



ARTEMIS JOINT UNDERTAKING GRANT AGREEMENT

AGREEMENT NUMBER - [...]

PROJECT TITLE [ACRONYM]

The ARTEMIS Joint Undertaking (hereinafter referred to as the 'Joint Undertaking'), represented for the purposes of signature of this agreement by [forename, name], its Executive Director or his duly authorised representative,

of the one part,

and

[name of the coordinator and legal form] (national registration number if any), established in (full address city/state/province/country), represented by (name of legal representative, function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, acting as coordinator of the consortium (the 'coordinator' – 'beneficiary no 1'),

of the other part,

HAVE AGREED

to the following terms and conditions including those in the following annexes, which form an integral part of this grant agreement (the 'grant agreement').

Annex I Description of the Project ('Technical Annex')

Annex II General Conditions applicable to all beneficiaries

- Annex III Specific Conditions applicable to beneficiaries having concluded a corresponding national grant agreement
- Annex IV Specific Conditions applicable to beneficiaries not having concluded a corresponding national grant agreement
- Annex V Form A1 – Declaration by the coordinator having concluded a corresponding national grant agreement
- Annex VI Form A2 – Accession of beneficiaries not having concluded a corresponding national grant agreement
- Annex VII Form A3 – Accession of beneficiaries having concluded a corresponding national grant agreement
- Annex VIII Form B – Request for accession of a new beneficiary to the grant agreement
- Annex IX Form C – Financial statement
- Annex X Form D – Terms of reference for the certificate on the financial statements

1 – Accession to the grant agreement of the other beneficiaries

1. The coordinator shall endeavour to ensure that each legal entity identified below accedes to this grant agreement as a beneficiary, assuming the rights and obligations established by the grant agreement with effect from the date on which the grant agreement enters into force, by signing Form A2 or A3, as the case may be, in three originals, countersigned by the coordinator.
 - [full name and legal form of the beneficiary] (national registration number if any), established in (full address city/state/province/country), represented by (name of legal representative, function), [and/or (name of legal representative), (function)], or her/his/their authorised representative ('beneficiary no 2'),
 - [full name and legal form of the beneficiary] (national registration number if any), established in (full address city/state/province/country), represented by (name of legal representative, function), [and/or (name of legal representative), (function)], or her/his/their authorised representative ('beneficiary no 3')
 - (...)

All the beneficiaries together form the consortium (the 'consortium').
2. The coordinator shall send to the Joint Undertaking one duly completed and signed Form A2 or A3, as the case may be, per beneficiary at the latest [45] calendar days after the signature of the grant agreement by the coordinator¹. The two remaining signed originals shall be kept, one by the coordinator to be made available for

¹ In the case of late reception of a beneficiary's accession form, the coordinator shall send the duly completed and signed Form A2 or A3, as the case may be, as soon as he receives it from the beneficiary concerned.

consultation at the request of any beneficiary, and the other by the beneficiary concerned.

3. Should any legal entity identified above, fail or refuse to accede to the grant agreement within the deadline established in the previous paragraph, the Joint Undertaking is no longer bound by its offer to the said legal entity(ies). The consortium may propose to the Joint Undertaking, within the time-limit to be fixed by the latter, appropriate solutions to ensure the implementation of the Project. The procedure established in Annex II for amendments to this grant agreement will apply.
4. The beneficiaries are deemed to have concluded a Project agreement (the 'Project agreement') regarding the internal organisation of the consortium.

2 - Scope

The Joint Undertaking has decided to grant a financial contribution to each beneficiary for its participation in the implementation of the Project as specified in Annex I, called [Project title (Acronym)](the 'Project') under the conditions laid down in this grant agreement.

3 – Duration and start date of the project

The duration of the Project shall be [insert number] months from [the first day of the month after the entry into force of the grant agreement] [insert fixed start date]² [the effective starting date notified by the coordinator/beneficiary which must be within [insert number] months from the date the grant agreement enters into force] (hereinafter referred to as the 'start date').

4 – Reporting period and language of reports

The Project is divided into reporting periods of the following duration:

- P1: from month 1 to month X
- P2: from month X+1 to month Y
- P3: from month Y+1 to month Z
- (...)
- [final]: from month [N+1] to the last month of the Project

Any report and deliverable, when appropriate, required by this grant agreement shall be in English.

5– Maximum Joint Undertaking's financial contribution

1. The maximum Joint Undertaking's financial contribution to the Project shall be: EUR [insert amount] ([insert amount in words] EURO). The details of the Joint Undertaking's financial contribution to each beneficiary are foreseen in **Table 1**. The actual Joint Undertaking's financial contribution shall be calculated in accordance with the provisions of this grant agreement.

² In cases where the start date of the Project is before the grant agreement has been signed, according to Article 98 of the Joint Undertaking's financial rules, it is required that the consortium can demonstrate the need to start the action before the agreement is signed. In any case, the start date of the Project cannot be prior to the submission of the proposal.

2. Details of the Joint Undertaking's financial contribution are contained in Annex I to this grant agreement which includes:
- a table of the estimated breakdown of budget and Joint Undertaking's contribution per activity to be carried out by each of the beneficiaries under the Project. Beneficiaries are allowed to transfer budget only between their own activities in so far as the work is carried out as foreseen in Annex I.
3. The bank account of the coordinator [which shall be the same as the one used in the corresponding national grant agreement, when such an agreement has been concluded, and] to which all payments of its own Joint Undertaking's financial contribution shall only be made is:

Coordinator/Beneficiary no 1

Name of account holder:

Name of bank:

Account reference: IBAN/sort code and number

4. The bank account of each beneficiary [which shall be the same as the one used in the corresponding national grant agreement, when such an agreement has been concluded, and] to which the payment of its own Joint Undertaking's financial contribution shall be made directly is included in **Table 1**.

6 – Pre-financing

[For beneficiaries without a corresponding national grant agreement, a pre-financing shall be paid within 45 days following the date of entry into force of this grant agreement or within 45 days following the date of receipt of their accession form by the Joint Undertaking whichever is later.

For beneficiaries with a corresponding national grant agreement, pre-financing shall be paid as appropriate³ following the receipt by the Joint Undertaking of the notification of the payment of pre-financing under the corresponding national grant agreement.

The details of the Joint Undertaking's pre-financing to each beneficiary are foreseen in **Table 1**⁴.

7- Special clauses

[No special clauses apply to this grant agreement]

³ The payment of pre-financing by the Joint Undertaking shall take place as follows:

- In case the Joint Undertaking has received the notification of the payment of the pre-financing by the respective national funding authority before the entry into force of the Joint Undertaking grant agreement: within 45 days following the entry into force of the Joint Undertaking grant agreement or within 45 days following the receipt of the accession form of the said beneficiary whichever is later;
- In case the Joint Undertaking has received the notification of the payment of the pre-financing by the respective national funding authority after the entry into force of the Joint Undertaking grant agreement: within 30 days following the receipt by the Joint Undertaking of the notification of the payment of the pre-financing by the respective national funding authority or within 30 days following the receipt of the accession form of the said beneficiary whichever is later.

⁴ Pre-financing may never represent over 80% of the total amount of the grant to a beneficiary. In case of weak financial evaluation and/or capacity of a beneficiary established by the respective national funding authority which results in the payment of the national pre-financing being subject to protective measures taken by the respective national funding authority, payment of pre-financing by the Joint Undertaking may also be subject to adequate protective measures taken by the Joint Undertaking.

[The following special clauses apply to this grant agreement]

8 – Communication

1. Any communication or request concerning financial issues in connection with this grant agreement shall identify the grant agreement number, the nature and details of the request or communication and be submitted to the following addresses:

For the Joint Undertaking:

For the coordinator/beneficiary no 1:

For information or documents to be transferred by electronic means, the following addresses shall be used:

For the Joint Undertaking:

For the coordinator/ beneficiary no 1:

Any communication or request concerning financial issues in connection with this grant agreement shall be submitted by each beneficiary directly. The contact addresses of each beneficiary are found in **Table 2**.

2. Any communication or request concerning non-financial issues in connection with this grant agreement shall identify the grant agreement number, the nature and details of the request or communication and be submitted by the Joint Undertaking or the coordinator on behalf of the consortium to the addresses mentioned in paragraph 1.
3. In case of refusal of the notification or absence of the recipient, the beneficiary or the consortium, as the case may be, is deemed to have been notified on the date of the latest delivery, if notification to the beneficiary or the coordinator has been sent to one of the addresses mentioned in paragraph 1 and to its legal representative.
4. Any communication or request relating to the processing of personal data (Article II.10) shall be submitted, using the address(es) for the Joint Undertaking identified in paragraph 2, to the ARTEMIS Joint Undertaking Controller responsible for the processing: Legal Officer of the ARTEMIS Joint Undertaking.

9 – Applicable law and competent court

The Joint Undertaking's financial contribution is a contribution from the Joint Undertaking's budget with the aim to implement the 7th Research Framework Programme (FP7). Accordingly, this grant agreement shall be governed by the terms of this grant agreement, Council Regulation (EC) No 74/2008⁵ on the establishment of the ARTEMIS Joint Undertaking, the financial rules of the ARTEMIS Joint Undertaking⁶, as well as other Union law and, on a subsidiary basis, by the laws of Belgium.

The General Court, or on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute between the Joint Undertaking and any beneficiary concerning the interpretation, application or validity of this grant agreement.

⁵ 'OJ L 30, 04.02.2008, p. 52, as corrected by OJ L 219, 14.08.2008, p. 73 and by OJ L 259, 27.09.2008, p. 19

⁶ Decision ARTEMIS-GB-13/08 of the ARTEMIS Governing Board (see <https://www.artemis-ju.eu>)

10 – Application of the grant agreement provisions

Any provision of this part of the grant agreement shall take precedence over the provisions of any of the Annexes. The provisions of Annexes II, III or IV, as the case may be, shall take precedence over the provisions of Annex I.

The special clauses set out in Article 7 shall take precedence over any other provisions of this grant agreement.

11 – Entry into force of the grant agreement

This grant agreement shall enter into force after its signature by the coordinator and the Joint Undertaking on the day the accession forms⁷ of at least three beneficiaries established in at least three different ARTEMIS Member States have been received by the Joint Undertaking.'

Done in two originals in English.

For the coordinator done at [insert place]

Name of legal entity:

Name of legal representative:

Stamp of the organisation (if applicable):

Signature of legal representative:

Date:

For the Joint Undertaking done at Brussels:

Name of legal representative:

Signature of legal representative:

Date:

⁷

When the coordinator comes from an ARTEMIS Member State, as regards his participation in the grant agreement, the accession form shall be equivalent to the signature of the Joint Undertaking grant agreement. Coordinators from States having concluded an administrative arrangement with the Joint Undertaking may only sign this grant agreement after having concluded the corresponding national grant agreement. The duly completed and signed A1 Form has to be submitted upon signature.

ANNEX II. GENERAL CONDITIONS APPLICABLE TO ALL BENEFICIARIES

II.1. Definitions

1. 'Associated country' means a third country which is party to an international agreement with the European Union, under the terms or on the basis of which it makes a financial contribution to all or part of the Seventh Framework Programme;
2. 'Third country' means a State that is not a Member State of the European Union;
3. 'National funding authority' means a national entity implementing the administrative arrangements in accordance with Article 12 of the Statutes;
4. 'Irregularity' means any infringement of a provision of Union law or any breach of obligation resulting from an act or omission by a beneficiary which has, or would have, the effect of prejudicing the budget of the Joint Undertaking through unjustified expenditure.
5. The terms 'Project Agreement', 'Intellectual Property Rights', 'Foreground', 'Background', 'Access Rights', 'Use', 'Dissemination' shall have the same meaning as in Article 23 of the Joint Undertaking's Statutes annexed to Council Regulation (EC) No 74/2008.

PART A - IMPLEMENTATION OF THE PROJECT

SECTION 1 – GENERAL PRINCIPLES

II. 2. Organisation of the consortium and role of coordinator

1. All the beneficiaries together form the consortium. Beneficiaries are represented towards the Joint Undertaking by the coordinator, who shall be the intermediary for any communication between the Joint Undertaking and any beneficiary regarding non-financial/technical issues in connection to this grant agreement.
2. The Joint Undertaking's financial contribution to the beneficiaries' participation in the implementation of the Project shall be paid directly to each beneficiary.
3. The coordinator shall:
 - a) review the reports to verify their correspondence with the Project objectives and tasks before transmitting them to the Joint Undertaking and;
 - b) monitor the compliance by beneficiaries with their non financial/technical obligations under this grant agreement.

The coordinator may not subcontract the above-mentioned tasks.

4. Beneficiaries shall fulfil the following obligations as a consortium:
 - a) provide all detailed data requested by the Joint Undertaking for the purposes of the proper administration of this Project;

- b) carry out the Project jointly and severally vis-à-vis the Joint Undertaking, taking all necessary and reasonable measures to ensure that the Project is carried out in accordance with the terms and conditions of this grant agreement. The financial responsibility of each beneficiary shall be limited to its own debt;
- c) make appropriate internal arrangements consistent with the provisions of this grant agreement to ensure the efficient implementation of the Project. These internal arrangements shall take the form of a written Project agreement (the 'Project agreement'). The Project agreement governs *inter alia* the following:
 - i. the internal organisation of the consortium including the decision making procedures;
 - ii. rules on dissemination and use, and access rights;
 - iii. the settlement of internal disputes, including cases of abuse of power;
 - iv. liability, indemnification and confidentiality arrangements between the beneficiaries.
- d) engage, whenever appropriate, with actors beyond the research community and with the public in order to foster dialogue and debate on the research agenda, on research results and on related scientific issues with policy makers and civil society; create synergies with education at all levels and conduct activities promoting the socioeconomic impact of the research;
- e) allow the Joint Undertaking to take part in Project meetings.

