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Legal AE standard agreement template
to formalize EARASHI AEs with Third parties

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EARASHI STANDARD APPLICATION EXPERIMENT AGREEMENT TEMPLATE

This EARASHI STANDARD APPLICATION EXPERIMENT AGREEMENT for providing financial as technical/non-technical services support to the Selected Third Party, (hereinafter referred to as the “**Agreement**”), is entered into by and between:

XXXXXXXXXX, an organisation under the laws of, having its registered office at ..., herein represented by ...

hereinafter referred to as “**Cascade Funding Partner**”

And

XXXXXXX, an organisation under the laws of, having its registered office at ..., herein represented by ...

hereinafter referred to as “**Selected Third Party**”

And

XXXXXXX, an organisation under the laws of, having its registered office at ..., herein represented by ...

hereinafter referred to as “**Monitoring Partner**”

And

XXXXXXX, an organisation under the laws of, having its registered office at ..., herein represented by ...

hereinafter referred to as “**Validation Facility Partner**”

hereinafter called individually and alternatively “**Party**” or “**Parties**”.

Whereas the Commissariat à l'énergie atomique et aux énergies alternatives, Flanders Make VZW, AMS Belgium bvba, Mondragon Goi Eskola Politeknikoa Jose Maria Arizmendiarieta S Coop, Instituto de Ciencia e Inovacao em Engenharia Mecanica e Engenharia Industrial (INEGI), Ikerlan S Coop, Minalogic Auvergne-Rhône-Alpes, STMicroelectronics (Grenoble 2) SAS, Comité Européen de Coopération des Industries de la Machine-Outil CECIMO AISBL, BLUMORPHO, Steinbeis Innovation GMBH and Servicio De Asistencia Tecnica Electrica S.I. (ALDAKIN) (hereinafter collectively referred as the “**EARASHI Beneficiaries**”) have formed a consortium for the implementation of the Horizon Europe Project entitled “Embodied AI/Robotics Applications for a Safe, Human-oriented Industry” which is approved by the European Commission (hereinafter the “**EARASHI Project**”).

Whereas the EARASHI Beneficiaries entered into a Grant Agreement N°101069994 with the European Commission (the “**Grant Agreement**”) and signed together a Consortium Agreement with respect to the EARASHI Project (the “**Consortium Agreement**”).

Whereas as part of EARASHI Project, the Selected Third Party will benefit, in addition to a technical and/or non-technical support, also from a financial support through a cascade funding scheme (hereinafter “**Cascade Funding**”).

Whereas further to an open call for a specific Application Experiment, the Selected Third Party has been selected by the Internal Evaluation Committee of the EARASHI Project. A Monitoring Partner was appointed to coordinate the implementation of such Application Experiment.

Whereas the Selected Third Party will implement such Application Experiment with the participation of the Cascade Funding Partner, and the Monitoring Partner and if appropriate the Validation Facility Partner.

Whereas the Cascade Funding Partner is willing to provide financial support to the Selected Third Party for the implementation of such Application Experiment and the Selected Third Party is willing to receive such support under the terms and conditions of this Agreement.

Whereas the Selected Third Party shall sign an agreement with the Cascade Funding Partner, the Monitoring Partner and if appropriate the Validation Facility Partner compliant with the Grant Agreement and the Consortium Agreement.

Whereas the Monitoring Partner is responsible for the execution of this Agreement with the Selected Third Party and for the monitoring of the Application Experiment.

Now therefore it has been agreed as follows:

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 Application Experiment means the experiments to be carried out with the Selected Third Party or the Selected Third Parties, as foreseen in the Consortium Plan, with the purpose to develop and uptake of innovative solutions, thus accelerating an eco-responsible digital transition in the application field of production machines in the European Union. The Application Experiment will involve at least the Selected Third Party, a Monitoring Partner as well as a Cascade Funding Partner and, when appropriate, may also involve Validation Facility Partner, Innovation Management Partner and Coaching Partner(s).

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

1.3 Agreement means this Standard Application Experiment Agreement (or SAEA), together with its Annexes.

1.4 Background means any data, know-how or all technical and/or scientific information - whatever its form or nature (tangible or intangible), including any rights such as intellectual property rights - that:

- (a) is held by a Party before the effective date of this Agreement, and
- (b) is Needed to implement the Application Experiment or exploit the Results of the Application Experiment; and, and
- (c) is identified by the Parties in Annex 3 to this Agreement.

1.5 Cascade Funding Partner means the Party distributing Cascade Funding to the Selected Third Parties for performing the Application Experiment. At the time of signature of this Agreement, the Cascade Funding is

1.6 Coaching Partner will provide one or more services among the EARASHI services, to each selected Third Party according to their needs and maturity. EARASHI Coaching Partners propose: Mentoring by Industrial Partner, Human-centric design coaching, Engineering system integration support, Life cycle analysis methodology and solution proposal. At the time of signature of this Agreement, the Coaching Partners is

1.7 Effective Date: This Agreement shall become effective on.....

1.8 Entities under the same control means any legal entity that is under the direct or indirect control of a Party, or under the same direct or indirect control as the Party, or that is directly or indirectly controlling a Party.

'Control' may take any of the following forms:

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

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

However the following relationships between legal entities shall not in themselves be deemed to constitute controlling relationships:

(a) the same public investment corporation, institutional investor or venture-capital company has a direct or indirect holding of more than 50% of the nominal value of the issued share capital or a majority of voting rights of the shareholders or associates;

(b) the legal entities concerned are owned or supervised by the same public body.

Exploitation or Exploit means the direct or indirect use of Results in further research and innovation activities other than those covered by the Application Experiment concerned, including among other things, commercial exploitation such as developing, creating, manufacturing and marketing a product or process, creating and providing a service, or in standardisation activities..

1.9 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.

With respect to Parties not established for the purpose of directly carrying on an industrial or commercial activity (for instance public entities or non-profit entities), considering their specific positioning, “appropriate conditions” necessarily means a financial compensation in case of direct or indirect industrial or commercial Exploitation.

- 1.10 Feedback** means, in the course of or in connection with any Application Experiment, all comments, ideas for improvements or for modifications, information about use and performance, suggestions or other feedback from any Party or any Selected Third Party regarding a Participating Partners or its Entities under the same control’s products or technology used in the Project.
- 1.11 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 this Application Experiment as detailed in Annex 3.
- 1.12 Force Majeure** means any situation or event that:
- prevents either Party from fulfilling their obligations under the Agreement,
 - was unforeseeable, exceptional situation and beyond the Parties’ control,
 - was not due to error or negligence on their part (or on the part of other participants involved in the action), and
 - proves to be inevitable in spite of exercising all due diligence.
- 1.13 Innovation Management Partner** provides the selected Third Party with Innovation Management services to ensure the relevant adoption of the innovation developed in the Application Experiment. The support will be provided to each Selected Third Party according to their needs and project maturity. At the time of signature of this Agreement, the Innovation Management Partners is:
- 1.14 Intellectual Property Rights Policy** means the Policy set out at Section 5 of this Agreement.
- 1.15 Legitimate Interest** means a Party's interest of any kind, which breach may result in – but is not limited to - a great harm.
- 1.16 Monitoring Partner** helps the selected Third Party implementing the Application Experiment. The monitoring partner is the partner providing the selected Building Block, and is in charge of managing and monitoring the Application Experiment carried out by the selected Third Party. At the time of signature of this Agreement, the potential Monitoring Partners is:
- 1.17 Needed** means
- For the implementation of the Project:*

Access Rights are Needed if, without the grant of such Access Rights, carrying out the tasks assigned to the recipient Party would be technically or legally impossible, significantly delayed, or require significant additional financial or human resources.

