



GRANT AGREEMENT

Project with multiple beneficiaries under the ERASMUS+ Program¹

AGREEMENT NUMBER – 2018-1-HU01-KA203-047811

This Agreement ('the Agreement') is concluded between the following parties:

on the one part,

full official name of the NA: **Tempus Public Foundation**

official legal form: public foundation

official registration No: Főv. Bír. 12.Pk. 60 336/1996

official address in full: 1077 Budapest, Kéthly Anna tér 1

VAT number: 18154180-2-42,

The National Agency (hereinafter referred to as "the NA"), represented for the purposes of

signature of this Agreement by **Dr. Dezső Tamás president**, and acting under

delegation by the European Commission, hereinafter referred to as "the Commission",

and

on the other part,

'the coordinator'

full official name of the coordinator: **University of Pecs** (Pécsi Tudományegyetem)

[official registration No] [if applicable] FI58544

[official address in full]: 7622 Pecs, Vasvári Pál u. 4

[VAT number], [if applicable]: 18154180-2-43

PIC number: 999889872

Account number (IBAN²):

XXXXXXXXXXXXXXXXXXXXXXXXXXXX

¹http://eur-lex.europa.eu/legal-content/HU/TXT/HTML/?uri=OJ:JOC_2014_344_R_0010&from=EN

²The International Bank Account Number (IBAN) is a 28-digit account number, the first two characters of which are the country code of the bank (eg Hungary: HU), followed by a two-digit verification number followed by a 3 * 8 character. The international bank account number can be found on the bank statement, and the account management bank provides information. In the absence of an accurate IBAN account number, no foreign currency transfer can take place from 01.01.2007.

represented for the purposes of signature of this Agreement by **Dr. Attila Miseta Rector** and **Zoltán Jenei Chancellor**

and the other beneficiaries as set out in Annex II, duly represented for the signature of the Agreement by the coordinator by virtue of the mandate[s] included in Annex V Unless otherwise specified, references to ‘beneficiary’ and ‘beneficiaries’ include the coordinator.

The parties referred to above

HAVE AGREED

to the Special Conditions (‘**the Special Conditions**’) and the following **Annexes**:

Annex I	General conditions (‘the General Conditions’)
Annex II	Description of the Project [For Higher Education only in case of a valid consortium accreditation] and of the approved accreditation application for the mobility consortium; Estimated budget of the project; List of other beneficiaries
Annex III	Financial and contractual rules
Annex IV	Applicable rates
Annex V	Mandate[s] provided to the coordinator by the other beneficiary[ies] which form an integral part of the Agreement.
Annex VI	An original copy of a signature specimen issued by a notary public official of the Coordinator institution, not older than 30 days, or a copy of the signature of the official representative (s) previously signed by the notary and signed by an official seal (s) with a date less than 30 days.

The provisions in the Special Conditions of the Agreement take precedence over its Annexes

The provisions in Annex I ‘General Conditions’ take precedence over those in other Annexes. The provisions in Annex III take precedence over those in the other Annexes, except Annex I.

Within Annex II, the part on the Estimated budget takes precedence over the part on the Description of the project.

The Parties acknowledge and agree that the annexes to the Contract are still an integral part of this Support Agreement and are binding on the Parties if they are not physically attached to this Support Agreement.

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ARTICLE I.1 – SUBJECT MATTER OF THE AGREEMENT

I.1.1 The NA has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the Project *Curriculum Development of Human Clinical Trials for the Next Generation Biomedical Students* ("the Project") under the Erasmus+ Programme, Key Action 2: Strategic Partnerships, as described in Annex II.

I.1.2 By signing the Agreement, the beneficiaries accept the grant and agree to implement the Project, acting on their own responsibility.

I.1.3 The HEI beneficiaries will comply with the Erasmus Charter for Higher Education and the Higher Education National Mobility Consortium accreditation.

ARTICLE I.2 – ENTRY INTO FORCE AND IMPLEMENTATION PERIOD OF THE AGREEMENT

I.2.1 The Agreement enters into force on the date on which the last party signs it. The Parties agree, by mutual consent, that the Parties are mutually authorized and obliged by the date of receipt of the grant decision by the Beneficiary in the Call for Proposals and in the Beneficiary's application and all annexes, but the Parties agree to: \ t - from the date specified in Section I.2.2 of this Agreement, the provisions of this Agreement shall be binding as regards the cooperation, exercise of their rights and fulfillment of their obligations by the parties.