SECTION 2 – REPORTING AND PAYMENTS

II.3. Reports and deliverables

1. The consortium shall submit a periodic technical report through the coordinator to the Joint Undertaking for each reporting period within 60 days after the end of each respective period. The reporting shall comprise an overview, including a publishable summary, of the progress of work towards the objectives of the Project, including achievements and attainment of any milestones and deliverables identified in Annex I. This report should include the differences between work expected to be carried out in accordance with Annex I and that actually carried out.
2. The consortium shall submit a final technical report through the coordinator to the Joint Undertaking within 60 days after the end of the Project. The report shall comprise a final publishable summary report covering results, conclusions and socioeconomic impact of the Project, as well as the plan for the use and dissemination of Foreground
3. The consortium shall transmit the technical reports and other deliverables through the coordinator to the Joint Undertaking by electronic means.
4. The layout and content of the reports shall conform to the instructions and guidance notes established by the Joint Undertaking.

5. The reports submitted to the Joint Undertaking for publication should be of a suitable quality to enable direct publication and their submission to the Joint Undertaking in publishable form indicates that no confidential material is included therein.
6. Deliverables identified in Annex I shall be submitted as foreseen therein.
7. The Joint Undertaking may be assisted by external experts in the analysis and evaluation of the reports and deliverables.

II.4. Approval of reports and deliverables

1. At the end of each reporting period, the Joint Undertaking shall evaluate Project technical reports and deliverables required by the provisions of Annex I.
2. After reception of the technical reports the Joint Undertaking may:
 - a) approve the reports and deliverables, in whole or in part or make the approval subject to certain conditions;
 - b) reject the reports and deliverables by giving an appropriate justification and, if appropriate, start the procedure for termination of the grant agreement in whole or in part;
 - c) in the case of beneficiaries not having concluded a corresponding national grant agreement, suspend the time limit for payments in accordance with Article IV.4.

The Joint Undertaking shall inform the beneficiary concerned in writing of any such suspension and the conditions to be met for the lifting of the suspension.

- d) suspend the payment to a beneficiary at any time:
 - if the work carried out does not comply with the provisions of the grant agreement;
 - if the beneficiary has to reimburse to its national state an amount unduly received as state aid;
 - if the provisions of the grant agreement have been infringed or if there is a suspicion or presumption thereof, in particular in the wake of any audits and checks provided for in Articles II.13 and II.14;
 - if there is a suspicion of irregularity committed by one or more beneficiary(ies) in the performance of the grant agreement;
 - if there is a suspected or established irregularity committed by the beneficiary in the performance of another grant agreement funded by the budget of the Joint Undertaking or the general budget of the European Union or by budgets managed by them. In such cases, suspension of the payments will occur where the irregularity (or suspected irregularity) is of a serious and systematic nature which is likely to affect the performance of the current grant agreement;

- if the payment to the beneficiary by the respective national funding authority is suspended under the conditions of the corresponding national grant agreement when such an agreement has been concluded.

When the Joint Undertaking suspends the payment the beneficiaries shall be duly informed of the reasons why payment will not be made.

3. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.

SECTION 3 – IMPLEMENTATION

II.5. Suspension of the Project

1. The coordinator shall immediately inform the Joint Undertaking of any event affecting or delaying the implementation of the Project.
2. The coordinator can propose to suspend the whole or part of the Project if *force majeure* or exceptional circumstances render its execution excessively difficult or uneconomic. The coordinator must inform the Joint Undertaking without delay of such circumstances, including full justification and information related to the event, as well as an estimation of the date when the work on the Project will begin again.
3. The Joint Undertaking may suspend the whole or part of the Project where it considers that the consortium is not fulfilling its obligations according to this grant agreement after having given the consortium through the coordinator the opportunity to present its observations. The coordinator shall be informed without delay of the justification for such an event and the conditions necessary to reinstate the work again. The coordinator shall inform the other beneficiaries. This suspension takes effect 10 days after the receipt of the notification by the coordinator.
4. During the period of suspension, no costs may be charged to the Project for carrying out any part of the Project that has been suspended.

When a beneficiary has concluded a corresponding national grant agreement, any costs that may be charged by this beneficiary to the Project for carrying out any part of the Project that has been suspended may not be reimbursed by the Joint Undertaking.

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

II.6. Confidentiality

1. Beneficiaries undertake to preserve the confidentiality of any data, documents or other material that is identified as confidential in relation to the execution of the Project ('*confidential information*') under the conditions laid down in the Project Agreement. The Joint Undertaking undertakes to preserve the confidentiality of 'confidential information' until five years after the completion of the Project. Upon a

duly substantiated request by a beneficiary, the Joint Undertaking may agree to extend this period regarding specific confidential information.

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

2. Paragraph 1 no longer applies where:

- beneficiaries have concluded corresponding national grant agreements. In this case, the Joint Undertaking is not bound by the obligation referred to in paragraph 1 with regard to the respective national funding authorities;
- the confidential information becomes publicly available by means other than a breach of confidentiality obligations;
- the disclosing party subsequently informs the recipient that the confidential information is no longer confidential;
- the confidential information is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality;
- the disclosure or communication of the confidential information is foreseen by other provisions of this grant agreement or the Project agreement;
- the disclosure or communication of confidential information is required by the national law of one of the beneficiaries and this exception to the confidentiality requirement is foreseen in the Project agreement⁸.

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

4. Notwithstanding the preceding paragraphs, the treatment of data, documents or other material which are classified ('*classified information*') or subject to security restrictions or export- or transfer- control, must follow the applicable rules established by the relevant national and legislation of the Union for such information, including the Commission's internal rules for handling classified information⁹. Where a beneficiary is established in a third country, any security agreements between that third country and the Union shall also apply.

II.7. Communication of data for evaluation, impact assessment and standardisation purposes

1. Beneficiaries shall provide, at the request of the Joint Undertaking or of the Commission, the data necessary for:

⁸ As certain national laws (for example regarding freedom of information) may provide that proprietary information made available under a confidentiality requirement must nevertheless be made public in case access is requested, the beneficiaries should inform each other of the existence of such national laws and make appropriate arrangements in the Project agreement.

⁹ Commission Decision 2001/844/EC, ECSC, Euratom of 29 November 2001 OJ L 317, 3.12.2001, p. 1 (as last amended by Decision 2006/548/EC, Euratom, OJ L 215, 5.8.2006, p. 38).

- the continuous and systematic review of its Annual Work Programme and/or the Seventh Framework Programme;
- the evaluation and impact assessment of the Joint Undertaking's activities, including the use and dissemination of Foreground.

Such data may be requested throughout the duration of the Project and up to five years after the end of the Project.

The data collected may be used by the Joint Undertaking or by the Commission in its own evaluations but will not be published other than on an anonymous basis.

2. Without prejudice to the provisions regarding protection of Foreground and confidentiality, the beneficiaries shall, where appropriate, during the Project and for two years following its end, inform the Joint Undertaking and the European standardisation bodies about Foreground which may contribute to the preparation of European or international standards.

II.8. Information to be provided to EU Member States or Associated Countries

1. The Joint Undertaking shall, upon request, make available to any EU Member State or Associated country any useful information in its possession on Foreground, provided that the following cumulative conditions are met:
 - the information concerned is relevant to public policy;
 - the beneficiaries have not provided sound and sufficient reasons for withholding the information concerned;
 - the applicable Union law on classified information does not prohibit such action.
2. The provision of information pursuant to paragraph 1 shall not transfer to the recipient any rights or obligations and the recipient shall be required to treat any such information as confidential unless it becomes duly public, or it was communicated to the Joint Undertaking without restrictions on its confidentiality.

II.9. Information and communication

1. The beneficiaries shall, throughout the duration of the Project, take appropriate measures to engage with the public and the media about the Project and to highlight the Joint Undertaking's financial support. Unless the Joint Undertaking requests otherwise, any publicity, including at a conference or seminar or any type of information or promotional material (brochure, leaflet, poster, presentation etc), must specify that the Project has received Joint Undertaking's funding and display the Joint Undertaking's logo and the European Emblem. This obligation to use the Joint Undertaking logo and the European emblem in respect of Projects to which the Joint Undertaking contributes implies no right of exclusive use. It is subject to general third-party use restrictions which do not permit the appropriation of the logo or the emblem, or of any similar trademark or logo, whether by registration or by any other means. Under these conditions, beneficiaries are exempted from the obligation to obtain prior permission from the Joint Undertaking and the Commission to use the Joint Undertaking logo and the European emblem.

Any publicity made by the beneficiaries in respect of the Project, in whatever form and on or by whatever medium, must specify that it reflects only the author's views and that the Joint Undertaking is not liable for any use that may be made of the information contained therein.

2. The Commission and the Joint Undertaking shall be authorised to publish, in whatever form and on or by whatever medium, the following information:
 - the name of the beneficiaries;
 - contact addresses of beneficiaries;
 - the general purpose of the Project in the form of the summary provided by the consortium;
 - the amount and rate of the Joint Undertaking's financial contribution granted to Project participants;
 - the geographic location of the activities carried out;
 - the list of dissemination activities and/or of patent (applications) relating to Foreground unless the latter are declared confidential;
 - the details/references and the abstracts of scientific publications relating to Foreground and, where appropriate, the published version of the final manuscript accepted for publication;
 - the publishable reports submitted to the Joint Undertaking;
 - any picture or any audiovisual or web material provided to the Joint Undertaking in the framework of the Project.

The consortium shall ensure that all necessary authorisations for such publication have been obtained and that the publication of the information by the Joint Undertaking does not infringe any rights of third parties.

Upon a duly substantiated request by a beneficiary, the Joint Undertaking may agree to forego such publicity if disclosure of the information indicated above would risk compromising the beneficiary's security, academic or commercial interests.

II.10. Processing of personal data

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

2. Beneficiaries may, on written request, gain access to their personal data and correct any information that is inaccurate or incomplete. They should address any questions regarding the processing of their personal data to the Joint Undertaking. Beneficiaries may lodge a complaint against the processing of their personal data with the European Data Protection Supervisor at any time.
3. For the purposes of this grant agreement, the Controller identified in Article 8.4 shall be the contact person for the Joint Undertaking.

PART B - FINANCIAL PROVISIONS

SECTION 1 – GENERAL FINANCIAL PROVISIONS

II.11. Upper funding limits

The Joint Undertaking's financial contribution may reach a maximum of [X] % of each beneficiary's total eligible costs for implementing the Project.

The Joint Undertaking's financial contribution cannot give rise to any profit for any beneficiary. For this purpose, the final amount of the Joint Undertaking's financial contribution will take into account any receipts of the Project received by the beneficiaries in accordance, in the case of beneficiaries not having concluded a corresponding national grant agreement, with the provisions of Article IV.9 or, in the case of beneficiaries having concluded a corresponding national grant agreement, with the provisions of the latter and the relevant certification submitted to the Joint Undertaking by the respective national funding authorities.

The Joint Undertaking's financial contribution cannot exceed the eligible costs minus the receipts for the Project.

SECTION 2 – RECOVERY

II.12. Reimbursement and recovery

1. If any amount is unduly paid to a beneficiary or if recovery is justified under the terms of the grant agreement, the beneficiary undertakes to repay the Joint Undertaking the sum in question following a written request by the Joint Undertaking.
2. Where, following a written request from the Joint Undertaking, a beneficiary in an on-going grant agreement does not reimburse to the Joint Undertaking any requested amount at the latest 30 days after receipt of the request, the Joint Undertaking may recover the amount due from that beneficiary by any appropriate means, including invoking any guarantees. No prior consent of the beneficiary is required.
3. If the obligation to pay the amount due is not honoured by the date set by the Joint Undertaking, the sum due shall bear interest at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points. The reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date of payment, as published in the C series of the Official Journal of the European Union. Interest on late payment shall cover the period between the date set for payment, exclusive and the date on which the Joint

Undertaking receives full payment of the amount owed in full, inclusive. Any partial payment shall first be entered against charges and interest on late payment and then against the principal.

4. Each beneficiary hereby accepts that any pending payment excluding pre-financing due by the Joint Undertaking to the said beneficiary, irrespective of its origin, is assigned to the payment of that beneficiary's debt towards the Joint Undertaking.
5. Bank charges occasioned by the recovery of the sums owed to the Joint Undertaking shall be borne solely by the beneficiary.