For Exploitation of own Results:

Access Rights are Needed if, without the grant of such Access Rights, the Exploitation of own Results would be technically or legally impossible.

- 1.18 Participating Partners** means the entities and organisations participating in the Application Experiment being: the Selected Third Party, a Monitoring Partner as well as a Cascade Funding Partner and, when appropriate, may also involve Validation Facility Partner, Innovation Management Partner and Coaching Partner(s).
- 1.19 Project** means this Application Experiment as described under Annex 3.
- 1.20 Results** means any (tangible or intangible) output of the Application Experiment such as data, knowledge, or information — whatever its form or nature, whether it can be protected or not — that is generated in the Application Experiment, as well as any rights attached to it, including intellectual property rights.
- 1.21 Validation Facility Partner** will provide testing and validation facilities when required and pertinent to the selected Application Experiment. At the time of signature of this Agreement, the Validation Facility Partner is:

2. CONDITIONS FROM THE GRANT AGREEMENT AND THE CONSORTIUM AGREEMENT REFLECTED IN THE AGREEMENT

The CEA receives funding from the European Commission for organizing the Application Experiment under the Grant Agreement and will reverse the Application Experiment's portion of the Cascade Funding to the Cascade Funding Partner. A copy of the principal articles of the Grant Agreement is attached here as Annex 1. Under the Grant Agreement, the EARASHI Beneficiaries are required to ensure that the EARASHI Project is implemented in compliance with the provisions of the Grant Agreement; and the Parties will comply with it in the implementation of the Application Experiment. The Selected Third Party shall not do anything or omit to do anything which renders the EARASHI Beneficiaries or any of them in breach of the Grant Agreement. In addition, some of the obligations under the Consortium Agreement have to be imposed on the Selected Third Party. Those obligations are reflected in this Agreement.

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, it being understood that the Selected Third Party is only bound by this Agreement and not by the Grant Agreement or the Consortium Agreement.

Pursuant to the Consortium Agreement, the Monitoring Partner is in charge of managing and monitoring the Application Experiment carried out by the Selected Third Party. In order to enable the Monitoring Partner to comply with these obligations, the Selected Third Party shall make its best efforts to support the Monitoring Partner (including to enable the Monitoring Partner to discharge its specific duties set out by the Grant Agreement and the Consortium Agreement).

3. TERMS AND CONDITIONS FOR THE FINANCIAL SUPPORT

- 3.1** The Selected Third Party shall take part in the Application Experiment with such skill and care that may be expected of Parties with corresponding expertise in the relevant field.

The Selected Third Party shall carry out the tasks according to the schedule set forth in Annex 3 at the latest and shall report to the Monitoring Partner on the activities' progress in regular intervals as indicated in Annex 3.

Such technical reports based on the template reproduced 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 Application Experiment carried out by the Selected Third Party, within the limits and in accordance with the schedule of payments specified in Annex 3.

- 3.3** The Selected Third Party shall be entitled to claim financial support corresponding to eligible costs for the Application Experiment as described in Annex 3 of this Agreement and as follows:

- 25% of the Cascade Funding based on estimated costs declaration upon Standard Application Experiment Agreement (SAEA) signature,
- 60% of the Cascade Funding on intermediate milestones (with associated deliverables), and
- 15% of the Cascade Funding at the project closure – upon completion of the Application Experiment and approval of all the deliverables and final report by the Monitoring Partner.

For each Application Experiment signed between, the financial support shall take the form of a lump-sum of **seventy percents (70%)/ one hundred percents (100%)** of the eligible costs of the Application Experiment.

- 3.4** The Selected Third Party shall provide a costs report to the Monitoring Partner and the Cascade Funding Partner. The Selected Third Party shall use the costs reporting

template in Annex 2. The following elements shall at least be included in these costs reports :

- a) The identification of the Application Experiment ;
- b) The identification of milestones, based on the completion of several tasks;
- c) Detailed information on the project deliverable achieved for the implementation of the Application Experiment.

No payment will be done by the Cascade Funding Partner if no sufficient evidence document is presented by the Selected Third Party.

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 a project report with deliverables validated by the legal representative of the Selected Third Party in accordance with the schedule set forth in Annex 3 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 all the EARASHI Beneficiaries involved in the Application Experiment, of the corresponding deliverable(s) identified in Annex 3 “. The payment shall be made as indicated in Annex 3 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. For the avoidance of doubt, the payment is capped as specified in the Financial conditions in Annex 3.

3.6 Maximum amount of Financial Support for each Selected Third Party: The maximum amount of the Financial Support to be granted to each Selected Third Party cannot exceed 200.000€ (two hundred thousand euros) for each Selected Third Party per Application Experiment. If a Selected Third Party submit several Application Experiments, the Cascade Funding will not exceed 200.000€ (two hundred thousand euros) per said Selected Third Party.

4. LIABILITY

4.1 The Selected Third Party shall comply with all legal obligations under applicable EU, international and national 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, the Monitoring Partner or any other EARASHI Beneficiary and shall indemnify all of the latter from any third party claim resulting from a breach of these obligations.

- 4.3** In respect of any information or materials (including Results and Background) supplied by one Party to another Party or to a EARASHI Beneficiary, or by a EARASHI Beneficiary involved in the applicable Application Experiment to a Party, no warranty or representation of any kind is made, given or implied as to the sufficiency or fitness for purpose nor as to the absence of any infringement of any proprietary rights of third parties. Such information or materials are provided AS IS.

Therefore,

- the recipient Party shall in all cases be entirely and solely liable for the use to which it puts such information and materials, and
- no Party granting Access Rights shall be liable in case of infringement of proprietary rights of a third party resulting from any other Party (or its entities under the same control) exercising its Access Rights.

- 4.4** No Party shall be responsible to any other Party for any indirect or consequential loss or similar damage provided such damage was not caused by a wilful act, gross negligence or a breach of confidentiality. .

A Party's aggregate liability towards the other Parties collectively shall be limited to once the Party's share of the total costs of the Project as identified in Annex 3.

