approved application form).
3. Bank charges incurred by the repayment of amounts due to the Managing Authority via the LP shall be borne entirely by the concerned partner.

§ 21

Ownership - Use of outputs

1. Ownership, title and industrial and intellectual property rights in the results of the project and the reports and other documents relating to it shall, depending on the applicable national law, vest in the LP and/or its PPs.
2. Where several members of the partnership (LP and/or PPs) have jointly carried out work generating outputs and where their respective share of the work cannot be ascertained, they shall have joint ownership on it/them.
3. In case of joint ownership, the following provisions shall apply:

The LP and all PPs have joint ownership regarding all project outputs and deliverables according to individual contributions.

Disputes about the ownership of the outputs shall be solved in the Steering Committee.

Provisions applying shall be in line with § 25 of this Agreement.

4. Outputs as covered within the meaning of Art. 57 of (EC) Regulation No 1083/2006 cannot be transferred within the period (i.e. five years after project closure) set by this Regulation.
5. The LP and PPs ensure that the project outputs are available for the Managing Authority for further spreading and for making them available to the public.

§ 22

Revenues

1. In case of earnings generated during the project implementation through the sales of products and merchandise participation fees or any other provision of services against payment must be deducted from the amount of costs incurred by the project. This deduction will be made in full or pro-rata depending on whether it was generated entirely or partly by the co-financed project.
2. Should the project be identified as revenue-generating in accordance with the definition provided in Article 55 (1) of Regulation (EC) No 1083/2006, the Managing Authority is entitled to deduct from the final request for payment the estimated net revenue that may be generated by the project.
3. In order to define the amount to be deducted, the Managing Authority shall take into account the criteria listed in Article 55 (2) and (3) of the aforementioned Regulation.
4. Where, at the latest three years after the closure of the programme, it is established that a project has generated revenue that has not been taken into account, such revenue should - in line with Art 55 (4) of the aforementioned regulation - be refunded to the general budget of the European Union in proportion to the contribution from the funds.
5. In order to comply with § 22 of this Agreement, each PP shall communicate to the LP the correct amount of generated revenue.

§ 23

Confidentiality

1. Although the nature of the implementation of the project is public, information exchanged in the context of its implementation between the LP and the PPs, the PPs themselves or the MA/JTS which the disclosing party has clearly marked or identified in writing as confidential or proprietary in nature or if orally disclosed, reduced to writing by the disclosing party within thirty (30) days of disclosure (“Confidential Information”), shall be confidential. The receiving party shall receive and hold Confidential Information in confidence and agrees to use its reasonable efforts to prevent disclosure to third parties of Confidential Information in the manner the receiving party treats its own similar information, but in no case less than reasonable care shall be exercised by the receiving party. Except as required by law or with permission from disclosing party, receiving party will not disclose Confidential Information for a period of one (1) year from the end of this Agreement, except in furtherance of this Agreement.
2. The LP and the PPs commit to taking measures to ensure that all staff members carrying out the work respect the confidential nature of this information, and do not disseminate it, pass it on to third parties or use it without prior written consent of the LP and the PP institution that provided the information.
3. The receiving party shall not consider information disclosed to it by the disclosing party as Confidential Information such information which: (a) is now public knowledge or subsequently becomes such through no breach of this Agreement; (b) is rightfully in the receiving party’s possession prior to the disclosing party’s disclosure as shown by written records; (c) is disclosed to the receiving party by an independent third party who, to the best of the receiving party’s knowledge, is not under an obligation of confidentiality for such information to the disclosing party; (d) is required to be

disclosed by law; or (e) is independently developed by or for the receiving party without benefit of Confidential Information received from the disclosing party as shown by written records.

§ 24

Disputes between partners

1. In case of dispute between the LP and its PPs or among PPs, presumption of good faith from all parties will be privileged.
2. Should a dispute arise between the LP and its PPs or among PPs of the project, the affected parties will endeavour to find a solution on an amicable way. Disputes will be referred to the Project in order to reach a settlement.
3. The LP will inform the other PPs and may, on its own initiative or upon request of a PP, ask the MA via the JTS for advice.
4. Should a compromise through mediation of the Project Steering Committee not be possible, CENTRAL EUROPE Monitoring Committee members of the country of the PPs affected can be involved.