SECTION 3 – CONTROLS AND SANCTIONS

II.13. Financial audits and controls

1. The Joint Undertaking may, at any time during the implementation of the Project and up to five years after the end of the Project, arrange for financial audits to be carried out, by external auditors, by the Joint Undertaking itself or under the responsibility of the respective national funding authorities/States having concluded an administrative arrangement with the Joint Undertaking, on its behalf. The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the Joint Undertaking. Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the grant agreement. They shall be carried out on a confidential basis.
2. The beneficiaries shall make available directly to the Joint Undertaking or the respective national funding authorities all detailed information and data that may be requested with a view to verifying that the grant agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete and effective.
3. The beneficiaries shall keep the originals or, in exceptional cases, duly authenticated copies – including electronic copies – of all documents relating to the grant agreement for up to five years from the end of the Project. These shall be made available to the Joint Undertaking or the respective national funding authorities where requested during any audit under the grant agreement.
4. In order to carry out these audits, the beneficiaries shall ensure that the Joint Undertaking, the respective national funding authorities and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the beneficiary's offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the Project. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.
5. On the basis of the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent to the beneficiary concerned, which may make observations thereon within one month of receiving it. The Joint Undertaking may decide not to take into account observations conveyed or documents sent after that

deadline. The final report shall be sent to the beneficiary concerned within two months of expiry of the aforesaid deadline.

6. On the basis of the conclusions of the audit, the Joint Undertaking shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.
7. The Commission services including OLAF and the European Court of Auditors shall have the same rights as the Joint Undertaking, notably right of access, for the purpose of on-the-spot checks, without prejudice to their own rules.
8. In addition, the Commission may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Union's financial interests against fraud and other irregularities¹⁰ and Regulation (EC) No 1073/1999 of the European Parliament and of the Council of 25 May 1999 concerning investigations conducted by the European Anti-Fraud Office (OLAF)¹¹.

II.14. Technical audits and reviews

1. The Joint Undertaking may initiate a technical audit or review at any time during the implementation of the Project and up to five years after the end of the Project. The aim of a technical audit or review shall be to assess the work carried out under the Project over a certain period, *inter alia*, by evaluating the Project reports and deliverables relevant to the period in question. Such audits and reviews may cover scientific, technological and other aspects, including compliance with fundamental ethical principles, relating to the proper execution of the Project and the grant agreement.
2. With respect to the Description of the Project (Annex I), the audit or review shall objectively assess the following:
 - the degree of fulfilment of the Project work plan for the relevant period and of the related deliverables;
 - the continued relevance of the objectives and breakthrough potential with respect to the scientific and industrial state of the art;
 - the resources planned and utilised in relation to the achieved progress, in a manner consistent with the principles of economy, efficiency and effectiveness;
 - the management procedures and methods of the Project;
 - the beneficiary's contribution and integration within the Project;
 - the expected potential impact in economic, competition and social terms, and the beneficiaries' plan for the use and dissemination of Foreground.

¹⁰ OJ L 292, 15.11.1996, p.2

¹¹ OJ L 136, 31.5.1999

3. Audits and reviews shall be deemed to be initiated on the date of receipt by the beneficiary(ies) of the relevant letter sent by the Joint Undertaking.
4. Any such audit or review shall be carried out on a confidential basis.
5. The Joint Undertaking may be assisted in technical audits and reviews by external scientific or technological experts. Prior to the carrying out of the evaluation task, the Joint Undertaking shall communicate to the beneficiaries the identity of the appointed experts. The beneficiary(ies) shall have the right to refuse the participation of a particular external scientific or technological expert on grounds of commercial confidentiality.
6. Audits and reviews may be carried out remotely at the expert's home or place of work or involve sessions with Project representatives either at the Joint Undertaking's premises or at the premises of beneficiaries. The Joint Undertaking or the external scientific or technological expert may have access to the locations and premises where the work is being carried out, and to any document concerning the work.
7. The beneficiaries shall make available directly to the Joint Undertaking all detailed information and data that may be requested by it or the external scientific or technological expert with a view to verifying that the Project is being/has been properly implemented and performed in accordance with the provisions of this grant agreement.
8. A report on the outcome of the audits and reviews shall be drawn up. It shall be sent by the Joint Undertaking to the beneficiary concerned, who may make observations thereon within one month of receiving it. The Joint Undertaking may decide not to take into account the observations conveyed after that deadline.
9. On the basis of the experts' formal recommendations the Joint Undertaking will inform the coordinator of its decision:
 - to accept or reject the deliverables;
 - to allow the Project to continue without modification of Annex I or with minor modifications;
 - to consider that the Project can only continue with major modifications;
 - to initiate the termination of the grant agreement according to Article II. 20;
 - to issue a recovery order regarding all or part of the payments made by the Joint Undertaking and to apply any applicable sanction or initiate judiciary procedures.

II.15. Liquidated damages

1. The Joint Undertaking, without prejudice to any other measures provided for in this grant agreement, is entitled to claim damages (hereinafter 'liquidated damages') from a beneficiary that is found to have overstated any amount and which has therefore

received an unjustified financial contribution from the Joint Undertaking. Liquidated damages are due in addition to the recovery of the unjustified Joint Undertaking's financial contribution from the beneficiary.

2. Any amount of liquidated damages shall be proportionate to the overstated amount and the unjustified part of the Joint Undertaking's financial contribution. The following formula shall be used to calculate liquidated damages:

Liquidated damages = unjustified Joint Undertaking's financial contribution x (overstated amount/total Joint Undertaking's financial contribution claimed)

The calculation of any liquidated damages shall only take into consideration the reporting period(s) relating to the beneficiary's claim for the Joint Undertaking's financial contribution for that period. It shall not be calculated in relation to the entire Joint Undertaking's financial contribution.

When a beneficiary has concluded a corresponding national grant agreement, the calculation of any liquidated damages shall only take into consideration the period(s) relating to the beneficiary's claim to the respective national funding authority. It shall not be calculated in relation to the entire Joint Undertaking's financial contribution.

3. The Joint Undertaking shall inform the beneficiary which it considers liable to pay liquidated damages in writing of its claim by way of a registered letter with acknowledgement of receipt. The beneficiary shall have a period of 30 days to answer the Joint Undertaking's claim.
4. The procedure for repayment of unjustified Joint Undertaking's financial contribution and for payment of liquidated damages will be determined in accordance with the provisions of Article II.12. Liquidated damages will be deducted from any further payment or will be subject to recovery by the Joint Undertaking.
5. The Joint Undertaking shall be entitled to liquidated damages in respect of any overstated amount which comes to light after the end of the Project, in accordance with the provisions of paragraphs 1 to 4.

II.16. Financial penalties

1. A beneficiary that has made false declarations or has been found to have seriously failed to meet its obligations under this grant agreement shall be liable to financial penalties of between 2% and 10% of the value of the Joint Undertaking's financial contribution received by that beneficiary. The rate may be increased to between 4% and 20% in the event of a repeated offence within five years following the first infringement.
2. The provisions in this Article shall be without prejudice to any additional sanction that may be imposed on any defaulting beneficiary in accordance with the financial rules of the Joint Undertaking or to any other civil remedy to which the Joint Undertaking or any other beneficiary may be entitled. Furthermore, these provisions shall not preclude any criminal proceedings which may be initiated by the Member States' authorities.
3. The Joint Undertaking shall give the beneficiary concerned the opportunity to present its observations before imposing any financial penalty.

PART C - INTELLECTUAL PROPERTY RIGHTS, USE AND DISSEMINATION

II.17. Intellectual Property Rights

Intellectual property arrangements among beneficiaries shall be laid down in the Project agreement in compliance with Article 23 of the Joint Undertaking's Statutes as annexed to Council Regulation (EC) No 74/2008¹² establishing the ARTEMIS Joint Undertaking.

FINAL PROVISIONS

II.18. Requests for amendments at the initiative of the parties and termination at the initiative of the consortium

1. Amendments to this grant agreement may be requested by any of the parties. Requests for amendments and termination shall be signed by the legal representative of the parties and submitted in accordance with Article 8. Any request or acceptance by the consortium or a beneficiary(ies) shall be submitted by the coordinator. The coordinator, unless otherwise explicitly stated, is deemed to act on behalf of all beneficiaries when signing a request, an acceptance or rejection letter concerning an amendment as well as when requesting a termination. The coordinator shall ensure that adequate proof of the consortium's agreement to such an amendment or termination exists and is made available in the event of an audit or upon request of the Joint Undertaking.
2. In the case of change of coordinator without its agreement, the request shall be submitted by all other beneficiaries or by one of them representing the others.
3. A request for amendment including more than one modification to the agreement shall be considered a package that cannot be separated into several requests and shall be approved or rejected by the other party as a whole, except where the request explicitly states that it contains separate requests that can be approved independently.
4. Requests for the addition of a new beneficiary shall include a completed Form B (Annex VIII) duly signed by such new entity. Any addition is subject to the conditions required by the Call for Proposals¹³. Such additional entity shall assume the rights and obligations of beneficiaries as established by the grant agreement with effect from the date of its accession specified in the signed Form B.
5. The amendments may not have the purpose or the effect of making changes to the agreement which might call into question the decision awarding the grant or result in unequal treatment of the beneficiaries.
6. Requests for termination of the participation of one or more beneficiaries shall include:

¹² 'OJ L 30, 04.02.2008, p. 52, as corrected by OJ L 219, 14.08.2008, p. 73 and by OJ L 259, 27.09.2008, p. 19

¹³ See 'Eligibility criteria' document (https://www.artemis-ju.eu/call_2008)

- the consortium's proposal for reallocation of the tasks and budget of that beneficiary;
- the reasons for requesting the termination;
- the proposed date on which the termination shall take effect;
- a letter containing the opinion of the beneficiary whose participation is requested to be terminated and;
- the reports and deliverables referred to in Article II.3 and, where appropriate, in Article IV.3, relating to the work carried out by this beneficiary up to the date on which the termination takes effect, together with a comment of the coordinator on behalf of the consortium on these reports and deliverables.

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

The letter containing the opinion of the beneficiary concerned can be substituted by proof that this beneficiary has been requested in writing to express its opinion on the proposed termination of its participation and to send the reports and deliverables but failed to do so within the time-limit established by that notification. This time-limit shall not be inferior to one month. In this case, if no reports have been submitted with the request for termination, the Joint Undertaking shall not take into account any further cost claims of that beneficiary and/or shall not make any further reimbursement for it, as appropriate.

Unless otherwise agreed with the Joint Undertaking, all the tasks of the beneficiary whose participation is terminated must be reallocated within the consortium.

Requests for termination of the grant agreements shall provide the justification for termination and the reports and deliverables referred to in Article II.3 and, where appropriate, in Article IV.3, relating to the work carried out up to the date on which the termination takes effect.

II.19. Approval of amendments and termination requested by the consortium

1. The parties to this grant agreement undertake to approve or reject any valid request for an amendment or termination within 45 days of its receipt. The absence of a response within 45 days of receipt of such a request shall be considered as a rejection.
2. The Joint Undertaking's approval of the requested amendment or termination shall be notified to the coordinator, which receives it on behalf of the consortium. In case of termination of the participation of one or more beneficiaries, the Joint Undertaking shall send a copy to the beneficiary concerned.
3. Amendments and terminations shall take effect on the date agreed by the parties; where there is no date specified they shall take effect on the date of the Joint Undertaking's approval.

II.20. Termination of the grant agreement or of the participation of one or more beneficiaries at the Joint Undertaking's initiative

1. The Joint Undertaking may terminate the grant agreement or the participation of a beneficiary in the following cases:
 - a) where one or more of the legal entities identified in Article 1 does not accede to this grant agreement;
 - b) in case of non-performance or poor performance of the work or breach of any substantial obligation imposed by this grant agreement that is not remedied following a written request to the beneficiary or the consortium to present its observations and to rectify the situation within a period of 30 days;
 - c) where the beneficiary has deliberately or through negligence committed an irregularity in the performance of any grant agreement with the Joint Undertaking;
 - d) where the beneficiary has contravened fundamental ethical principles;
 - e) where the required reports or deliverables are not submitted or the Joint Undertaking does not approve the reports or deliverables submitted;
 - f) for major technical or economic reasons substantially adversely affecting the completion of the Project;
 - g) if the potential use of the Foreground diminishes to a considerable extent;
 - h) where a legal, financial, organisational or technical change or change of control of a beneficiary calls into question the decision of the Joint Undertaking to accept its participation;
 - i) where any such change identified in h) above or termination of the participation of the beneficiary(ies) concerned substantially affects the implementation of the Project, or the interests of the Joint Undertaking, or calls into question the decision to grant the Joint Undertaking's contribution;
 - j) in case of *force majeure* notified in conformity with Article II.22, where any reactivation of the Project after suspension is impossible;
 - k) where the conditions for participation in the Project established in the Call for Proposals¹⁴ to which the Project was submitted are no longer satisfied, unless the Joint Undertaking considers that the continuation of the Project is essential to the implementation of its Annual Work Programme ;
 - l) where a beneficiary is found guilty of an offence involving its professional conduct by a judgment having the force of *res judicata* or if it is guilty of grave professional misconduct proven by any justified means;
 - m) where further to the termination of the participation of one or more beneficiaries, the consortium does not propose to the Joint Undertaking an

¹⁴ See 'Eligibility criteria' document (https://www.artemis-ju.eu/call_2008)

amendment to the grant agreement with the necessary modifications for the continuation of the Project including the reallocation of tasks of the beneficiary whose participation is terminated within the time-limit determined by the Joint Undertaking, or where the Joint Undertaking does not accept the proposed modifications;

- n) where a beneficiary is declared bankrupt or is being wound up;
 - o) subject to the responsible authorising officer's assessment, following termination of the corresponding national grant agreement between a beneficiary and the respective national funding authority, when such an agreement has been concluded.
2. Termination of the participation of one or more beneficiaries at the Joint Undertaking's initiative shall be notified to the beneficiary(ies) concerned, with a copy to the coordinator and shall take effect on the date indicated in the notification and at the latest 30 days after its receipt by the beneficiary.