A Party's liability shall not be limited under either of the two foregoing paragraphs to the extent such damage was caused by a wilful act or gross negligence or breach of confidentiality or to the extent that such limitation is not permitted by law.

The terms of this Consortium Agreement shall not be construed to amend or limit any Party's statutory liability.

- 4.5** No Party shall be considered to be in breach of this Agreement if it is prevented from fulfilling its obligations under the Agreement by Force Majeure.

Each Party will notify the Monitoring Partner of any Force Majeure without undue delay. If the consequences of Force Majeure for the Project are not overcome within 6 weeks after such notice, the transfer of tasks - if any - shall be decided by the Parties.

- 4.6** The Parties hereby acknowledge that given the date on which this Agreement is signed, i.e. following several months of lockdown, curfew and other sanitary measures decided by the public authorities, in an ongoing health context still affected by the COVID-19 virus, all or part of the work to be carried out under the Project may not be able to be carried out under the conditions set out herein in the case i) the public authorities adopt new sanitary measures, and/or ii) of any future potential resumption(s) of lockdown or curfew measures or of any measures having a similar effect.

Consequently, the Parties expressly agree to confer, at the request of one or the other party, to define via amendment to the Agreement any potential change to the program (such as to schedule, dates, list of deliverables, costs) that may be needed given the exceptional circumstances experienced in the execution of the Project.

- 4.7** Each Party is responsible for the insurance coverage of its own employees in accordance with applicable national legal requirements for occupational injuries and diseases. As a consequence, each Party must fulfil the required formalities and sustain all the costs, if any, involved in the insurance policies underwritten to cover its own employees against these risks.
- 4.8** The Selected Third Party shall fully and exclusively bear the risks in connection with the Application Experiment for which Financial Support as well as technical/non-technical support is granted by the Cascade Funding Partner. The Selected Third Party shall indemnify the Monitoring Partner, Coaching Partner, Validation Facility Partner and/or the Cascade Funding Partner for all damages, penalties, costs and expenses which the Monitoring Partner, Coaching Partner, Validation Facility Partner and/or the Cascade Funding Partner as a result thereof would incur or have to pay to the European Commission or to any third parties with respect to such Application Experiment financially supported and/or for any damage in general which the Monitoring Partner and/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 and/or the Monitoring Partner 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 and/or the Monitoring Partner. Moreover, the Selected Third Party shall indemnify and hold the Monitoring Partner and/or 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.

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 (i) the duties concerning Results under the Grant Agreement including those set out in Article 16 and Annex 5 thereof; and (ii) the Intellectual Property Rights Policy to ensure that the Monitoring Partner will always be able to comply with such terms towards the other EARASHI Beneficiaries.

5.1 General Principle regarding Ownership

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

5.2 Joint Results

If, in the course of carrying out an Application Experiment, a Result is generated by a Selected Third Party with one or several Parties (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 Results are covered by intellectual property rights, the Contributors shall execute a joint ownership agreement regarding the allocation and the terms and conditions of Exploitation of the joint Results as soon as possible and before any Exploitation.

Unless otherwise agreed:

- each of the joint owners shall be entitled to use their jointly owned Results for non-commercial research and teaching activities on a royalty-free basis, and without requiring the prior consent of the other joint owner(s);
- each of the joint owners 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 joint owners are given: (a) at least 45 calendar days advance notice; and (b) fair and reasonable compensation.

The joint owners shall agree on all protection measures and the division of related cost in advance.

The joint owners must agree — in writing — on the allocation and terms of exercise of their joint ownership (**'joint ownership agreement'**), to ensure compliance with their obligations under this Agreement.

Notwithstanding any other terms of this Agreement, in case ST has a joint patentable Result with another Party(ies), then the Parties concerned will negotiate the attribution of the property of such joint patentable Result to one of them, to continue the use and/or the Exploitation of such patent under the conditions to be negotiated between the Parties concerned

5.3 Access Rights

For the purpose of this article 5.3, Background shall mean the Background as listed in Annex 3 and validated by the Parties for the concerned Application Experiment.

Any Access Rights granted exclude any rights to sublicense unless expressly stated otherwise in this Agreement or unless otherwise agreed upon between the Parties concerned. The Parties agree that certain Parties, such as public bodies and non-profit organizations, may not carry Exploitation activities out directly due to their legal status and accordingly may need to sublicense the Access Right under Fair and Reasonable conditions in order to carry out an Exploitation activity. Such a Party requesting Access Rights shall confirm the requirement for a right to sublicense, which the Party granting Access Rights shall not unreasonably refuse.

Access Rights shall be free of any administrative transfer costs.

Access Rights are granted on a non-exclusive basis and non-transferable basis and are subject to third parties rights.

Results and Background shall be used only for the purposes for which Access Rights to it have been granted.

All requests for Access Rights shall be made in writing. The granting of Access Rights may be made conditional on the acceptance of specific conditions notably aimed at ensuring that these rights will be used only for the intended purpose and that appropriate confidentiality obligations

are in place. For the avoidance of doubt, this means that the granting Party may impose to the Party requesting an Access Right the execution of a separate agreement.

The requesting Party must show that the Access Rights are Needed.

Access Rights to Results and Background Needed for the performance of the own work of the Selected Third Party under the Application Experiment shall be granted for the duration of the Application Experiment on a royalty-free basis, unless otherwise agreed.

Access Rights to Results and/ or Background if Needed for Exploitation of a Party's own Results shall be granted on Fair and Reasonable conditions and upon prior written agreement.

A request for Access Rights may be made up to twelve (12) months after the end of Application Experiment.

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

6. PARTICIPATION OF VALIDATION FACILITY PARTNERS

Each Party hereby agrees and accepts the following with respect to the participating Validation Facility Partner:

The participation of any Validation Facility Partner in any Application Experiment is subject to the Validation Facility Partner written agreement to the Application Experiment in question.

Unless expressly agreed in advance in writing with the participating Validation Facility Partner, no Background of either Party will be used or introduced to the Application Experiment, and all such Background is expressly excluded from the Application Experiment and from Access Rights, whether existing before the start of the Application Experiment, or created during the Application Experiment but independently of the work funded under the Application Experiment, and each Party hereby formally waives any right to take a licence on any such other Background. No licence or other right is granted or assigned under this Agreement (including its Annexes), either directly or indirectly, by implication, estoppel or otherwise, to any Party with respect to any intellectual property rights of such participating Validation Facility Partner.

7. CONFIDENTIALITY

7.1 The Parties acknowledge that the EARASHI Beneficiaries have entered into a Consortium Agreement including confidentiality obligations. For the avoidance of doubt, Section 7 below only applies for the Confidential Information exchanged between the Parties hereto for the purpose of the Application Experiment, as far as not agreed otherwise between the concerned Partners in the Consortium Agreement. All information in whatever form or mode of communication, which is disclosed by a Party or EARASHI Beneficiaries' Entities under the same control (the "Disclosing Party") to any other Party or EARASHI Beneficiaries' Entities under the same control (the "Recipient") in connection with the Project 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 thirty (30) calendar days from oral disclosure at the latest as confidential information by the Disclosing Party, is “**Confidential Information**”.