I.2.2 The Project runs for **32 months** starting on 31.12.2018 and finishing on 31.08.2021.

ARTICLE I.3 – MAXIMUM AMOUNT AND FORM OF THE GRANT

I.3.1 The maximum amount of the grant is **EUR 299 755**

I.3.2 The grant takes the form of unit contributions and reimbursement of eligible cost actually incurred, in accordance with the following provisions:

- (a) eligible costs as specified in Annex III;
- (b) estimated budget as specified in Annex II;
- (c) financial rules as specified in Annex III.

I.3.3 Budget transfers without amendment

The beneficiary is allowed to transfer funds between the different budget categories resulting in a change of the estimated budget and the related activities described in Annex II, without requesting an amendment of the Agreement as specified in Article II.13, under the conditions

that the Project is implemented in accordance with the approved project application and overall objectives described in Annex II, and the following specific rules are respected:

(a) The beneficiaries are allowed to transfer up to 20% of the funds allocated for each of the following budget categories: Project management and implementation, Transnational Project Meetings, Intellectual Outputs, Multiplier Events, Learning/teaching/training activities and Exceptional costs to any other budget 4 category with the exception of the budget categories Project management and implementation and Exceptional costs.

(b) Any budget transfer cannot result in an increase of more than 20% of the amount awarded to that budget category as specified in Annex II.

(c) The beneficiaries are allowed to transfer funds allocated for any budget category to the budget category Special needs support, even if no funds are allocated for Special needs support as specified in Annex II. In such case the maximum increase of 20% of the budget category Special needs support does not apply.

(d) By derogation to point (a) of the present Article, the beneficiaries are allowed to transfer funds allocated for any budget category except Special needs support to the budget category Exceptional costs covering financial guarantee or expensive travel costs, in so far as required by the NA in Article I.4.2 and even if no funds are allocated for Exceptional costs as specified in Annex II. In such case the maximum increase of 20% of the budget category Exceptional costs does not apply.

ARTICLE I.4 – REPORTING AND PAYMENT ARRANGEMENTS

The following reporting and payment provisions² apply:

I.4.1 Payments to be made

The NA must make the following payments to the coordinator:

- a first pre-financing payment;
- For projects between 25 and 36 months further pre-financing payment(s), on the basis of the request for further pre-financing payment referred to in Article I.4.3;
- one payment of the balance, on the basis of the request for payment of the balance referred to in Article I.4.4.

I.4.2 First pre-financing payment

The aim of the pre-financing is to provide the beneficiaries with a float. The pre-financing remains the property of the NA until the payment of the balance.

The NA must pay to the coordinator within 30 days following the entry into force of the Agreement a first pre-financing payment of 119 902 EUR corresponding to [40%] of the maximum grant amount specified in Article I.3.1.

I.4.3 Interim reports and further pre-financing payments

By 31/12/2019, the coordinator must complete a **progress report** on the implementation of the Project, covering the reporting period from the beginning of the implementation of the Project specified in Article I.2.2 to 31/10/2019

By 31/08/2020 or once at least 70% of the first pre-financing payment has been used to cover costs of the Project, the coordinator must complete an **interim report** on the implementation of the Project, covering the reporting period from 31/10/2019 to 30/06/2020.

In so far as the interim report demonstrates that the coordinator has used at least 70% of the amount of first pre-financing payment, the interim report must be considered as a request for a further pre-financing payment and must specify the amount requested up to EUR 119 902 corresponding to [40%] of the total maximum amount specified in Article I.3.1.

Where the interim report shows that less than 70% of the first pre-financing payment paid has been used to cover costs of the Project, the coordinator must submit a further interim report once at least 70 % of the amount of the first pre-financing payment has been used, which must be considered as a request for a further pre-financing payment and must specify the requested amount of EUR 119 902 corresponding to [40%] of the maximum amount specified in Article I.3.1.