The Joint Undertaking shall inform the consortium of the effective date of termination.

In the case of termination of the grant agreement, the coordinator shall be notified, who shall in turn notify all the other beneficiaries and the termination shall become effective 45 days after receipt by the coordinator.

- 3. Within 45 days after the effective date of termination, the beneficiary(ies) whose participation is terminated shall submit all required reports and deliverables referred to in Article II.3 and, where appropriate, in Article IV.3, relating to the work carried out up to that date. In the absence of receipt of such documents within the above time-limits, the Joint Undertaking may, after providing 30 days notice in writing of the non-receipt of such documents, determine not to take into account any further cost claims and/or not to make any further reimbursement and, where appropriate, require the reimbursement of any pre-financing due by the beneficiary(ies).
- 4. Based on the above mentioned documents the Joint Undertaking shall establish the debt owed by the beneficiary whose participation is terminated.
- 5. Where the participation of one or more beneficiaries is terminated, the beneficiary(ies) whose participation is terminated shall reimburse the amount due to the Joint Undertaking as requested by the Joint Undertaking within 30 days.
- 6. Where the grant agreement is terminated, the Joint Undertaking shall establish the debt owed by each beneficiary and notify it directly to them.

II.21. Financial contribution after termination and other termination consequences

- 1. In the event of termination any financial contribution from the Joint Undertaking is limited to those eligible costs incurred and accepted, either by the Joint Undertaking or by the respective national funding authority, as appropriate, up to the effective date of such termination and of any legitimate commitments taken prior to that date, which cannot be cancelled.
- 2. By derogation to the above paragraph:

- in the case of Article II.20.1.a), no costs incurred by beneficiaries under the Project can be approved or accepted as eligible for reimbursement or reimbursed by the Joint Undertaking. Any pre-financing provided and any interest generated by the pre-financing must be returned in full to the Joint Undertaking.
 - in the case of Article II.20.1.b), any financial contribution from the Joint Undertaking is limited to those eligible costs incurred up to the date of receipt of the written request to rectify the breach.
3. In addition, in the cases of Article II.20.1.b), c), d), e), l), m) and o), the Joint Undertaking may require reimbursement of all or part of the Joint Undertaking's financial contribution. In the case of Article II.20.1.b), m) and o), the Joint Undertaking shall take into account the nature and results of the work carried out and its usefulness to the Joint Undertaking.
 4. Reports and deliverables submitted in the framework of a termination are deemed to be submitted at the end of the corresponding reporting period.
 5. Where the Joint Undertaking makes a payment after the termination of the participation of a beneficiary or after termination of the grant agreement, this payment shall be considered as a final payment in relation to such beneficiary(ies).

Notwithstanding the termination of the grant agreement or the participation of one or more beneficiaries, the provisions identified in Articles II.6, II.7, II.8, II.9, II.12, II.13, II.14, II.15, II.16, II.17, II.18, II.20, II.23, II.24 continue to apply after the termination of the grant agreement or the termination of the participation of such beneficiary(ies).

II.22. Force majeure

1. *Force majeure* shall mean any unforeseeable and exceptional event affecting the fulfilment of any obligation under this grant agreement by the parties, which is beyond their control 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 grant agreement and affecting such performance, including, for instance, anomalies in the functioning or performance of such product or service, labour disputes, strikes or financial difficulties do not constitute *force majeure*.
2. If any of the beneficiaries is subject to *force majeure* liable to affect the fulfilment of its obligations under this grant agreement, the coordinator shall notify the Joint Undertaking without delay, stating the nature, likely duration and foreseeable effects.
3. If the Joint Undertaking is subject to *force majeure* liable to affect the fulfilment of its obligations under this grant agreement, it shall notify the coordinator without delay, stating the nature, likely duration and foreseeable effects.
4. No party shall be considered to be in breach of its obligation to execute the Project if it has been prevented from complying by *force majeure*. Where beneficiaries cannot fulfil their obligations to execute the Project due to *force majeure*, remuneration for eligible costs incurred which are accepted either by the Joint Undertaking or by the national funding authority, when a corresponding national grant agreement has been

concluded, may be made only for tasks which have actually been executed up to the date of the event identified as *force majeure*. All necessary measures shall be taken to limit damage to the minimum.

II.23. Assignment

The beneficiaries shall not assign any of the rights and obligations arising from the grant agreement, except those cases provided for in line with Article II.17, without the prior and written authorisation of the Joint Undertaking and the other beneficiaries.

II.24. Liability

1. The Joint Undertaking cannot be held liable for any acts or omissions of the beneficiaries in relation to this grant agreement. It shall not be liable for any defaults of any products, processes or services created on the basis of Foreground, including, for instance, anomalies in the functioning or performance thereof.
2. Each beneficiary fully guarantees the Joint Undertaking, and agrees to indemnify it, in case of any action, complaint or proceeding brought by a third party against the Joint Undertaking as a result of damage caused, either by any of its acts or omissions in relation to this grant agreement, or by any products, processes or services created by it on the basis of Foreground resulting from the Project.

In the event of any action brought by a third party against a beneficiary in connection with the performance of this grant agreement, the Joint Undertaking may assist the latter upon written request. The costs incurred by the Joint Undertaking in this connection shall be borne by the beneficiary concerned.

3. Each beneficiary shall bear sole responsibility for its acts within the framework of this Project that infringe third parties rights.
4. The Joint Undertaking cannot be held liable for any consequences arising from the proper exercise of the rights of the Joint Undertaking under acts of the Union relating to the ARTEMIS Joint Undertaking, the Joint Undertaking's financial rules or this grant agreement.

II. 25. Limitation of entitlements

Any entitlements of the Joint Undertaking against a beneficiary of a beneficiary against the Joint Undertaking shall be subject to a limitation period of five years. The provisions of the Implementing rules of the Financial Regulation applicable to the general budget of the European Union shall apply regarding the date for calculating the limitation period and the conditions for interrupting this period.

ANNEX III. SPECIFIC CONDITIONS FOR BENEFICIARIES HAVING CONCLUDED A CORRESPONDING NATIONAL GRANT AGREEMENT

III.1. Specific performance obligations of the beneficiary

Each beneficiary shall:

- a) carry out the work to be performed, as identified in Annex I. However, where it is necessary for the implementation of the Project, it may call upon third parties to carry out certain elements, according to the conditions laid down by the respective national funding authorities;
- b) ensure that any agreement or contract related to the Project, entered into between the beneficiary and any third party contain provisions that this third party, including the auditor, where applicable pursuant to the provisions of the corresponding national grant agreement, shall have no rights vis-à-vis the Joint Undertaking under this grant agreement;
- c) ensure that the rights of the Joint Undertaking, the Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and of the respective national funding authority/State having concluded an administrative arrangement with the Joint Undertaking on behalf of the Joint Undertaking to carry out audits and on-the-spot checks are extended to the right to carry out any such audit or checks on any third party whose costs are reimbursed in full or in part by the Joint Undertaking's financial contribution, on the same terms and conditions as those indicated in this grant agreement;
- d) ensure that the conditions applicable to it under Articles II.7, II.8, II.9, II.10 and II.13 are also applicable to any third party whose costs are claimed under the Project according to the provisions of the corresponding national grant agreement;
- e) ensure that the tasks assigned to it are correctly and timely performed;
- f) inform the other beneficiaries and the Joint Undertaking through the coordinator in due time of:
 - the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;
 - any event which might affect the implementation of the Project and the rights of the Joint Undertaking;
 - any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control and, in particular, any change of status as regards non-profit public bodies, secondary and higher education establishments, research organisations and SMEs;

- any circumstance affecting the conditions of participation referred to in the Call for Proposals¹⁵ or of any requirements of the grant agreement, especially if and when any eligibility criteria cease(s) to be met during the duration of the Project.
- g) provide the Joint Undertaking, the Commission, the European Anti-Fraud Office (OLAF), the Court of Auditors and the respective State having concluded an administrative arrangement with the Joint Undertaking directly with all information requested in the framework of controls and audits;
- h) take part in meetings concerning the supervision, monitoring and evaluation of the Project which are relevant to it;
- i) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this grant agreement and inform the other beneficiaries and the Joint Undertaking of any unavoidable obligations which may arise during the duration of the grant agreement which may have implications for any of its obligations under the grant agreement;
- j) ensure that it complies with the provisions of the state aid framework;
- k) carry out the Project in accordance with fundamental ethical principles;
- l) endeavour to promote equal opportunities between men and women in the implementation of the Project;
- m) have regard to the general principles of the Commission Recommendation of 11 March 2005 on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the Project;
- n) take every necessary precaution to avoid any risk of conflict of interest relating to economic interests, political or national affinities, family or emotional ties or any other interests liable to influence the impartial and objective performance of the Project.

III.2. Payment modalities

1. Payments by the Joint Undertaking shall take place, subject to the provisions of Article II.4, within [30] days following receipt by the Joint Undertaking of the notification by the respective national funding authority of the certification on the acceptance of costs and, if applicable, on the corresponding payment to the beneficiary by the respective national funding authority according to the provisions of the corresponding national grant agreement.

On expiry of the time-limit for payments, the Joint Undertaking shall pay interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points. The reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union.

¹⁵ See 'Eligibility criteria' document (https://www.artemis-ju.eu/call_2008)

This provision shall not apply to beneficiaries that are public bodies of the Member States of the European Union.

Interest on late payment shall cover the period from the final date of the period for payment, exclusive, up to the date when the payment is debited to the Joint Undertaking's account, inclusive.

Any such interest payment is not considered as part of the Joint Undertaking's financial contribution.

2. The Joint Undertaking shall make the following payments:
 - a) pre-financing payment following the payment of pre-financing under the corresponding national grant agreement, if there is such a provision in the corresponding national grant agreement;
 - b) the Joint Undertaking shall make interim payments and final payment of its financial contribution corresponding to [X] % of the amount accepted by the respective national funding authority pursuant to the corresponding national grant agreement and following, where appropriate, the corresponding payment by the respective national funding authority of its financial contribution according to the national grant agreement, plus any adjustment needed.

Where the amount of the corresponding Joint Undertaking's financial contribution is less than any amount already paid to the beneficiary, the Joint Undertaking shall recover the difference.

Where the amount of the corresponding Joint Undertaking's financial contribution is more than any amount already paid to the beneficiary the Joint Undertaking shall pay the difference as the final payment within the limit of Articles 5.1 and II.12.

3. Payments by the Joint Undertaking shall be made in Euro.
4. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.
5. Payments by the Joint Undertaking shall be deemed to be effected on the date when they are debited to the Joint Undertaking's account.

III. 3. Subcontracting

1. Where under the terms and conditions laid down by the respective national funding authorities, the beneficiary enters into a subcontract to carry out parts of the tasks related to the Project, it remains bound by its obligations to the Joint Undertaking and the other beneficiaries under this grant agreement and retains sole responsibility for compliance with the provisions of this grant agreement.
2. Where it is necessary for the beneficiaries to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:
 - subcontracts may only cover the execution of a limited part of the Project;

- recourse to the award of subcontracts must be duly justified in Annex I having regard to the nature of the Project and what is necessary for its implementation;
- recourse to the award of subcontracts by a beneficiary may not affect its rights and obligations regarding Background and Foreground;
- Annex I must indicate the tasks to be subcontracted and an estimation of the costs.

III. 4. Eligible costs

Eligible costs shall be determined by the respective national funding authorities.

Notwithstanding the first paragraph, value added tax shall not be an eligible cost for Joint Undertaking's funding.

III.5. The Joint Undertaking's financial contribution

1. The Joint Undertaking's financial contribution shall be determined by applying the upper funding limit indicated in Article II.11 to the eligible costs as defined by the respective national funding authorities.
2. The reimbursement shall be based on the costs of each beneficiary as accepted by the respective national funding authorities.
3. The Joint Undertaking's financial contribution cannot give rise to any profit for any beneficiary. For this purpose, the final amount of the Joint Undertaking's financial contribution will take into account any receipts of the project received by each beneficiary as certified to the Joint Undertaking by the national funding authorities.
4. The total amount of payments by the Joint Undertaking shall not exceed in any circumstances the maximum amount of the Joint Undertaking's financial contribution referred to in Article 5.
5. Without prejudice to the right to terminate the grant agreement under Article II.20, and without prejudice to the right of the Joint Undertaking to apply the penalties referred to in Article II.16, if the Project is not implemented or is implemented poorly, partially or late, the Joint Undertaking may, after having given the beneficiary the opportunity to present its observations, reduce the grant initially provided for in line with the actual implementation of the Project on the terms laid down in this grant agreement.

The Joint Undertaking may also reduce the grant initially provided following such a reduction effectuated under the terms of the corresponding national grant agreement.

III. 6. Interest yielded by pre-financing provided by the Joint Undertaking

In accordance with the Joint Undertaking's financial rules, the respective national funding authorities shall lay down the rules as regards the interest generated by the pre-financing.

III.7. Amendment

The amendment of the corresponding national grant agreement may constitute a reason for amendment of this grant agreement at the initiative of the Joint Undertaking or of the coordinator on behalf of the consortium or of the beneficiary (ies) in accordance with Article II.18.