7.2 The Recipients hereby undertake in addition and without prejudice to any commitment on non-disclosure under the Grant Agreement, for a period of five (5) years after the end of the Project:

- not to use Confidential Information otherwise than for the purpose for which it was disclosed;
- not to disclose Confidential Information without the prior written consent by the Disclosing Party;
- to ensure that internal distribution of Confidential Information by a Recipient shall take place on a strict need-to-know basis; and
- to return to the Disclosing Party, or destroy, on request all Confidential Information that has been disclosed to the Recipients including all copies thereof and to delete all information stored in a machine-readable form to the extent practically possible. 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 laws and regulations or for the proof of on-going obligations provided that the Recipient complies with the confidentiality obligations herein contained with respect to such copy.
- not cause or permit directly or indirectly reverse engineering, disassembly or decompilation of any samples or materials containing or comprising all or any part of the Confidential Information without the express written permission of the Disclosing Party.

7.3 The Recipients shall be responsible for the fulfilment of the above obligations on the part of their employees or third parties involved in the Project and shall ensure that they remain so obliged, as far as legally possible, during and after the end of the Project and/or after the termination of the contractual relationship with the employee or third party.

7.4 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 has become or 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 confidentiality by a third party who is to the best knowledge of the Recipient in lawful possession thereof and under no obligation of confidentiality 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;

- the Confidential Information was already known to the Recipient prior to disclosure.

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

7.6 Each Recipient shall promptly inform the relevant Disclosing Party by written notice of any unauthorised disclosure, misappropriation or misuse of Confidential Information after it becomes aware of such unauthorised disclosure, misappropriation or misuse.

7.7 If any Recipient becomes aware that it will be required, or is likely to 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

- inform the Disclosing Party of the same,
- disclose only such information as is required by a court of competent jurisdiction or governmental authority and use its best endeavours to limit such disclosure.

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

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

7.9 Notwithstanding any other terms of this Agreement, in case of any Feedback provided to Participating Partner in relation to the products and technology provided by this Participating Partner or its Entities under the same control will be deemed Confidential Information of this Participating Partner.

8. 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 Monitoring Partner and the other Participating Partners are entitled to include the main issues and information regarding the Application Experiment in their reporting towards the European Commission, subject to prior written notification to the Selected Third Party.

9. 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 authorised by the European Commission to check that the Application Experiment 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 authorised 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 authorised 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 Article 25 of the Grant Agreement, also apply to the Selected Third Party.

10. TERM AND TERMINATION

This Agreement shall have effect from the Effective Date identified at the beginning of this Agreement and shall continue in full force and effect until xxxxxx

The Monitoring Partner can terminate this Agreement with immediate effect through written notice to the Selected Third Party and to the other Participating Partners:

- 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,
- 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

- if the Selected Third Party is subject to an event of Force Majeure (in accordance with how that term is defined under Article 35 of the Grant Agreement), 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 six (6) weeks.

Access Rights granted to the Selected Third Party shall cease immediately upon the effective date of termination. The expiry or termination of this Agreement shall not otherwise affect the obligations of the Parties under Sections 2, 4, 5, 6, 7, 8, 9 and 11 which shall survive the expiry or termination of the Agreement.

11. CONCLUDING CONDITIONS

11.1 Anti-corruption & Influence peddling

The Parties will always act in accordance with applicable national and foreign laws and regulations on the prevention of the risks of corruption and influence peddling.

Each of the Parties shall carry out the Project in a manner designed to counter any corruption, misappropriation of funding and improprieties. The Parties shall, without undue delay, inform each other if there are indications of corruption, misappropriation of funding and improprieties of which the Party becomes aware during the implementation of the Project. Furthermore, the Parties agree, in the performance of the activities under the Consortium Agreement, not to accept or offer any form of gift, offer, payment or other type of advantage that entails unlawful or corrupt practice.

- 11.2** The Parties will not sign this Agreement (for the sake of clarity this includes Annex 3) will not be effective, until the Monitoring Partner has received written confirmation from each Participating Partners that it agrees to its content. This written confirmation can be given by each Participating Partners sending by email or facsimile to the Monitoring Partner.

Once each written confirmation is given by each Participating Partners, any ancillary agreements, amendments, additions or modifications to this Agreement shall be made in writing and signed by the Parties, but will only become effective after the Monitoring Partner has received written confirmation from each Participating Partners that it agrees to their content, such written confirmation to be given in the manner set out at the above paragraph.

- 11.3** 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 Application Experiment. No rights or obligations of the Parties arising from this Agreement may be assigned or transferred, in whole or in part, to any third party without prior formal approval of the EARASHI Beneficiaries.

Amendments and modifications to the text of this Agreement require a separate written agreement to be signed between all Parties.

- 11.4** No Party shall be entitled to act or to make legally binding declarations on behalf of any other Party. Nothing in this Agreement shall be deemed to constitute a joint venture, agency, partnership, interest grouping or any other kind of formal business grouping or entity between the Parties.
- 11.5** Any subcontract by the Selected Third Party concerning some of its tasks under this Agreement requires the prior written consent of the Monitoring Partner and does not affect its own obligations resulting from this Agreement. A Party that enters into a subcontract or otherwise involves third parties in the Project remains responsible for carrying out its relevant part of the Project and for such third party's compliance with the provisions of this Agreement and of the Grant Agreement. Such Party has to ensure that the involvement of third parties does not affect the rights and obligations of the other Parties under this Agreement.
- 11.6** 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 equivalent provision. The same shall apply in case of a gap.
- 11.7** This Consortium Agreement shall be construed in accordance with and governed by the laws of Belgium excluding its conflict of law provisions.
- 11.8** The Parties shall endeavour to settle their disputes amicably. All disputes arising out of or in connection with this Consortium Agreement, which cannot be solved amicably within the sixty (60) days following its occurrence, shall be finally settled under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.
The place of arbitration shall be Brussels if not otherwise agreed by the conflicting Parties.
- 11.9** List of Annexes:

This Consortium Agreement consists of this core text and:

Annex 1 Grant Agreement specific obligations

Annex 2 Final report template

Annex 3 Standard Application Experiment Agreement Technical Annex

In case of conflicts between the attachments and the core text of this Agreement, the latter shall prevail.

Should any provision of this Agreement become invalid, illegal or unenforceable, it shall not affect the validity of the remaining provisions of this Agreement. In such a case, the Parties concerned shall be entitled to request that a valid and practicable provision be negotiated that fulfils the purpose of the original provision.