Without prejudice to Articles II.24.1 and II.24.2 and following approval of the report by the NA, the NA must pay to the coordinator the further pre-financing payment within 60 calendar days on receipt of the interim report..

I.4.4 Final report and request for payment of the balance

Within 60 days after the end date of the Project specified in Article I.2.2, the coordinator must complete a final report on the implementation of the Project, and, when applicable, upload all project results in the Erasmus+ Project Results Platform as specified in article I.9.2. The report must contain the information needed to justify the contribution requested on the basis of unit contributions where the grant takes the form of the reimbursement of unit contribution or the eligible costs actually incurred in accordance with Annex III.

The final report is considered as the coordinator's request for payment of the balance of the grant.

The coordinator must certify that the information provided in the request for payment of the balance is full, reliable and true. It must also certify that the costs incurred can be considered eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27.

I.4.5 Payment of the balance

The payment of the balance reimburses or covers the remaining part of the eligible costs incurred by the beneficiaries for the implementation of the project.

The NA determines the amount due as the balance by deducting the total amount of pre-financing already made from the final amount of the grant determined in accordance with Article II.25.

If the total amount of earlier payments is greater than the final amount of the grant determined in accordance with Article II.25, the payment of the balance takes form of a recovery as provided for by Article II.26.

If the total amount of earlier payments is lower than the final amount of the grant determined in accordance with Article II.25, the NA must pay the balance within 60 calendar days from when it receives the documents referred to in Article I.4.4, except if Article II.24.1 or II.24.2 apply.

Payment is subject to the approval of the request for payment of the balance and of the accompanying documents. Their approval does not imply recognition of the compliance, authenticity, completeness or correctness of their content.

The amount to be paid may, however, be offset, without the coordinator's consent, against any other amount owed by the coordinator to the NA, up to the maximum contribution indicated for that coordinator, in the estimated budget in Annex II.

1.4.6 Notification of amounts due

The NA must send a *formal notification* to the coordinator:

- (a) informing it of the amount due; and
- (b) specifying whether the notification concerns a further pre-financing payment or the payment of the balance.

For the payment of the balance, the NA must also specify the final amount of the grant determined in accordance with Article II.25.

1.4.7 Payments from the NA to the coordinator

The NA must make payments to the coordinator.

Payments to the coordinator discharge the NA from its payment obligation.

1.4.8 Payments from the coordinator to the other beneficiaries

The coordinator must make all payments to the other beneficiaries by bank transfer and keep appropriate evidence of the amounts transferred to each beneficiary for any checks and audits as referred to in Article II.27.

1.4.9 Language of requests for payments and reports

All requests for payments and reports must be submitted in English or Hungarian.

1.4.10 Currency for requests for payments and conversion into euro

Request for payment must be drafted in EUR

Beneficiaries with general accounts in a currency other than the euro must convert costs incurred in another currency into euros at the average of the daily exchange rates published in the C series of the Official Journal of the European Union, determined over the corresponding reporting period. By way of derogation from Article II.17.6, costs incurred in other currencies are recalculated by the Beneficiaries at the monthly rate set by the European Commission for the month³ in which the first pre-financing amount is credited to the Coordinator's bank account. If I.4.2. This Article shall apply to any expenditure which, from the date on which the corresponding pre-financing installment is credited, shall be paid until the next pre-financing installment has been paid.

³ http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm

I.4.11 Currency for payments

The NA must make payments in EUR

I.4.12 Date of payment

Payments by the NA are considered to have been carried out on the date when they are debited to its account unless the national law provides otherwise.

I.4.13 Costs of payment transfers

Costs of the payment transfers are borne as follows:

- (a) the NA bears the costs of transfer charged by its bank;
- (b) the coordinator bears the costs of transfer charged by its bank;
- (c) the party causing a repetition of a transfer bears all costs of repeated transfers.

I.4.14 Interest on late payment

If the NA does not pay within the time limits for payment, the beneficiaries are entitled to late-payment interest. The interest payable is determined according to the provisions laid down in the national law applicable to the Agreement or in the rules of the NA. In the absence of such provisions, the interest payable is determined according with the rate applied by the European Central Bank for its main refinancing operations in euros ('the reference rate'), plus three and a half points. The reference rate is the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

If the NA suspends the time limit for payment as provided for in Article II.24.2 or if it suspends an actual payments as provided for in Article II.24.1, these actions may not be considered as cases of late payment.