ANNEX IV. SPECIFIC CONDITIONS FOR BENEFICIARIES NOT HAVING CONCLUDED A CORRESPONDING NATIONAL GRANT AGREEMENT

IV.1. Definitions

1. 'Public body' means any legal entity established as such by national law, and international organisations;
2. A legal entity is qualified as 'Non-profit' when considered as such by national or international law;
3. 'Research organisation' means a legal entity established as a non-profit organisation which carries out research or technological development as one of its main objectives;
4. 'SMEs' means micro, small and medium-sized enterprises within the meaning of Recommendation 2003/361/EC in the version of 6 May 2003.

PART A - IMPLEMENTATION OF THE PROJECT

SECTION 1 – GENERAL PRINCIPLES

IV.2. Specific performance obligations of the beneficiary

Each beneficiary shall:

- a) carry out the work to be performed, as identified in Annex I. However, where it is necessary for the implementation of the Project, it may call upon third parties to carry out certain elements, according to the conditions established in Article IV.6 or any special condition in Article 7. The beneficiary may use resources that are made available by third parties in order to carry out its part of the work;
- b) ensure that any agreement or contract related to the Project, entered into between the beneficiary and any third party contain provisions that this third party, including the auditor providing the certificate on the financial statements, shall have no rights vis-à-vis the Joint Undertaking under this grant agreement;
- c) ensure that the rights of the Joint Undertaking, the Commission, the European Anti-Fraud Office (OLAF) and the Court of Auditors to carry out audits and on-the-spot checks are extended to the right to carry out any such audit or checks on any third party whose costs are reimbursed in full or in part by the Joint Undertaking's financial contribution, on the same terms and conditions as those indicated in this grant agreement;

- d) ensure that the conditions applicable to it under Articles II.7, II.8, II.9, II.10, II.13, IV .3.2 and IV.7 are also applicable to any third party whose costs are claimed under the Project according to the provisions of this grant agreement;
- e) ensure that the tasks assigned to it are correctly and timely performed;
- f) inform the other beneficiaries and the Joint Undertaking through the coordinator in due time of:
 - the names of the person(s) who shall manage and monitor its work, and its contact details as well as any changes to that information;
 - any event which might affect the implementation of the Project and the rights of the Joint Undertaking;
 - any change in its legal name, address and of its legal representatives, and any change with regard to its legal, financial, organisational or technical situation including change of control and, in particular, any change of status as regards non-profit public bodies, secondary and higher education establishments, research organisations and SMEs;
 - any circumstance affecting the conditions of participation referred to in the Call for Proposals¹⁶ or of any requirements of the grant agreement, especially if and when any eligibility criteria cease(s) to be met during the duration of the Project.
- g) provide the Joint Undertaking, the Commission, the European Anti-Fraud Office (OLAF) and the Court of Auditors directly with all information requested in the framework of controls and audits;
- h) take part in meetings concerning the supervision, monitoring and evaluation of the Project which are relevant to it;
- i) take all necessary steps to avoid commitments that are incompatible with the obligations provided for in this grant agreement and inform the other beneficiaries and the Joint Undertaking of any unavoidable obligations which may arise during the duration of the grant agreement which may have implications for any of its obligations under the grant agreement;
- j) ensure that it complies with the provisions of the state aid framework;
- k) carry out the Project in accordance with fundamental ethical principles;
- l) endeavour to promote equal opportunities between men and women in the implementation of the Project;
- m) have regard to the general principles of the Commission Recommendation of 11 March 2005 on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers, in particular concerning the working conditions, transparency of recruitment processes, and career development of the researchers recruited for the Project;

¹⁶See 'Eligibility criteria' document (https://www.artemis-ju.eu/call_2008)

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

SECTION 2 – REPORTING AND PAYMENTS

IV.3. Reports and deliverables

1. Beneficiaries shall submit to the Joint Undertaking for each reporting period within 60 days after the end of each respective period, a financial report. The financial report shall comprise an explanation of the use of the resources and a financial statement (Form C – Annex IX).
2. A **certificate on the financial statements** shall be submitted by each beneficiary for claims of interim payments and final payments when the amount of the Joint Undertaking's financial contribution claimed by the beneficiary under the form of reimbursement of costs is equal to or superior to EUR 325 000, when cumulated with all previous payments for which a certificate on the financial statements has not been submitted. This certificate must be forwarded in the form of a detailed description verified as factual by its external auditor (Form D – Annex X).

Certificates on the financial statements shall certify that the costs claimed and the receipts declared during the period for which they are provided, as well as the declaration of the interest yielded by the pre-financing meet the conditions required by this grant agreement. Where third parties' costs are claimed under the grant agreement, such costs shall be certified in accordance with the provisions of this Article. The auditor shall include in its certificate that no conflict of interest exists between itself and the beneficiary in establishing this certificate.

Certificates on the financial statements shall be prepared and certified by an external auditor and shall be established in accordance with the terms of reference attached as Annex X- Form D to this grant agreement. The beneficiary is free to choose any qualified external auditor, including its usual external auditor, provided that the cumulative following requirements are met:

- i) the auditor must be independent from the beneficiary;
- ii) the auditor must be qualified to carry out statutory audits of accounting documents in accordance with national legislation implementing the 8th Council Directive on statutory audits of annual accounts and consolidated accounts¹⁷ or any legislation of the Union replacing this Directive. Beneficiaries established in third countries shall comply with national regulations in the same field and the certificate on the financial statement provided shall consist of an independent report of factual findings based on procedures specified by the Joint Undertaking.

Public bodies, secondary and higher education establishments and research organisations may opt for a competent public officer to provide their certificate on

¹⁷ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC.

the financial statements, provided that the relevant national authorities have established the legal capacity of that competent public officer to audit that entity and that the independence of that officer can be ensured.

Certificates by external auditors according to this Article do not affect the liability of the beneficiary nor the rights of the Joint Undertaking arising from this grant agreement.

3. Beneficiaries shall transmit the financial reports to the Joint Undertaking by electronic means. In addition, Form C, must be signed by the authorised person(s) within the beneficiary's organisation, and the certificates on the financial statements must be signed by an authorised person of the auditing entity, and the originals shall be sent to the Joint Undertaking.
4. The layout and content of the reports shall conform to the instructions and guidance notes established by the Joint Undertaking.
5. The Joint Undertaking may be assisted by external experts in the analysis and evaluation of the reports.

IV.4. Approval of reports and deliverables, time-limit for payments

1. At the end of each reporting period, the Joint Undertaking shall evaluate Project reports and deliverables required by the provisions of Articles II.3 and IV.3 and disburse to each beneficiary the corresponding payments within 105 days of their receipt unless the time-limit, the payment or the Project has been suspended.
2. Payments shall be made after the Joint Undertaking's approval of reports and/or deliverables. The absence of a response from the Joint Undertaking within this time-limit shall not imply its approval. However, the Joint Undertaking should send a written reply to the beneficiaries. The Joint Undertaking may reject reports and deliverables even after the time-limit for payment. Approval of the reports shall not imply recognition of their regularity or of the authenticity of the declarations and information they contain and do not imply exemption from any audit or review.
3. The Joint Undertaking, after reception, may suspend the time limit for payments if one or more of the reports or appropriate deliverables have not been supplied, or are not complete or if some clarification or additional information is needed or there are doubts concerning the eligibility of costs claimed in the financial statement and/or additional checks are being conducted. The suspension will be lifted from the date when the last report, deliverable or the additional information requested is received by the Joint Undertaking or where the Joint Undertaking decides to proceed with an interim payment in part. The Joint Undertaking shall inform the beneficiaries of any such suspension and the conditions to be met for the lifting of the suspension. Suspension shall take effect on the date when notice is sent by the Joint Undertaking.
4. The Joint Undertaking may proceed with an interim payment in part if some reports or deliverables are not submitted as required, or only partially or conditionally approved. The reports and deliverables due for one reporting period which are submitted late will be evaluated together with the reports and deliverables of the next reporting period.

5. On expiry of the time-limit for approval of the reports and payments, and without prejudice to suspension by the Joint Undertaking of this time-limit, the Joint Undertaking shall pay interest on the late payment at the rate applied by the European Central Bank for its main refinancing operations in euros, plus three and a half points. The reference rate to which the increase applies shall be the rate in force on the first day of the month of the final date for payment, as published in the C series of the Official Journal of the European Union.

This provision shall not apply to beneficiaries that are public bodies of the Member States of the European Union.

Interest on late payment shall cover the period from the final date of the period for payment, exclusive, up to the date when the payment is debited to the Joint Undertaking's account, inclusive.

The interest shall not be treated as a receipt for the Project for the purposes of determining the final grant. Any such interest payment is not considered as part of the Joint Undertaking's financial contribution.

6. The suspension of the time-limit, of payment or of the Project by the Joint Undertaking may not be considered as late payment.
7. At the end of the Project, the Joint Undertaking may decide not to make the payment of its corresponding financial contribution subject to one month's written notice of non-receipt of a report, of a certificate on the financial statements or of any other Project deliverable.
8. The Joint Undertaking shall inform the beneficiaries of the amount of the final payment of the Joint Undertaking's financial contribution and shall justify this amount. The beneficiary shall have two months from the date of receipt to give reasons for any disagreement. After the end of this period such requests will no longer be considered and the beneficiary is deemed to have accepted the Joint Undertaking's decision. The Joint Undertaking undertakes to reply in writing within two months following the date of receipt, giving reasons for its reply. This procedure is without prejudice to the beneficiary's right to appeal against the Joint Undertaking's decision.

IV.5. Payment modalities

1. The Joint Undertaking shall make the following payments:
 - a) a pre-financing in accordance with Article 6;
 - b) for Projects with more than one reporting period, the Joint Undertaking shall make interim payments of its financial contribution to each beneficiary corresponding to the amount accepted for each reporting period;
 - c) the Joint Undertaking shall make a final payment of its financial contribution to each beneficiary corresponding to the amount accepted for the last reporting period plus any adjustment needed.

Where the amount of the corresponding Joint Undertaking's financial contribution is less than any amount already paid to the beneficiary, the Joint Undertaking shall recover the difference.

Where the amount of the corresponding Joint Undertaking's financial contribution is more than any amount already paid to the beneficiary the Joint Undertaking shall pay the difference as the final payment within the limit of Articles 5.1 and II.12.

In accordance with the financial rules of the Joint Undertaking, the pre-financing or interim payments may be subject to verification of the financial capacity of the beneficiaries as well as to the adoption of any required protective measures, including the submission of guarantees.

2. The total amount of the pre-financing and interim payments shall not exceed 80% of the maximum Joint Undertaking's financial contribution defined in Article 5.
3. Payments by the Joint Undertaking shall be made in Euro.
4. Costs shall be reported in Euro. Beneficiaries with accounts in currencies other than the Euro shall report costs by using, either the conversion rate published by the European Central Bank that would have applied on the date that the actual costs were incurred, or its rate applicable on the first day of the month following the end of the reporting period. Beneficiaries with accounts in Euro shall convert costs incurred in other currencies according to their usual accounting practice.
5. The bank accounts mentioned in Article 5 shall allow that the Joint Undertaking's financial contribution and related interest are identified. Otherwise, the accounting methods of the beneficiaries or intermediaries must make it possible to identify the Joint Undertaking's financial contribution and the interest or other benefits yielded.
6. Any payment may be subject to an audit or review and may be adjusted or recovered based on the results of such audit or review.
7. Payments by the Joint Undertaking shall be deemed to be effected on the date when they are debited to the Joint Undertaking's account.

SECTION 3 – IMPLEMENTATION

IV.6. Subcontracting

1. A subcontractor is a third party which has entered into an agreement on business conditions with one or more beneficiaries, in order to carry out part of the work of the Project without the direct supervision of the beneficiary and without a relationship of subordination.

Where the beneficiary enters into a subcontract to carry out some parts of the tasks related to the Project, it remains bound by its obligations to the Joint Undertaking and the other beneficiaries under the grant agreement and retains sole responsibility for carrying out the Project and for compliance with the provisions of the grant agreement.

Provisions of this grant agreement applying to subcontractors shall also apply to external auditors who certify financial statements.

2. Where it is necessary for the beneficiaries to subcontract certain elements of the work to be carried out, the following conditions must be fulfilled:
 - subcontracts may only cover the execution of a limited part of the Project;
 - recourse to the award of subcontracts must be duly justified in Annex I having regard to the nature of the Project and what is necessary for its implementation;
 - recourse to the award of subcontracts by a beneficiary may not affect its rights and obligations regarding Background and Foreground;
 - Annex I must indicate the tasks to be subcontracted and an estimation of the costs.

Any subcontract, the costs of which are to be claimed as an eligible cost, must be awarded according to the principles of best value for money (best price-quality ratio), transparency and equal treatment. Subcontracts concluded on the basis of framework contracts entered into between a beneficiary and a subcontractor, prior to the beginning of the Project in accordance with the beneficiary's usual management principles may also be accepted.