Executed in originals,

Selected Third Party

Date

Name

Capacity

Monitoring Partner

Date

Name

Capacity

Cascade Funding Partner

Date

Name

Capacity

Validation Facility Partner

Date

Name

Capacity

ANNEX 1 - GRANT AGREEMENT SPECIFIC OBLIGATIONS

As an indirect beneficiary, the Selected Third Party has to fulfill the obligations described in articles 12, 13, 16, 17, 18, 25, 26 and 33 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.

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests').

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

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

12.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6).

If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period.

Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement.

The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they:

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

The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies.

It may moreover disclose sensitive information to third parties, if:

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

The confidentiality obligations no longer apply if:

- (a) the disclosing party agrees to release the other party
- (b) the information becomes publicly available, without breaching any confidentiality obligation
- (c) the disclosure of the sensitive information is required by EU, international or national law.

Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/44415 and its implementing rules).

Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

Specific security rules (if any) are set out in Annex 5.

13.3 Consequences of non-compliance

15 Commission Decision 2015/444/EC, Euratom of 13 March 2015 on the security rules for protecting EU classified information (OJ L 72, 17.3.2015, p. 53).

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 16 — INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS — ACCESS RIGHTS AND RIGHTS OF USE

16.1 Background and access rights to background

The beneficiaries must give each other and the other participants access to the background identified as needed for implementing the action, subject to any specific rules in Annex 5.

‘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 is:

- (a) held by the beneficiaries before they acceded to the Agreement and
- (b) needed to implement the action or exploit the results.

If background is subject to rights of a third party, the beneficiary concerned must ensure that it is able to comply with its obligations under the Agreement.

16.2 Ownership of results

The granting authority does not obtain ownership of the results produced under the action.

‘Results’ means any tangible or intangible effect of the action, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

16.3 Rights of use of the granting authority on materials, documents and information

received for policy, information, communication, dissemination and publicity purposes The granting authority has the right to use non-sensitive information relating to the action and materials and documents received from the beneficiaries (notably summaries for publication, deliverables, as well as any other material, such as pictures or audio-visual material, in paper or electronic form) for policy, information, communication, dissemination and publicity purposes — during the action or afterwards.

The right to use the beneficiaries’ materials, documents and information is granted in the form of a royalty-free, non-exclusive and irrevocable licence, which includes the following rights:

(a) use for its own purposes (in particular, making them available to persons working for the granting authority or any other EU service (including institutions, bodies, offices, agencies, etc.) or EU Member State institution or body; copying or reproducing them in whole or in part, in unlimited numbers; and communication through press information services)

(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 (including shortening, summarising, inserting other elements (e.g. 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) storage in paper, electronic or other form

(f) archiving, in line with applicable document-management rules

(g) the right to authorise third parties to act on its behalf or sub-license to third parties the modes of use set out in Points (b), (c), (d) and (f), if needed for the information, communication and publicity activity of the granting authority

(h) processing, analysing, aggregating the materials, documents and information received and producing derivative works.

The rights of use are granted for the whole duration of the industrial or intellectual property rights concerned.

If materials or documents are subject to moral rights or third party rights (including intellectual property rights or rights of natural persons on their image and voice), the beneficiaries must ensure that they comply with their obligations under this Agreement (in particular, by obtaining the necessary licences and authorisations from the rights holders concerned).

Where applicable, the granting authority will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the [name of granting authority]

under conditions.”

16.4 Specific rules on IPR, results and background

Specific rules regarding intellectual property rights, results and background (if any) are set out in Annex 5.

16.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such a breach may also lead to other measures described in Chapter 5.

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

17.1 Communication — Dissemination — Promoting the action

Unless otherwise agreed with the granting authority, the beneficiaries must promote the action and its results by providing targeted information to multiple audiences (including the media and the public), in accordance with Annex 1 and in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, the beneficiaries must inform the granting authority.

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):

The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text.

Apart from the emblem, no other visual identity or logo may be used to highlight the EU support.

When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos.

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

17.3 Quality of information — Disclaimer

Any communication or dissemination activity related to the action must use factually accurate information.

Moreover, it must indicate the following disclaimer (translated into local languages where appropriate):

“Funded by the European Union. Views and opinions expressed are however those of the author(s) only and do not necessarily reflect those of the European Union or [name of the granting authority]. Neither the European Union nor the granting authority can be held responsible for them.”

17.4 Specific communication, dissemination and visibility rules

Specific communication, dissemination and visibility rules (if any) are set out in Annex 5.

17.5 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

SPECIFIC RULES FOR CARRYING OUT THE ACTION (— ARTICLE 18)

Implementation in case of restrictions due to strategic assets, interests, autonomy or security of the EU and its Member States

Where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security, the beneficiaries must ensure that none of the entities that participate as affiliated entities, associated partners, subcontractors or recipients of financial support to third parties are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) — unless otherwise agreed with the granting authority.

The beneficiaries must moreover ensure that any cooperation with entities established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) does not affect the strategic assets, interests, autonomy or security of the EU and its Member States.

Recruitment and working conditions for researchers

The beneficiaries must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers³, in particular regarding:

- working conditions
- transparent recruitment processes based on merit, and
- career development.

The beneficiaries must ensure that researchers and all participants involved in the action are aware of them.

ARTICLE 25 — CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS — EXTENSION OF FINDINGS

25.1 Granting authority checks, reviews and audits

25.1.1 Internal checks

The granting authority may — during the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Agreement, including assessing costs and contributions, deliverables and reports.

25.1.2 Project reviews

The granting authority may carry out reviews on the proper implementation of the action and compliance with the obligations under the Agreement (general project reviews or specific issues reviews).

Such project reviews may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiary concerned and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent, outside experts. If it uses outside experts, the coordinator or beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The coordinator or beneficiary concerned must cooperate diligently and 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 granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

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

For **on-the-spot visits**, the beneficiary concerned must allow access to sites and premises (including to the outside experts) 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 **project review report** will be drawn up.

The granting authority will formally notify the project review report to the coordinator or beneficiary concerned, which has 30 days from receiving notification to make observations.

Project reviews (including project review reports) will be in the language of the Agreement.

25.1.3 Audits

The granting authority may carry out audits on the proper implementation of the action and compliance with the obligations under the Agreement.

Such audits may be started during the implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the beneficiary concerned and will be considered to start on the date of the notification.

The granting authority may use its own audit service, delegate audits to a centralised service or use external audit firms. If it uses an external firm, the beneficiary concerned will be informed and have the right to object on grounds of commercial confidentiality or conflict of interest.

The beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Agreement. Sensitive information and documents will be treated in accordance with Article 13.

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) 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 auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

The **final audit report** will take into account observations by the beneficiary concerned and will be formally notified to them.

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

25.2 European Commission checks, reviews and audits in grants of other granting authorities

Where the granting authority is not the European Commission, the latter has the same rights of checks, reviews and audits as the granting authority.

25.3 Access to records for assessing simplified forms of funding

The beneficiaries must give the European Commission access to their statutory records for the periodic assessment of simplified forms of funding which are used in EU programmes.