Late-payment interest covers the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article I.4.12. The NA does not consider payable interest when determining the final amount of grant within the meaning of Article II.25.

As an exception to the first subparagraph, if the calculated interest is lower than or equal to EUR 200, it must be paid to the coordinator only if the coordinator requests it within two months of receiving late payment.

ARTICLE I.5 – BANK ACCOUNT FOR PAYMENTS

All payments must be made to the coordinator's bank account as indicated on the first page.

ARTICLE I.6 – DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES***I.6.1 Data controller***

The entity acting as a data controller according to Article II.7 is: XXXXXXXXXXXXXXXX

I.6.2 Communication details of the NA12

Any communication addressed to the NA must be sent by the coordinator to the following address:

XXXXXXXXXXXXXXXXXX
XXXXXXXXXXXXXXXXXX
E-mail cím: XXXXXXXXXXXXXXXX

1.6.3 Communication details of the beneficiaries¹³

Any communication from the NA to the beneficiaries must be sent to the coordinator at the following address:

Full name of the coordinator representative: XXXXXXXXXXXXXXXXXXXX
Function] international projectmanager
Name of the institution: University of Pecs Chancellery
Full official address] XXXXXXXXXXXXXXXXXXXXXXXX
E-mail address:XXXXXXXXXXXXX

Without prejudice to Article II.13, a change of the coordinator cannot be made.

ARTICLE I.7 – PROTECTION AND SAFETY OF PARTICIPANTS

The beneficiaries must have in place effective procedures and arrangements to provide for the safety and protection of the participants in their Project.

The beneficiaries must ensure that insurance coverage is provided to participants involved in mobility activities abroad.

ARTICLE I.8 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

In addition to the provision of Article II.9.3, if the beneficiaries produce educational materials under the scope of the Project, such materials must be made available through the Internet, free of charge and under open licenses⁴

ARTICLE I.9 – USE OF IT TOOLS

1.9.1 Mobility Tool+

The coordinator must make use of the web based Mobility Tool+ to record all information in relation to the activities undertaken under the Project, and to complete and submit the Progress Report, Interim report (if available in Mobility Tool+ and for the cases specified in article I.4.3) and Final report.

1.9.2 Erasmus+ Project Results Platform

The coordinator must input the deliverables of the Project in the Erasmus+ Project Results Platform (<http://ec.europa.eu/erasmus-plus/projects/>), in accordance with the instructions provided therein.

⁴ Open License - The way a product owner of a product gives permission for others to use the product. The permission applies to the products individually. Depending on the extent of the licenses and the restrictions imposed, there are a number of open use licenses and the Beneficiary is free to choose which product to license. An open license must be granted for each product manufactured. An open license does not constitute a transfer of copyright or intellectual property rights.

The approval of the final report will be subject to the upload of the Project deliverables in the Erasmus+ Project Results Platform by the time of its submission.

ARTICLE I.10 – ADDITIONAL PROVISIONS ON SUBCONTRACTING

By way of derogation to the provisions set out in Article II.11, the beneficiaries must not subcontract any activities funded from the budget category Intellectual outputs.

By way of derogation, the provisions set out in points (c) and (d) of Article II.11.1 are not applicable to any of the budget categories except Exceptional costs.

ARTICLE I.11 – SPECIAL PROVISIONS ON THE FINANCIAL RESPONSIBILITY FOR RECOVERIES

The financial responsibility of each beneficiary other than the coordinator is limited to the amount received by the beneficiary concerned.

ARTICLE I.12 – ADDITIONAL PROVISION ON THE VISIBILITY OF UNION FUNDING

Without prejudice to Article II.8, the beneficiaries must acknowledge the support received under the Erasmus+ programme in all communication and promotional material, including on websites and social media. The guidelines for the beneficiaries and other third parties are available at http://eacea.ec.europa.eu/about-eacea/visual-identity_en

ARTICLE I.13 - SUPPORT TO PARTICIPANTS

If, while implementing the Project, the beneficiaries have to give support to participants, the beneficiaries must give such support in accordance with the conditions specified in Annex II and Annex VI (if applicable). Under those conditions, the following information must be stated at least:

- (a) the maximum amount of financial support. This amount may not exceed EUR 60 000 for each participant;
- (b) the criteria for determining the exact amount of the support;
- (c) the activities for which the participant may receive support, on the basis of a fixed list;
- (d) the definition of the persons or categories of persons which may receive support;
- (e) the criteria for giving the support.]