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

PART B - FINANCIAL PROVISIONS

IV.7. Eligible costs

1. Costs incurred for the implementation of the Project shall meet the following conditions in order to be considered eligible:
 - a) they must be actual;
 - b) they must be incurred by the beneficiary;
 - c) they must be incurred during the duration of the Project, with the exception of costs incurred in relation to final reports and reports corresponding to the last period as well as certificates on the financial statements when requested at the last period and final reviews if applicable, which may be incurred during the period of up to 60 days after the end of the Project or the date of termination whichever is earlier;
 - d) they must be determined in accordance with the usual accounting and management principles and practices of the beneficiary. The accounting procedures used in the recording of costs and receipts shall respect the accounting rules of the State in which the beneficiary is established. The beneficiary's internal accounting and auditing procedures must permit direct reconciliation of the costs and receipts declared in respect of the Project with the corresponding financial statements and supporting documents;
 - e) they must be used for the sole purpose of achieving the objectives of the Project and its expected results, in a manner consistent with the principles of economy, efficiency and effectiveness;

- f) they must be recorded in the accounts of the beneficiary; in the case of any contribution from third parties, they must be recorded in the accounts of the third parties;
 - g) they must be indicated in the estimated overall budget in Annex I.
2. Costs incurred by third parties in relation to resources they make available free of charge to the beneficiary, can be declared by a beneficiary provided they meet the conditions established in paragraphs 1 and 3, *mutatis mutandis* and are claimed in conformity with Article IV.9.
3. The following costs shall be considered as non-eligible and may not be charged to the Project:
- a) identifiable indirect taxes including value added tax;
 - b) duties;
 - c) interest owed;
 - d) provisions for possible future losses or charges;
 - e) exchange losses, cost related to return on capital;
 - f) costs declared or incurred, or reimbursed in respect of another Project funded by the Joint Undertaking or the European Union;
 - g) debt and debt service charges, excessive or reckless expenditure.

IV.8. Identification of direct and indirect costs

1. Direct costs are all those eligible costs which can be attributed directly to the Project and are identified by the beneficiary as such, in accordance with its accounting principles and its usual internal rules.

With regard to personnel costs, only the costs of the actual hours worked by the persons directly carrying out work under the Project may be charged. Such persons must:

- be directly hired by the beneficiary in accordance with its national legislation;
- work under the sole technical supervision and responsibility of the latter, and
- be remunerated in accordance with the normal practices of the beneficiary.

Costs related to parental leave for persons who are directly carrying out the Project are eligible costs, in proportion to the time dedicated to the Project, provided that they are mandatory under national law.

2. Indirect costs are all those eligible costs which cannot be identified by the beneficiary as being directly attributed to the Project but which can be identified and justified by its accounting system as being incurred in direct relationship with the

eligible direct costs attributed to the Project. They may not include any eligible direct costs.

By way of derogation from Article IV.7, the indirect costs incurred in carrying out the Project are eligible for flat-rate funding of 20% of the total direct eligible costs, excluding the direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.

IV.9. Receipts of the Project

Receipts of the Project may arise from:

- a) Resources made available by third parties to the beneficiary by means of financial transfers or contributions in kind which are free of charge:
 - i. shall be considered a receipt of the Project if they have been contributed by the third party specifically to be used on the Project;
 - ii. shall not be considered a receipt of the Project if their use is at the discretion of the beneficiary's management.
- b) Income generated by the Project:
 - i. shall be considered a receipt for the beneficiary when generated by actions undertaken in carrying out the Project and from the sale of assets purchased under the grant agreement up to the value of the cost initially charged to the Project by the beneficiary;
 - ii. shall not be considered a receipt for the beneficiary when generated from the use of Foreground resulting from the Project.

IV.10. The Joint Undertaking's financial contribution

1. The Joint Undertaking's financial contribution shall be determined by applying the upper funding limit indicated in Article II.11, to the actual eligible costs and to the flat rates accepted by the Joint Undertaking.
2. The Joint Undertaking's financial contribution shall be calculated by reference to the cost of the Project participation for each beneficiary and its reimbursement shall be based on the accepted costs of each beneficiary's participation in the Project.
3. The Joint Undertaking's financial contribution cannot give rise to any profit for any beneficiary. For this purpose, at the time of the submission of the last financial statement, the final amount of the Joint Undertaking's financial contribution will take into account any receipts of the Project received by the beneficiary. The Joint Undertaking's financial contribution cannot exceed the eligible costs minus the receipts for the Project.
4. The total amount of payments by the Joint Undertaking shall not exceed in any circumstances the maximum amount of the Joint Undertaking's financial contribution referred to in Article 5.
5. Without prejudice to the right to terminate the grant agreement under Article II.20, and without prejudice to the right of the Joint Undertaking to apply the penalties

referred to in Article II.16, if the Project is not implemented or is implemented poorly, partially or late, the Joint Undertaking may, after having given the beneficiary the opportunity to present its observations, reduce the grant initially provided for in line with the actual implementation of the Project on the terms laid down in this grant agreement.

IV.11. Interest yielded by pre-financing provided by the Joint Undertaking

1. Pre-financing remains the property of the Joint Undertaking until the final payment.
2. The Joint Undertaking shall recover from each beneficiary, for each reporting period following the implementation of the agreement, the amount of interest generated when such pre-financing exceeds the amount fixed in the Joint Undertaking's financial rules.

ANNEX V. FORM A1-Declaration by the coordinator having concluded a corresponding national grant agreement

(to be filled in by the coordinator identified in Article 1.1 of the grant agreement having concluded a corresponding national grant agreement)

[full name and legal form of the coordinator], represented for the purpose hereof by [name of legal representative, function] or her/his authorized representative, established in [full address: city/state/province/country (person legally authorized to act on behalf of the legal entity)] acting as its legal authorized representative, hereby declares having concluded national grant agreement Nowith [national funding authority] for the implementation of the Project [title].

The maximum [national funding authority] contribution to [full name of the coordinator] for the implementation of the Project shall be: EUR [insert amount] ([insert amount in words] EURO)

Done in two copies, of which one shall be kept by the coordinator and one by the Joint Undertaking in accordance with Article 8 of the grant agreement.

Name of Legal Entity [full name of the coordinator]:

Name of legal representative:

Signature of legal representative:

Date:

Stamp of the organization

ANNEX VI. FORM A2-Accession of beneficiaries not having concluded a corresponding national grant agreement

(to be filled in by each beneficiary identified in Article 1.1 of the grant agreement not having concluded a corresponding national grant agreement: it only concerns beneficiaries from a country that is NOT an ARTEMIS Member State¹⁸)

[full name and legal form of the beneficiary], represented for the purpose hereof by [name of legal representative, function] or her/his authorized representative, established in [full address: city/state/province/country (person legally authorized to act on behalf of the legal entity)] acting as its legal authorized representative, hereby consents to become a participant (participant no...) in the Project [title] relating to grant agreement No... concluded between the ARTEMIS Joint Undertaking and [name of the coordinator and legal form established in (full address: city/state/province/country)] and accepts in accordance with the provisions of the aforementioned grant agreement all the rights and obligations of a beneficiary.

Done in three copies, of which one shall be kept by the coordinator and one by [name of the beneficiary], the third being sent to the Joint Undertaking by coordinator in accordance with Articles 1.2 and 8 of the grant agreement.

Name of Legal Entity [full name of the beneficiary]:

Name of legal representative:

Signature of legal representative:

Date:

Stamp of the organization

Name of Legal Entity [full name of the coordinator]:

Name of legal representative:

Signature of legal representative:

Date:

Stamp of the organization

¹⁸

Article 3 of the Annex to Council Regulation 74/2008 establishes which are the ARTEMIS Member States that are founding members of the ARTEMIS JU. An up to date list of the ARTEMIS Member States is available in the Guide for Applicants of the relevant ARTEMIS Call.

As of September 2010, ARTEMIS Member States are: Belgium, Cyprus, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Hungary, the Netherlands, Austria, Portugal, Romania, Slovenia, Finland, Sweden, Norway, Latvia, United Kingdom.

ANNEX VII. FORM A3–Accession of beneficiaries having concluded a corresponding national grant agreement

(to be filled in by each beneficiary identified in Article 1.1 of the grant agreement having concluded a corresponding national grant agreement: it only concerns beneficiaries from a country that is an ARTEMIS Member State)¹⁹

[full name and legal form of the beneficiary], represented for the purpose hereof by [name of legal representative] (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative, established in (full address: city/state/province/country (person legally authorised to act on behalf of the legal entity)) acting as its legal authorised representative, hereby consents to become a beneficiary ("beneficiary no..") to grant agreement No° (relating to project [title]) concluded between the JU and [name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)] and accepts in accordance with the provisions of the aforementioned grant agreement all the rights and obligations of a beneficiary.

[full name and legal form of the beneficiary] declares having concluded national grant agreement Nowith [national funding authority] for [the implementation of] the Project [title] .

[The maximum [national funding authority] contribution to [full name of the beneficiary] for the implementation of the Project shall be: EUR [insert amount] ([insert amount in words] EURO)]

Done in 3 copies, of which one shall be kept by the coordinator and one by [name of the beneficiary], the third being sent to the JU by the coordinator in accordance with Articles 1.2 and 8 of the grant agreement.

Name of Legal Entity [full name of the beneficiary]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

Name of Legal Entity [full name of the coordinator]

Name of legal representative: (written out in full)

¹⁹ Article 3 of the Annex to Council Regulation 74/2008 establishes which are the ARTEMIS Member States that are founding members of the ARTEMIS JU. An up to date list of the ARTEMIS Member States is available in the Guide for Applicants of the relevant ARTEMIS Call.

As of September 2010, ARTEMIS Member States are: Belgium, Cyprus, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Hungary, the Netherlands, Austria, Portugal, Romania, Slovenia, Finland, Sweden, Norway, Latvia, United Kingdom.

Signature of legal representative:

Date:

Stamp of the organisation

ANNEX VIII. FORM B – Request for accession of a new beneficiary to the grant agreement

(to be filled in by each new legal entity willing to become a beneficiary)

[full name and legal form of new beneficiary], represented for the purpose hereof by [(name of legal representative) (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in (full address: city/state/province/country)] acting as its legal authorised representative, hereby requests to become a beneficiary ("beneficiary no.") to grant agreement No (relating to Project [title]) concluded between the Joint Undertaking and [name of the coordinator] and accepts, in accordance with the provisions of the aforementioned grant agreement, all the rights and obligations of a beneficiary starting on [date], should the Joint Undertaking accept this request by written notification to the new beneficiary and the coordinator.

[*If applicable* [full name of new beneficiary] declares having concluded national grant agreement Nowith [national funding authority] for the implementation of the Project [title].

The maximum [national funding authority] contribution to [full name of the new beneficiary] for the implementation of the Project shall be: EUR [insert amount] ([insert amount in words] EURO)]

[name of the coordinator and legal form (acronym) established in (full address: city/state/province/country)], represented for the purpose hereof by [(name of legal representative), (function) [and/or (name of legal representative), (function)], or her/his/their authorised representative established in (full address: city/state/province/country)] acting as its legal authorised representative, hereby certifies as representative of the beneficiary to grant agreement No..... (relating to project [title]) that the consortium proposes and agrees to the accession of [full name and legal form of new beneficiary] to the aforementioned grant agreement as beneficiary starting on the abovementioned date.

Enclosures:

- Grant Agreement Preparation Forms duly completed and signed by the new *beneficiary*.
- Modified Annex I to the *grant agreement* describing the work to be performed by the new *beneficiary*.
- Justification for selection of this/these *beneficiary(ies)* by the consortium.

Done in 3 copies, of which one shall be kept by the *coordinator* and one by [name of new *beneficiary*], the third being sent to the Joint Undertaking by the *coordinator* in accordance with Articles 8 and II.18 of the *Grant Agreement*

[name of the new beneficiary (legal entity)]

Name of legal representative(s): (written out in full)

Signature of legal representative(s):

Date:

Stamp of the organisation

[name of the coordinator (legal entity)]

Name of legal representative: (written out in full)

Signature of legal representative:

Date:

Stamp of the organisation

ARTEMIS JOINT UNDERTAKING - Grant Agreement - Annex IX

Form C - Financial Statement (to be filled in by each beneficiary not having concluded a corresponding national grant agreement)			
Project nr	nnnnnn		
Project Acronym	xxxxxxxxxxxxxxxxxxxxxx		
Period from	dd/mm/aa	Is this an adjustment to a previous statement ?	Yes/No
To	dd/mm/aa		
Legal Name		Participant Identity Code	nn
Organisation short Name		Beneficiary nr	nn
Funding %		Flat rate for indirect costs	20%

1- Declaration of eligible costs (in€)

Personnel costs	
Subcontracting	
Other direct costs	
Indirect costs (flat rate)	
Total	
Maximum JU contribution	
Requested JU contribution	

2- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the Project generate any income which could be considered a receipt according to Art.III.9 of the grant agreement ?

Yes/No

If yes, please mention the amount (in€)

3- Declaration of interest yielded by the pre-financing

Did the pre-financing you received generate any interest according to Art. III.11 ?

Yes/No

If yes, please mention the amount (in€)

4- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statements according to Art.III.3 ?