25.4 OLAF, EPPO and ECA audits and investigations

The following bodies may also carry out checks, reviews, audits and investigations — during the action or afterwards:

- the European Anti-Fraud Office (OLAF) under Regulations No 883/201320 and No 2185/9621
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

If requested by these bodies, the beneficiary concerned must provide full, accurate and complete information in the format requested (including complete accounts, individual salary statements or other personal data, including in electronic format) and allow access to sites and premises for on-the-spot visits or inspections — as provided for under these Regulations.

To this end, the beneficiary concerned must keep all relevant information relating to the action, at least until the time-limit set out in the Data Sheet (Point 6) and, in any case, until any ongoing checks, reviews, audits, investigations, litigation or other pursuits of claims have been concluded.

25.5 Consequences of checks, reviews, audits and investigations — Extension of results of reviews, audits or investigations

25.5.1 Consequences of checks, reviews, audits and investigations in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to rejections (see Article 27), grant reduction (see Article 28) or other measures described in Chapter 5.

Rejections or grant reductions after the final payment will lead to a revised final grant amount (see Article 22).

Findings in checks, reviews, audits or investigations during the action implementation may lead to a request for amendment (see Article 39), to change the description of the action set out in Annex 1.

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations in any EU grant may also lead to consequences in other EU grants awarded under similar conditions ('extension to other grants').

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

25.5.2 Extension from other grants

Results of checks, reviews, audits or investigations in other grants may be extended to this grant, if:

(a) the beneficiary concerned is found, in other EU 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 — within the time-limit for audits set out in the Data Sheet (see Point 6).

The granting authority will formally notify the beneficiary concerned of the intention to extend the findings and the list of grants affected.

If the extension concerns **rejections of costs or contributions**: the notification will include:

(a) an invitation to submit observations on the list of grants affected by the findings

(b) the request to submit revised financial statements for all grants affected

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

(i) considers that the submission of revised financial statements is not possible or practicable or

(ii) does not submit revised financial statements.

If the extension concerns **grant reductions**: the notification will include:

(a) an invitation to submit observations on the list of grants affected by the findings and

(b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

The beneficiary concerned has **60 days** from receiving notification to submit observations, revised financial statements or to propose a duly substantiated **alternative correction method/rate**.

On the basis of this, the granting authority will analyse the impact and decide on the implementation (i.e. start rejection or grant reduction procedures, either on the basis of the revised financial statements or the announced/alternative method/rate or a mix of those; see Articles 27 and 28).

25.6 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28).

Such breaches may also lead to other measures described in Chapter 5.

ARTICLE 26 — IMPACT EVALUATIONS

26.1 Impact evaluation

The granting authority may carry out impact evaluations of the action, measured against the objectives and indicators of the EU programme funding the grant.

Such evaluations may be started during implementation of the action and until the time-limit set out in the Data Sheet (see Point 6). They will be formally notified to the coordinator or beneficiaries and will be considered to start on the date of the notification.

If needed, the granting authority may be assisted by independent outside experts.

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

26.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the granting authority may apply the measures described in Chapter 5.

SECTION 3 OTHER CONSEQUENCES: DAMAGES AND ADMINISTRATIVE SANCTIONS

ARTICLE 33 — DAMAGES

33.1 Liability of the granting authority

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

The granting authority cannot be held liable for any damage caused by any of the beneficiaries or other participants involved in the action, as a consequence of the implementation of the Agreement.

33.2 Liability of the beneficiaries

The beneficiaries must compensate the granting authority 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, provided that it was caused by gross negligence or wilful act.

The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue or loss of contracts), provided such damage was not caused by wilful act or by a breach of confidentiality.

Annex 5 of the Grant Agreement: INTELLECTUAL PROPERTY RIGHTS (IPR) — BACKGROUND AND RESULTS

ACCESS RIGHTS AND RIGHTS OF USE (— ARTICLE 16)

Definitions

Access rights — Rights to use results or background.

Dissemination — The public disclosure of the results by appropriate means, other than resulting from protecting or exploiting the results, including by scientific publications in any medium.

Exploit(ation) — The use of results in further research and innovation activities other than those covered by the action concerned, including among other things, commercial exploitation such as developing, creating, manufacturing and marketing a product or process, creating and providing a service, or in standardisation activities.

Fair and reasonable conditions — Appropriate conditions, including possible financial terms or royalty-free conditions, taking into account the specific circumstances of the request for access, for example the actual or potential value of the results or background to which access is requested and/or the scope, duration or other characteristics of the exploitation envisaged.

FAIR principles — ‘findability’, ‘accessibility’, ‘interoperability’ and ‘reusability’.

Open access — Online access to research outputs provided free of charge to the end-user.

Open science — An approach to the scientific process based on open cooperative work, tools and diffusing knowledge.

Research data management — The process within the research lifecycle that includes the organisation, storage, preservation, security, quality assurance, allocation of persistent identifiers (PIDs) and rules and procedures for sharing of data including licensing.

Research outputs — Results to which access can be given in the form of scientific publications, data or other engineered results and processes such as software, algorithms, protocols, models, workflows and electronic notebooks.

Scope of the obligations

For this section, references to ‘beneficiary’ or ‘beneficiaries’ do not include affiliated entities (if any).

Agreement on background

The beneficiaries must identify in a written agreement the background as needed for implementing the action or for exploiting its results.

Where the call conditions restrict control due to strategic interests reasons, background that is subject to control or other restrictions by a country (or entity from a country) which is not one of the eligible countries or target countries set out in the call conditions and that impact the exploitation of the results (i.e. would make the exploitation of the results subject to control or restrictions) must not be used and must be explicitly excluded from it in the agreement on background — unless otherwise agreed with the granting authority.

Ownership of results

Results are owned by the beneficiaries that generate them.

However, two or more beneficiaries own results jointly if:

- they have jointly generated them and
- it is not possible to:
 - establish the respective contribution of each beneficiary, or
 - separate them for the purpose of applying for, obtaining or maintaining their protection.

The joint owners must agree — in writing — on the allocation and terms of exercise of their joint ownership (**‘joint ownership agreement’**), to ensure compliance with their obligations under this Agreement.

Unless otherwise agreed in the joint ownership agreement or consortium agreement, each joint owner may grant non-exclusive licences to third parties to exploit the jointly-owned results (without any right to sub-license), if the other joint owners are given:

- at least 45 days advance notice and
- fair and reasonable compensation.

The joint owners may agree — in writing — to apply another regime than joint ownership.

If third parties (including employees and other personnel) may claim rights to the results, the beneficiary concerned must ensure that those rights can be exercised in a manner compatible with its obligations under the Agreement.

The beneficiaries must indicate the owner(s) of the results (results ownership list) in the final periodic report.

Protection of results

Beneficiaries which have received funding under the grant must adequately protect their results — for an appropriate period and with appropriate territorial coverage — if protection is possible and justified, taking into account all relevant considerations, including the prospects for commercial exploitation, the legitimate interests of the other beneficiaries and any other legitimate interests.