§ 25

Working language

1. The working language of the partnership shall be English. This language will be used at all project meetings.
2. Any official internal document of the project and all communication to the MA/JTS shall be made available in English.
3. Any PP contribution to an official internal and external document of the project (i.e. Steering Committee Meeting Minutes, Reports, Concepts, Modules, etc.) must pass an English-language check (comprehension, grammatical and orthographic correctness, idiomatic accuracy, etc) by a competent speaker of English, preferably a native speaker of English. The costs of this language check will be covered by the individual PP.
In the case that this language check is not carried out or that the contribution is considered unsuitable, the LP has the right to reject the inclusion of the PP contribution in the official external document. The LP will refer it back to the PP with a given deadline for improvement. If again after the given deadline, no noticeable improvement to the contribution has been carried out, the LP will outsource the language improvement of the contribution and the PP will be directly charged.
4. Every PP is obliged to transfer the amount to the LP within one month following the date of the letter by which the LP asserts the payment claim to the PP. In the case of non-fulfilment of the LP's requirements, the LP will be free to consider other measures.
5. In case that no payment is made and compensation is not possible, the LP distributes the repayment among all PPs pro rata to their project share.
6. The present Agreement is concluded in English. In case of translation of the present Agreement into another language, the English version shall be the binding one.

§ 26
Applicable law

1. This Agreement is governed by and construed in accordance with the law of the country where the Lead Partner is located in Austria.

§ 27
Force majeure

1. Force majeure shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this Agreement, which is beyond the control of the LP and PPs and cannot be overcome despite their reasonable endeavours. Any default of a product or service or delays in making them available for the purpose of performing this contract and affecting the project performance, including, for instance, anomalies in the functioning or performance of product or services, labour disputes, strikes or financial difficulties do not constitute force majeure.
2. If the LP or PPs are subject to force majeure liable to affect the fulfilment of its/their obligations under this Agreement, the LP shall notify the MA via the JTS without delay, stating the nature, likely duration and foreseeable effects.
3. Neither the LP nor the PPs shall be considered to be in breach of their obligations to execute the project if it has been prevented from complying by force majeure. Where LP or PPs cannot fulfil their obligations to execute the project due to force majeure, grant for accepted eligible expenditure occurred may be made only for those activities 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.

§ 28
Ineffective Provision

1. If any provision in this Agreement should be wholly or partly ineffective, the parties to this Agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
2. In case of matters that are not ruled by this Agreement, the parties agree to find a joint solution.

§ 29
Amendment of the Agreement

1. This Agreement shall only be amended in writing by means of an amendment to that effect signed by all parties involved.
2. The LP and the PPs ensure that in case of modification of provisions mentioned in §1 of the Subsidy Contract, updated rights and obligations derived thereof shall apply.

§ 30
Lapse of time

Legal proceedings concerning any issue ensuing from this Agreement may not be lodged before the courts more than three years after the claim was constituted unless the chosen applicable law as in § 26 of this Agreement states differently.

§ 31
Concluding provisions

1. The present Agreement must be signed by the LP and PPs and be submitted together with the Start-up report within 3 months after the signature of the Subsidy Contract between MA and LP on 19 November 2012.
Each PP will receive two Partnership Agreements signed by the LP. In order that the LP can meet the deadline for the submission of the Start-up report (19 February 2013), each PP must send one counter-signed Partnership Agreement back to the LP per registered mail or courier by 18 January 2013.
2. Any costs, fees or taxes not eligible or any other duties arising from the conclusion or the implementation of this Agreement shall be borne by the LP and PPs.

§ 32
Domicile

1. To the effect of this Agreement, the PPs shall irrevocably choose domicile at the address stated in Section 4 of the Application Form (Annex 1 to this Agreement) where any official notifications can be lawfully served.
2. Any change of domicile shall be forwarded to the LP within 15 days following the change of address by registered mail.

This present Agreement is drawn up at Vienna and Bratislava between,

The European Office, Vienna Board of Education, Auerspergstraße 15/32, 1080 Vienna, Austria represented by Ms Susanne Schöberl, Legal Representative (Lead partner)

Signature	Date
<u>Ms Susanne Schöberl</u>	<u>Legal Representative</u>
Name of the Signatory	Function of the Signatory
v.r.	v.r.

Official Stamp of the Lead Partner

and,

The Municipality of the Capital of the Slovak Republic, Bratislava, Primaciálne nám. 1, P.O.Box 192, 81499 Bratislava, Slovakia represented by Mr Milan Ftáčnik, Legal Representative (Project Partner 7)

Signature	Date
<u>Mr Milan Ftáčnik</u>	<u>Legal Representative</u>
Name of the Signatory	Function of the Signatory
v.r.	v.r.

Official Stamp of the Partner Institution

Annexes:

- **Annex I:** The approved version of the Application Form including notification from the CENTRAL EUROPE Joint Technical Secretariat about the fulfilment of conditions dated 10.07.2012;
- **Annex II:** the Subsidy Contract between the Managing Authority and the Lead Partner;
- **Annex III:** The overall work plan and timetable of activities for all Project Partners;
- **Annex IV:** The partner's budget split per work package, budget line and reporting period;

The following documents, which are an integral part of this Agreement, can be downloaded from the programme's web page: www.central2013.eu:

- Control and Audit Guidelines;
- Application manual⁶
- Implementation manual;
- EC Regulations.

⁶ The specific Manual of the application round in which the project has been approved applies.