Yes/No

Name of the auditor		Cost of the certificate (in€)	
---------------------	--	-------------------------------	--

5- Beneficiary's declaration on its honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the Project and fall within the definition of eligible costs specified in Articles III.7 and III.8 of the grant agreement, and, if relevant, Article 7 (special clauses) of the grant agreement;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the Project which could be considered as receipts according to Art. III.9 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. III.11 of the grant agreement ;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Joint Undertaking and in the event of an audit by the Joint Undertaking and/or by the Commission and the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement
	Date & signature

ARTEMIS JOINT UNDERTAKING - Grant Agreement - Annex IX

Form C - Financial Statement (to be filled in by Third Party) <i>Only applicable if special clause nr 5 is used</i>			
Project nr	nnnnnn		
Project Acronym	xxxxxxxxxxxxxxxxxxxxxx		
Period from	dd/mm/aa	Is this an adjustment to a previous statement ?	Yes/No
To	dd/mm/aa		
3rd party legal Name		Working for beneficiary nr	nn
3rd party Organisation short Name			
Funding %		Flat rate for indirect costs	20%

1- Declaration of eligible costs (in€)

Personnel costs		
Subcontracting		
Other direct costs		
Indirect costs (flat rate)		
Total		
Maximum JU contribution		
Requested JU contribution		

2- Declaration of receipts

Did you receive any financial transfers or contributions in kind, free of charge from third parties or did the Project generate any income which could be considered a receipt according to Art.III.9 of the grant agreement ?

If yes, please mention the amount (in€)

Yes/No

3- Declaration of interest yielded by the pre-financing

Did the pre-financing you received generate any interest according to Art. III.11 ?

If yes, please mention the amount (in€)

Yes/No

4- Certificate on the financial statements

Is there a certificate on the financial statements provided by an independent auditor attached to this financial statement according to Art.III.3?

Yes/No

Name of the auditor		Cost of the certificate (in€)	
---------------------	--	-------------------------------	--

5- Beneficiary's declaration on its honour

We declare on our honour that:

- the costs declared above are directly related to the resources used to attain the objectives of the project and fall within the definition of eligible costs specified in Articles III.7 and III.8 of the grant agreement, and, if relevant, Article 7 (special clauses) of the grant agreement;
- the receipts declared above are the only financial transfers or contributions in kind, free of charge, from third parties and the only income generated by the Project which could be considered as receipts according to Art. III.9 of the grant agreement;
- the interest declared above is the only interest yielded by the pre-financing which falls within the definition of Art. III.11 of the grant agreement ;
- there is full supporting documentation to justify the information hereby declared. It will be made available at the request of the Joint Undertaking and in the event of an audit by the Joint Undertaking and/or by the Commission and the Court of Auditors and/or their authorised representatives.

Beneficiary's Stamp	Name of the Person(s) Authorised to sign this Financial Statement	
	Date & signature	

ANNEX X. FORM D-Terms of reference for the certificate of financial statements

(for beneficiaries not having concluded a corresponding national grant agreement)

Table of Contents

Terms of Reference for an Independent Report of Factual Findings on costs claimed under an ARTEMIS Joint Undertaking Grant Agreement financed under the Seventh Research Framework Programme (FP7)

Independent report on Factual Findings on costs claimed under an ARTEMIS Joint Undertaking Grant Agreement financed under the Seventh Research Framework Programme (FP7)

The Terms Reference should be completed by the Beneficiary and be agreed with the Auditor

The Independent Report of Factual Findings should be provided by the Auditor

TERMS OF REFERENCE FOR AN INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER AN ARTEMIS JOINT UNDERTAKING GRANT AGREEMENT FINANCED UNDER THE SEVENTH RESEARCH FRAMEWORK PROGRAMME (FP7)

The following are the terms of reference ('ToR') on which <name of the Beneficiary> 'the Beneficiary' agrees to engage < name of the audit firm> 'the Auditor' to provide an independent report of factual findings on a Financial Statement(s)²⁰ prepared by the Beneficiary and to report in connection with an ARTEMIS Joint Undertaking grant agreement concerning the Seventh Research Framework Programme (FP7), concerning < title and number of the grant agreement> (the 'Grant Agreement'). Where in these ToR the 'ARTEMIS Joint Undertaking' is mentioned this refers to its quality as signatory of the Grant Agreement with the Beneficiary. The ARTEMIS Joint Undertaking is not a party to this engagement.

1.1 Responsibilities of the Parties to the Engagement

'**The Beneficiary**' refers to the legal entity that is receiving the grant and that has signed the Grant Agreement with the ARTEMIS Joint Undertaking.

- The Beneficiary is responsible for preparing a Financial Statement for its participation in the Action financed by the Grant Agreement in compliance with such agreements and providing it to the Auditor, and for ensuring that this Financial Statement can be properly reconciled to the Beneficiary's accounting and bookkeeping system and to the underlying accounts and records. Notwithstanding the procedures to be carried out, the Beneficiary remains at all times responsible and reliable for the accuracy of the Financial Statement.
- The Beneficiary is responsible for the factual statements which will enable the Auditor to carry out the procedures specified, and will provide the Auditor with a written representation letter supporting these statements, clearly dated and stating the period covered by the statements.
- The Beneficiary accepts that the ability of the Auditor to perform the procedures required by this engagement effectively depends upon the Beneficiary providing full and free access to the Beneficiary's staff and its accounting and other relevant records.

'**The Auditor**' refers to the Auditor who is responsible for performing the agreed-upon procedures as specified in these ToR, and for submitting an independent report of factual findings to the Beneficiary.

The Auditor must be independent from the Beneficiary.

- [*Option 1: delete if not applicable*] The Auditor is qualified to carry out statutory audits of accounting documents in accordance with the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC or similar national regulations.
- [*Option 2: delete if not applicable*] The Auditor is a Competent Public Officer for which the relevant national authorities have established the legal capacity to audit the Beneficiary and has not been involved in the preparation of the financial statements.

²⁰ Financial Statement in this context refers solely to Form C - Annex IX by which the Beneficiary claims costs under the Grant Agreement.

- The procedures to be performed are specified by the Joint Undertaking and the Auditor is not responsible for the suitability and appropriateness of these procedures.

1.2 Subject of the Engagement

The subject of this engagement is the *<interim or final; delete what is not applicable>* Financial Statement in connection with the Grant Agreement for the period covering *<dd Month yyyy to dd Month yyyy>*.

1.3 Reason for the Engagement

The Beneficiary is required to submit to the Joint Undertaking a certificate on a Financial Statement in the form of an independent report of factual findings produced by an external auditor in support of the payment requested by the Beneficiary under Article IV.3 of the Grant Agreement. The Executive Director of the ARTEMIS Joint Undertaking requires this Report as he makes the payment of costs requested by the Beneficiary conditional on the factual findings of this Report.

1.4 Engagement Type and Objective

This constitutes an engagement to perform specific agreed-upon procedures regarding an independent report of factual findings on costs claimed under the Grant Agreement.

As this engagement is not an assurance engagement the Auditor does not provide an audit opinion and expresses no assurance. The Joint Undertaking derives its assurance by drawing its own conclusions from the factual findings reported by the Auditor on the Financial Statement and the payment request of the Beneficiary relating thereto.

The Auditor shall include in its Report that no conflict of interest exists between it and the Beneficiary in establishing this Report, as well as the fee paid to the Auditor for providing the Report.

1.5 Scope of Work

1.5.1 The Auditor shall undertake this engagement in accordance with these ToR and:

- in accordance with the International Standard on Related Services ('ISRS') 4400 *Engagements to perform Agreed-upon Procedures regarding Financial Information* as promulgated by the IFAC;
- in compliance with the *Code of Ethics for Professional Accountants* issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the ARTEMIS Joint Undertaking requires that the Auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*.

1.5.2 Planning, procedures, documentation and evidence

The Auditor should plan the work so that the procedures can be effectively performed. For this purpose he performs the procedures specified in 1.9 of these Terms of Reference ('Scope of Work – Compulsory Report Format and Procedures to be Performed') and uses the evidence obtained from these procedures as the basis for the Report of factual findings.

1.6 Reporting

The Report of factual findings, an example of which is attached to this ToR, should describe the purpose and the agreed-upon procedures of the engagement in sufficient detail in order to

enable the Beneficiary and the ARTEMIS Joint Undertaking to understand the nature and extent of the procedures performed by the Auditor. Use of the reporting format attached as Annex X of the Grant Agreement is compulsory. The Report should be written in English. In accordance with Article II.13 of the Grant Agreement, the ARTEMIS Joint Undertaking, the European Commission and the Court of Auditors have the right to audit any work carried out under the Project for which costs are claimed from the ARTEMIS Joint Undertaking, including the work related to this engagement.

1.7 Timing

The Report should be provided by [DATE].

1.8 Other Terms

[The Beneficiary and the Auditor can use this section to agree other specific terms such as Auditor's fees, out of pocket expenses, liability, applicable law, etc.]

1.9 Scope of Work – Compulsory Report Format and Procedures to be Performed

INDEPENDENT REPORT OF FACTUAL FINDINGS ON COSTS CLAIMED UNDER AN ARTEMIS JOINT UNDERTAKING GRANT AGREEMENT FINANCED UNDER THE SEVENTH RESEARCH FRAMEWORK PROGRAMME (FP7)

To be printed on letterhead paper of the Auditor

<Name of contact person(s)>, < Position>

< Beneficiary's name>

<Address>

<dd Month yyyy>

In accordance with our contract dated <dd Month yyyy> with <name of the Beneficiary> “the Beneficiary” and the terms of reference attached thereto (appended to this Report), we provide our Independent Report of Factual Findings (“the Report”), as specified below.

Objective

We [legal name of the audit firm], established in [full address/city/state/province/country] represented for signature of this Report by [[name and function of an authorised representative] have performed agreed-upon procedures regarding the cost declared in the Financial Statement(s)²¹ of [name of beneficiary] hereinafter referred to as the Beneficiary, to which this Report is attached, and which is to be presented to the ARTEMIS Joint Undertaking under grant agreement [ARTEMIS JU grant agreement reference: title, acronym, number] for the following period(s) [insert period(s) covered by the Financial Statement(s)].

²¹ Financial Statement in this context refers solely to Form C - Annex IX by which the Beneficiary claims costs under the Grant Agreement.

This engagement involved performing certain specified procedures, the results of which the ARTEMIS Joint Undertaking uses to draw conclusions as to the eligibility of the costs claimed.

Scope of Work

Our engagement was carried out in accordance with:

- the terms of reference appended to this Report and:
- International Standard on Related Services ('ISRS') 4400 Engagements to perform Agreed-upon Procedures regarding Financial Information as promulgated by the International Federation of Accountants ('IFAC);
- the Code of Ethics for Professional Accountants issued by the IFAC. Although ISRS 4400 provides that independence is not a requirement for agreed-upon procedures engagements, the ARTEMIS Joint Undertaking requires that the Auditor also complies with the independence requirements of the *Code of Ethics for Professional Accountants*;

As requested, we have only performed the procedures set out in the terms of reference for this engagement and we have reported our factual findings on those procedures in the table appended to this Report.

The scope of these agreed upon procedures has been determined solely by the ARTEMIS Joint Undertaking and the procedures were performed solely to assist the ARTEMIS Joint Undertaking in evaluating whether the costs claimed by the Beneficiary in the accompanying Financial Statement has been claimed in accordance with the Grant Agreement. The Auditor is not responsible for the suitability and appropriateness of these procedures.

Because the procedures performed by us did not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the Financial Statements.

Had we performed additional procedures or had we performed an audit or review of the Financial Statements of the Beneficiary in accordance with International Standards on Auditing, other matters might have come to our attention that would have been reported to you.

Sources of Information

The Report sets out information provided to us by the management of the Beneficiary in response to specific questions or as obtained and extracted from the Beneficiary's information and accounting systems.

Factual Findings

The above mentioned Financial Statement(s) was (were) examined and all procedures specified in the appended table for our engagement were carried out. On the basis of the results of these procedures, we found:

All documentation and accounting information to enable us to carry out these procedures has been provided to us by the Beneficiary. Except as indicated below, no exceptions were noted.

Exceptions

In some cases, the Auditor was not able to successfully complete the procedures specified. These exceptions are as follows:

exceptions such as inability to reconcile key information, unavailability of data which prevented the Auditor from carrying out the procedures, etc. should be listed here. The ARTEMIS Joint Undertaking will use this information to decide the amounts which will be reimbursed.

Use of this Report

This Report is solely for the purpose set forth in the above objective.

This Report is prepared solely for the confidential use of the Beneficiary and the ARTEMIS Joint Undertaking and solely for the purpose of submission to the ARTEMIS Joint Undertaking in connection with the requirements as set out in Article IV.3 of the Grant Agreement. This Report may not be relied upon by the Beneficiary or by the ARTEMIS Joint Undertaking for any other purpose, nor may it be distributed to any other parties. The ARTEMIS Joint Undertaking may only disclose this Report to others who have regulatory rights of access to it, in particular the European Commission, the European Anti Fraud Office and the European Court of Auditors.

The Joint Undertaking draws the attention of beneficiaries to the fact that this report could partially and on a confidential basis be disclosed following specific request from national funding authorities related to [title of project]

This Report relates only to the Financial Statement(s) specified above and does not extend to any other financial statements of the Beneficiary.

No conflict of interest exists between the Auditor and the Beneficiary in establishing this Report. The fee paid to the Auditor for providing the Report was € _____.

We look forward to discussing our Report with you and would be pleased to provide any further information or assistance which may be required.

[legal name of the audit firm]

[[name and function of an authorised representative]

Procedures performed by the Auditor

The Auditor designs and carries out his work in accordance with the objective and scope of this engagement and the procedures to be performed as specified below. When performing these procedures the Auditor may apply techniques such as inquiry and analysis, (re)computation, comparison, other clerical accuracy checks, observation, inspection of records and documents, inspection of assets and obtaining confirmations or any others deemed necessary in carrying out these procedures.