Exploitation of results

Beneficiaries which have received funding under the grant must — up to four years after the end of the action (see Data Sheet, Point 1) — use their best efforts to exploit their results directly or to have them exploited indirectly by another entity, in particular through transfer or licensing.

If, despite a beneficiary's best efforts, the results are not exploited within one year after the end of the action, the beneficiaries must (unless otherwise agreed in writing with the granting authority) use the Horizon Results Platform to find interested parties to exploit the results.

If results are incorporated in a standard, the beneficiaries must (unless otherwise agreed with the granting authority or unless it is impossible) ask the standardisation body to include the funding statement (see Article 17) in (information related to) the standard.

Additional exploitation obligations

Where the call conditions impose additional exploitation obligations (including obligations linked to the restriction of participation or control due to strategic assets, interests, autonomy or security reasons), the beneficiaries must comply with them — up to four years after the end of the action.

Where the call conditions impose additional exploitation obligations in case of a public emergency, the beneficiaries must (if requested by the granting authority) grant for a limited period of time specified in the request, non-exclusive licences — under fair and reasonable conditions — to their results to legal entities that need the results to address the public emergency and commit to rapidly and broadly exploit the resulting products and services at fair and reasonable conditions. This provision applies up to four years after the end of the action.

Additional information obligation relating to standards

Where the call conditions impose additional information obligations relating to possible standardisation, the beneficiaries must — up to four years after the end of the action — inform the granting authority, if the results could reasonably be expected to contribute to European or international standards.

Transfer and licensing of results

Transfer of ownership

The beneficiaries may transfer ownership of their results, provided this does not affect compliance with their obligations under the Agreement.

The beneficiaries must ensure that their obligations under the Agreement regarding their results are passed on to the new owner and that this new owner has the obligation to pass them on in any subsequent transfer.

Moreover, they must inform the other beneficiaries with access rights of the transfer at least 45 days in advance (or less if agreed in writing), unless agreed otherwise in writing for specifically identified third parties including affiliated entities or unless impossible under the applicable law. This notification must include sufficient information on the new owner to enable the beneficiaries concerned to assess the effects on their access rights. The beneficiaries may object within 30 days of receiving notification (or less if agreed in writing), if they can show that the transfer would adversely affect their access rights. In this case, the transfer may not take place until agreement has been reached between the beneficiaries concerned.

Granting licences

The beneficiaries may grant licences to their results (or otherwise give the right to exploit them), including on an exclusive basis, provided this does not affect compliance with their obligations.

Exclusive licences for results may be granted only if all the other beneficiaries concerned have waived their access rights.

Granting authority right to object to transfers or licensing — Horizon Europe actions

Where the call conditions in Horizon Europe actions provide for the right to object to transfers or licensing, the granting authority may — up to four years after the end of the action — object to a transfer of ownership or the exclusive licensing of results, if:

- the beneficiaries which generated the results have received funding under the grant
- it is to a legal entity established in a non-EU country not associated with Horizon Europe, and
- the granting authority considers that the transfer or licence is not in line with EU interests.

Beneficiaries that intend to transfer ownership or grant an exclusive licence must formally notify the granting authority before the intended transfer or licensing takes place and:

- identify the specific results concerned
- describe in detail the new owner or licensee and the planned or potential exploitation of the results, and
- include a reasoned assessment of the likely impact of the transfer or licence on EU interests, in particular regarding competitiveness as well as consistency with ethical principles and security considerations.

The granting authority may request additional information.

If the granting authority decides to object to a transfer or exclusive licence, it must formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information it has requested).

No transfer or licensing may take place in the following cases:

- pending the granting authority decision, within the period set out above
- if the granting authority objects
- until the conditions are complied with, if the granting authority objection comes with conditions.

A beneficiary may formally notify a request to waive the right to object regarding intended transfers or grants to a specifically identified third party, if measures safeguarding EU interests are in place. If the granting authority agrees, it will formally notify the beneficiary concerned within 60 days of receiving notification (or any additional information requested).

Limitations to transfers and licensing due to strategic assets, interests, autonomy or security reasons of the EU and its Member States

Where the call conditions restrict participation or control due to strategic assets, interests, autonomy or security reasons, the beneficiaries may not transfer ownership of their results or grant licences to third parties which are established in countries which are not eligible countries or target countries set out in the call conditions (or, if applicable, are controlled by such countries or entities from such countries) — unless they have requested and received prior approval by the granting authority.

The request must:

- identify the specific results concerned
- describe in detail the new owner and the planned or potential exploitation of the results, and
- include a reasoned assessment of the likely impact of the transfer or license on the strategic assets, interests, autonomy or security of the EU and its Member States.

The granting authority may request additional information.

Access rights to results and background

Exercise of access rights — Waiving of access rights — No sub-licensing

Requests to exercise access rights and the waiver of access rights must be in writing.

Unless agreed otherwise in writing with the beneficiary granting access, access rights do not include the right to sub-license.

If a beneficiary is no longer involved in the action, this does not affect its obligations to grant access.

If a beneficiary defaults on its obligations, the beneficiaries may agree that that beneficiary no longer has access rights.

Access rights for implementing the action

The beneficiaries must grant each other access — on a royalty-free basis — to background needed to implement their own tasks under the action, unless the beneficiary that holds the background has — before acceding to the Agreement —:

- informed the other beneficiaries that access to its background is subject to restrictions, or
- agreed with the other beneficiaries that access would not be on a royalty-free basis.

The beneficiaries must grant each other access — on a royalty-free basis — to results needed for implementing their own tasks under the action.

Access rights for exploiting the results

The beneficiaries must grant each other access — under fair and reasonable conditions — to results needed for exploiting their results.

The beneficiaries must grant each other access — under fair and reasonable conditions — to background needed for exploiting their results, unless the beneficiary that holds the background has — before acceding to the Agreement — informed the other beneficiaries that access to its background is subject to restrictions.

Requests for access must be made — unless agreed otherwise in writing — up to one year after the end of the action.

Access rights for entities under the same control

Unless agreed otherwise in writing by the beneficiaries, access to results and, subject to the restrictions referred to above (if any), background must also be granted — under fair and reasonable conditions — to entities that:

- are established in an EU Member State or Horizon Europe associated country
- are under the direct or indirect control of another beneficiary, or under the same direct or indirect control as that beneficiary, or directly or indirectly controlling that beneficiary and
- need the access to exploit the results of that beneficiary.

Unless agreed otherwise in writing, such requests for access must be made by the entity directly to the beneficiary concerned.

Requests for access must be made — unless agreed otherwise in writing — up to one year after the end of the action.

Access rights for the granting authority, EU institutions, bodies, offices or agencies and national authorities to results for policy purposes — Horizon Europe actions

In Horizon Europe actions, the beneficiaries which have received funding under the grant must grant access to their results — on a royalty-free basis — to the granting authority, EU institutions, bodies, offices or agencies for developing, implementing and monitoring EU policies or programmes. Such access rights do not extend to beneficiaries' background.