The ARTEMIS Joint Undertaking reserves the right to issue guidance together with example definitions and findings to guide the Auditor in the nature and presentation of the facts to be ascertained. The ARTEMIS Joint Undertaking reserves the right to vary the procedures by written notification to the Beneficiary. The procedures to be performed are listed as follows:

Procedures	Standard factual finding and basis for exception reporting
Personnel Costs	
<p>1. Recalculate hourly personnel and overhead rates for personnel (full coverage if less than 20 employees, otherwise a sample of minimum 20, or 20% of employees, whichever is the greater), indicate the number of productive hours used and hourly rates.</p> <p>Where sampling is used, selection should be random with a view to producing a representative sample.</p> <p>'Productive hours' represent the (average) number of hours made available by the employee in a year after the deduction of holiday, sick leave and other entitlements. This calculation should be provided by the Beneficiary.</p>	<p>For each employee in the sample of ____, the Auditor obtained the personnel costs (salary and employer's costs) from the payroll system together with the productive hours from the time records of each employee.</p> <p>For each employee selected, the Auditor recomputed the hourly rate by dividing the actual personnel costs by the actual productive hours, which was then compared to the hourly rate charged by the Beneficiary.</p> <p>No exceptions were noted.</p> <p>The average number of productive hours for the employees selected was _____.</p> <p>If the productive hours or costs of personnel cannot be identified, they should be listed (together with the amounts) as exceptions in the main report.</p>
<p>2. For the same selection examine and describe time recording of employees (paper/ computer, daily/weekly/monthly, signed, authorised).</p>	<p>Employees record their time on a daily/ weekly/ monthly basis using a paper/computer-based system. The time-records selected were authorised by the Project manager or other superior.</p> <p>If no time records are available which fit the above description, this should be listed as an exception in the main report.</p>
<p>3. Employment status and employment conditions of personnel. The Auditor should obtain the employment contracts of the employees selected and compare with the standard employment contract used by the</p>	<p>For the employees selected, the Auditor inspected their employment contracts and found that they were:</p> <ul style="list-style-type: none"> – directly hired by the Beneficiary in accordance with its national legislation, – under the sole technical supervision and responsibility of

Procedures	Standard factual finding and basis for exception reporting
Beneficiary. Differences which are not foreseen by the Grant Agreement should be noted as exceptions.	<p>the latter, and</p> <p>– remunerated in accordance with the normal practices of the Beneficiary.</p> <p>Personnel who do not meet all three conditions should be listed (together with the amounts) as exceptions in the main report.</p>

Subcontracting

- | | |
|--|---|
| 4. Obtain a written description from the Beneficiary regarding 3 rd party resources used and compare with Annex I to the Grant Agreement. | <p>The Auditor compared the description of the 3rd party resources provided by the Beneficiary to the specification in Annex 1 to the Grant Agreement, and found them to be the same</p> <p>If the descriptions do not clearly match, this should be reported as an exception in the main report.</p> |
| <p>5. Inspect documents and obtain confirmations that subcontracts are awarded according to a procedure including an analysis of best value for money (best price-quality ratio), transparency and equal treatment.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p> | <p>The Auditor obtained tendering documents for each subcontract entered into and found that the tendering process was followed and that a written analysis of value-for-money had been prepared by the Beneficiary in support of the final choice of subcontractor, or that the contract had been awarded as part of an existing framework contract entered into prior to the beginning of the Project.</p> <p>If the Auditor is not provided with evidence of either of the above situations, the amount of the subcontract should be listed as an exception in the main report.</p> |

Other Direct Costs

- | | |
|---|---|
| <p>6. Allocation of equipment subject to depreciation is correctly identified and allocated to the Project.</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p> | <p>The Auditor traced the equipment charged to the Project to the accounting records and the underlying invoices. The Beneficiary has documented the link with the Project on the invoice and purchase documentation, and, where relevant, the Project accounting. The asset value was agreed to the invoice and no VAT or other identifiable indirect taxes were charged. The depreciation method used to charge the equipment to the Project was compared to the Beneficiary's normal accounting policy and found to be the same.</p> <p>If assets have been charged which do not comply with the above, they should be listed (together with the amounts) as exceptions in the main report.</p> |
| <p>7. Travel costs correctly identified and allocated to the Project (and in line with Beneficiary's normal policy for non-EC work regarding first-class travel, etc.)</p> <p>Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.</p> <p>The Beneficiary should provide</p> | <p>The Auditor inspected the sample and found that the Beneficiary had allocated travel costs to the Project by marking of invoices and purchase orders with the Project reference, resulting in traceable allocation in the Project accounts.</p> <p>The costs charged were compared to the invoices and found to be the same. No VAT or other identifiable indirect taxes were charged.</p> <p>The use of first class travel was in line with the written</p> |

Procedures	Standard factual finding and basis for exception reporting
written evidence of its normal policy for travel costs (e.g. use of first class tickets) to enable the Auditor to compare the travel charged with this policy.	policy provided by the Beneficiary. Costs which are not allocated to Project accounts and do not have a clear attribution (normally by writing the Project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report.
8. Consumables correctly identified and allocated to the Project. Full coverage if less than 20 items, otherwise a sample of minimum 20, or 20% of the items, whichever is the greater.	The Auditor inspected the sample and found that the Beneficiary had allocated consumable costs to the Project by marking of invoices and purchase orders with the Project reference, resulting in traceable allocation in the Project accounts. The costs charged were compared to the invoices and found to be the same. No VAT or other identifiable indirect taxes were charged. Costs which are not allocated to Project accounts and do not have a clear attribution (normally by writing the Project number on the original invoice) should be listed (together with the amounts) as exceptions in the main report.
9. Inspect and compare exchange rates into Euros.	The Auditor compared the exchange rates used for conversion with the applicable official exchange rates established by the European Union and the Beneficiary used [choose one]: <ul style="list-style-type: none"> • the conversion rate of the date where the actual costs were incurred • the rate applicable on the first day of the month following the end of reporting period Where rates cannot be agreed, an exception should be noted, (together with the amount) in the main report.
10. Identification of receipts. The Beneficiary is obliged to deduct from its claim any receipts related to the Project (income from events, rebates from suppliers, etc.)	The Auditor examined the relevant Project accounts and obtained representations from the Beneficiary that the amounts listed represent a complete record of the sources of income connected with the Project. The amount included in the claim regarding receipts is the same as the amount recorded in the Project accounting. Any discrepancies in the receipts noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main report.
11. Identification of interest yielded on pre-financing. The Beneficiary is obliged to declare interest yielded on pre-financing	The Auditor compared the relevant Project accounts with the interest shown in the bank statements and found them to be the same. Any discrepancies in the interest noted in the accounts and those reported by the Beneficiary should be noted (together with the amount) as exceptions in the main

Procedures

Standard factual finding and basis for exception reporting.

LIST OF SPECIAL CLAUSES APPLICABLE TO THE ARTEMIS JOINT UNDERTAKING MODEL GRANT AGREEMENT

TABLE OF CONTENTS

- 1. INTERNATIONAL ORGANISATIONS (GENERAL RULE)2
- 2. LATE PAYMENT OF THE PRE-FINANCING.....3
- 3. BENEFICIARIES WITH FLAT RATE OVERHEADS OF LESS THAN 20%3
- 4. BENEFICIARIES WITH COSTS INCURRED IN RELATION TO THE PROJECT BUT NO JOINT UNDERTAKING CONTRIBUTION (E.G. USUALLY FROM THIRD COUNTRIES)3
- 5. THIRD PARTIES LINKED TO A BENEFICIARY [JOINT RESEARCH UNITS (UNITÉS MIXTES DE RECHERCHE, UNITÉS PROPRES DE RECHERCHE ETC.) EEIGS/ GROUPINGS/ AFFILIATES.....3

1. INTERNATIONAL ORGANISATIONS (general rule)

1. Arbitration

- a. Any dispute between the Joint Undertaking (“Party”) and (an) international organisation(s) (“Party”) acting as beneficiary(ies) (collectively referred to in this Article of the grant agreement as the “Parties”) relating to the grant agreement, which cannot be settled amicably shall be referred to an arbitration committee in accordance with the procedure specified below.
- b. When notifying the other Party of its intention to resort to arbitration, the notifying Party shall also inform the other Party of its appointed arbitrator. The second Party shall appoint its arbitrator within one month of that written notification.

The two arbitrators shall, by joint agreement and within three months of the appointment of the second Party’s arbitrator, appoint a third arbitrator who shall be the chairman of the arbitration committee, unless a sole arbitrator is agreed by both Parties.

- c. Within one month of the appointment of the third arbitrator, the Parties shall agree on the terms of reference of the arbitration committee, including the procedure to be followed.
- d. The arbitration proceedings shall take place in Brussels.
- e. The arbitration committee shall apply the terms of the *grant agreement*. The arbitration committee shall set out in the award the detailed grounds for its decision.
- f. The arbitral award shall be final and binding upon the Parties, who hereby expressly agree to renounce any form of appeal or revision.
- g. The costs, including all reasonable fees expended by the Parties to any arbitration hereunder, shall be apportioned between the Parties by the arbitration committee.

2. Certificates on the financial statements

With reference to Article IV.3.2, certificates on the financial statements to be provided by an *international organisation* may be established by its regular internal or external auditor, in accordance with its internal financial regulations and procedures.

3. Controls and audits

The competent bodies of the Joint Undertaking shall address any requests for controls or audits pursuant to the provisions of Article II.13, to the Director General of the international organisation.

The international organisation shall make available to the competent bodies of the Joint Undertaking, upon request, all relevant financial information, including statements of accounts concerning the action, where they are executed by the international organisation or by a subcontractor. In conformity with Article 248 of

the Treaty, the Financial Regulation of the European Union and the financial rules of the Joint Undertaking, the competent bodies of the Joint Undertaking and of the European Union may undertake, including on-the-spot checks related to the action financed by the Joint Undertaking.

Any control or audit shall be carried out on a confidential basis.

4. Governing law

Notwithstanding the law applicable on a subsidiary basis mentioned in Article 9 first paragraph, this grant agreement shall be governed on a subsidiary basis by [the law of (*insert law of an EU Member State or an EFTA country*)].

5. Privileges and immunities

Nothing in this *grant agreement* shall be interpreted as a waiver of any privileges or immunities accorded to [insert name of the International Organisation] by its constituent documents or international law.

2. LATE PAYMENT OF THE PRE-FINANCING

Notwithstanding the provisions of Article 6, the pre-financing shall be paid not earlier than 45 days before the start date of the project.

3. BENEFICIARIES WITH FLAT RATE OVERHEADS OF LESS THAN 20%

Notwithstanding the provisions of Articles IV.8, the percentage of overheads for beneficiary [name] is fixed at [x<20%] of the total direct eligible cost excluding its direct eligible costs for subcontracting and the costs of resources made available by third parties which are not used on the premises of the beneficiary.

4. BENEFICIARIES WITH COSTS INCURRED IN RELATION TO THE PROJECT BUT NO JU CONTRIBUTION (e.g. usually from third countries)

1. Costs incurred by the following beneficiary(ies) shall not be taken into consideration for determining the Joint Undertaking financial contribution:

---[name of beneficiary]

2. Articles II. 11, II.12, II.13, II.15 and Part B of Annex IV, and any other financial and payment provisions contained in the *grant agreement* do not apply to *beneficiary(ies)* mentioned in the previous paragraph. This(ese) *beneficiary(ies)* need not submit, in particular, the reports mentioned in Article IV.3.1 and IV.3.2 and [is] [are] not subject to financial audits and controls referred to in Article II.13.
3. When providing services or resources to another *beneficiary*, this(ese) *beneficiary(ies)* shall be considered as (a) third party(ies) for the purpose of the application of Article IV.2 paragraphs c) and d) or Article IV.1 paragraphs c) and d), as appropriate.

5. THIRD PARTIES LINKED TO A BENEFICIARY [Joint Research Units (Unités Mixtes de Recherche, unités propres de recherche etc.) EEIGs/ groupings/ affiliates]

1. The following third parties are linked to [name of the beneficiary]
--[name of the legal entity]
---[name of the legal entity]
2. This beneficiary may charge costs incurred by the above-mentioned third parties in carrying out the Project, in accordance with the provisions of the grant agreement. These contributions shall not be considered as receipts of the project.

The third parties shall identify the costs to the Project mutatis mutandis in accordance with the provisions of Annex IV of the grant agreement. Each third party shall charge its eligible costs in accordance with the principles established in Articles IV.7 and IV.8. The beneficiary shall provide to the Joint Undertaking:

- an individual financial statement from each third party in the format specified in Form C. These costs shall not be included in the beneficiary's Form C
- certificates on the financial statements from each third party in accordance with the relevant provisions of this grant agreement.
- a summary financial report consolidating the sum of the eligible costs borne by the third parties and the beneficiary, as stated in their individual financial statements, shall be appended to the beneficiary's Form C.

When submitting reports referred to in Articles II.3 and IV.3, the consortium and/or each beneficiary shall identify work performed and resources deployed by each third party linking it to the corresponding beneficiary.

3. The eligibility of the third parties' costs charged by the beneficiary is subject to controls and audits of the third parties, in accordance with Articles II.13 and 14.
4. The beneficiary shall retain sole responsibility towards the ARTEMIS Joint Undertaking and the other beneficiaries for the third parties linked to it. The beneficiary shall ensure that the third parties abide by the provisions of the grant agreement.