Such access rights are limited to non-commercial and non-competitive use.

For actions under the cluster 'Civil Security for Society', such access rights also extend to national authorities of EU Member States for developing, implementing and monitoring their policies or programmes in this area. In this case, access is subject to a bilateral agreement to define specific conditions ensuring that:

- the access rights will be used only for the intended purpose and
- appropriate confidentiality obligations are in place.

Moreover, the requesting national authority or EU institution, body, office or agency (including the granting authority) must inform all other national authorities of such a request.

ANNEX 2 - FINAL REPORT TEMPLATE

Document Description

The report includes an explanation of work carried out, an overview of progress and a publishable summary (describing the overview of the results and the exploitation and dissemination, the conclusions of the actions and its social and economic impacts).

1. Public summary

Description of the objectives of the Application Experiment (concept and objectives), progress beyond state-of-the-art and potential innovation.

Including

- High-resolution picture(s) of the prototype with caption(s)
- Video of the prototype
- Partners list
- Description of problem to be solved

2. Results and Analysis

- Short discussion of the state-of-the-art
- Describe the results including required details
- Use diagrams, tables and figures for overview and understanding
- Show results vs. requirements vs. state of the art
- Describe cooperation of the Parties
- Give an interpretation and/or analysis of the results
- Highlight major achievements

3. Business strategy and exploitation

- Market description
- Strategic positioning & unique value proposition
- Sustainability plan
- Value Chain description
- Public co-funding opportunities
- Private funding opportunities

5. Summary and Conclusion

Summarize major results and achievements and evaluate them compared with the objectives

6. Declaration of costs

This table is CONFIDENTIAL, declaring each Selected Third Party's costs (Balance payment and in-kind) at the end of the Application Experiment versus estimated costs presented in Annex 3.

Selected Third Party Costs (Balance Payment and in-kind)	Estimated (SAEA)			Declared			Short description
	Total estimated cost EUR	rate Max 100%/70%	Maximum EARASHI contribution EUR	Total declared cost EUR	rate Max 100%/70%	Maximum EARASHI contribution EUR	
1. Personnel							
2. Consumables, materials, component							
3. Travel							

4. Subcontracting							
5. Indirect costs							
Total costs							

All information will be delivered by the Selected Third Parties.

ANNEX 3 –TECHNICAL AND FINANCIAL ANNEX

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

Description of the Application Experiment	
Acronym	
Project N°	
Full Title	
Starting date of the Application Experiment:	
Duration of the Application Experiment:	
Date of selection of the Selected Third Party(ies) by the Evaluation Committee	

Application Experiment outcomes	
Expected results in terms of Industrial Impact	
Expected results in terms of building blocks, IPs, software and hardware solution	

Implementation of the Application Experiment	
Outline scope of work	
Milestones (Date - Deliverable)	
TASK 1	
Objectives	
Task 1.1	
Description	
Starting date	
Duration	
Inputs	
Actions per partner	
Deliverable date and resp partner	
Task 1.2	
TASK 2	
Objective	
Task 2.1	

Description	
Starting date	
Duration	
Inputs	
Actions per partner	
Deliverable date and resp partner	
TASK 3	
TASK 4	
TASK 5	
Objectives	
Description	
Starting date	
Duration	
Inputs	
Tasks and / or Actions per partner	
Deliverables, due dates and responsible partner	

Parties IPR	
Monitoring Partner Background	
First Selected Third Party's Background (including limitations and restrictions)	
Validation Facility Partner's Background (including limitations and restrictions)	

Financial conditions	
Financial Support	Corresponding to 100%/70% of the Selected Third Party total eligible costs of the Application Experiment accordingly to HORIZON Europe Funding Rules for Innovation Action and within the limit of the ceiling defined in the guidelines of the EARASHI project.
Schedule of payment	<ul style="list-style-type: none"> 25% based on estimated costs declaration upon Standard Application Experiment Agreement (SAEA) signature

	<ul style="list-style-type: none"> • 60% on intermediate milestones (with associated deliverables) • 15% at the project closure – upon completion of the Application Experiment and approval of all the deliverables and final report by the Monitoring Partner.
Payment conditions	<ul style="list-style-type: none"> • 25% based on estimated costs declaration upon Standard Application Experiment Agreement (SAEA) signature • 60% on intermediate milestones (with associated deliverables) • 15% at the project closure – upon completion of the Application Experiment and approval of all the deliverables and final report by the Monitoring Partner. <p>After receipt of the appropriate technical documents by the Cascade Funding/Monitoring Partner and the reception by the CEA of the relative funding from the European Commission, the cascade funding will be transferred to the Third Party at the earliest.</p>
Application Experiment rejection	In case the Standard Application Experiment Agreement is not signed by all the Parties within 4 months (120 days) from the notice day and time of the selection of the Selected Third Party, the Application Experiment will be simply rejected, without appeal, and without any Financial Support payment.
Application Experiment extension	<p>At the midterm of the Application Experiment, a checkpoint will be made by the Monitoring Partner to validate if the Application Experiment will be completed on time or if an extension is requested.</p> <p>One extension only, of a maximum of three months, will be given. Balance payment will be postponed to the end of the extension. Passed the extension time, the Application experiment will be terminated.</p> <p>In any case, with or without forced termination, the balance payment is conditional upon provision of the final report by the Selected Third Party.</p>
Penalties	Depends on each Standard Application Experiment Agreement

Parties involved in the Application Experiment	
Cascade Funding Partner	XXX
Name & surname	
Department	
Tel:	
Email:	i
Selected Third Party	XXX
Name & surname	
Department	
Tel:	
Email:	
VAT Intracom (EU)/ SIREN (France) number	

Validation Facility Partner	YYYY
Name & Surname	
Department	
Tél :	
Email :	
VAT Intracom (EU)/ SIREN (France) number	
Monitoring Partner	ZZZZ
Name & surname	
Department	
Tel:	
Email:	
Date of agreement of all the Parties involved in the Application Experiment	

The Selected Third Parties will estimate costs, per category of costs to be covered by the Financial Support and its (their) in-kind contribution. Short description of costs will also be given.

The Financial Support represent 100%/ 70% of the total costs while in-kind contribution of the company represents 30%/ 0% of the total costs, in compliance with HORIZON EUROPE Funding Rules for Innovation Action and within the limit of the ceiling defined in the guidelines of the EARASHI project.

XXX	Estimated (SAEA)			Short description
First Selected Third Party costs (Financial Support and in-kind)	Total estimated cost EUR	rate Max 100%/ 70%	Maximum EARASHI contribution EUR	
1. Personnel				
2. Consumables, materials, components				
3. Travel				
4. Subcontracting				
5. Indirect Costs				
Total costs				