The beneficiaries must:

– Either transfer the financial support for [NA to select the applicable budget categories depending on the Project:] the budget categories travel/individual support/ linguistic support in full to the participants of Transnational learning/teaching/training activities, applying the rates for unit contributions as specified in Annex IV;

– Or provide the support for [NA to select the applicable budget categories depending on the Project: the budget categories travel/individual support/ linguistic support to participants of Transnational learning/teaching/training activities in the form of provision of the required travel, subsistence and linguistic support services. In such case, the beneficiaries must ensure that the provision of travel, subsistence and linguistic support services will meet the necessary quality and safety standards.

The beneficiaries may combine the two options set out in the previous paragraph in so far as they ensure fair and equal treatment of all participants. In such case the conditions applicable to each option must be applied for the budget categories to which the respective option is applied.]

ARTICLE I.14 – ADDITIONAL PROVISION ON MONITORING AND EVALUATION

The NA and the Commission monitor the correct implementation of the Erasmus Charter for Higher Education and/or the consortium accreditation by the beneficiaries.

In case the monitoring reveals weaknesses, the beneficiary concerned must establish and implement an action plan within the timeframe specified by the NA or the Commission. In the absence of adequate and timely remedial actions by the beneficiary concerned, the NA may withdraw the consortium accreditation or recommend to the Commission to suspend or withdraw the Erasmus Charter for Higher Education in accordance with the provisions set in the consortium accreditation or Erasmus Charter for Higher Education respectively.

ARTICLE I.15 – BENEFICIARIES WHICH ARE INTERNATIONAL ORGANISATIONS⁵

NA to consult the Commission to check the arrangements in place for each type of international organisation in relation to EU funding

ARTICLE I.16 – ANY ADDITIONAL PROVISIONS REQUIRED BY THE NATIONAL LAW

1. CXVII. on the basis of the provisions of clause 4.7 / c) of Annex 1 of Act No 1 of the Act on the basis of which - upon fulfillment of all the conditions set out therein - scholarships paid to domestic and foreign individuals in the framework of international education, training, research and cultural mobility programs financed from the European Union and national budgets. , other benefits and benefits granted are exempt.

2. Beneficiaries undertake to carry out the activities under this Grant Agreement in accordance with the provisions of the legislation in force at all times.

ARTICLE I.17– SPECIFIC DEROGATIONS FROM ANNEX I GENERAL CONDITIONS

1. For the purposes of this Agreement, in Annex I General Conditions the term "the Commission" must be read as "the NA", the term "action" must be read as "project" and the term "unit cost" must be read as "unit contribution", except where otherwise provided.

For the purposes of this Agreement, in Annex I General Conditions the notion "financial statement" must be read as "the budgetary part of the report", except where otherwise provided.

In Article II.4.1, Article II.8.2, Article II.20.3, Article II.27.1, Article II.27.3, the first paragraph of Article II.27.4, first paragraph of Article II.27.8. and in the Article II.27.9 the reference to "the Commission" must be read as reference to "the NA and the Commission".

⁵ International organizations are international public-law bodies established by intergovernmental agreements and specialized agencies set up by such organizations; or non-profit organizations that have become an international organization on the basis of a Commission decision.

In Article II.12 the term "financial support" must be read as "support" and the term "third parties" must be read as "participants".

2. For the purposes of this Agreement, the following clauses of Annex I General Conditions are not applicable: Article II.2.2 (b) (ii), Article II.12.2, Article II.18.3, Article II.19.2, Article II.19.3, Article II.20.3, Article II.21, Article II.27.7.

For the purpose of this Agreement, the terms "*affiliated entities*", "*interim payment*", "*lump sum*", "*flat rate*" do not apply when mentioned in the General Conditions.

3. Article II.7.1 must be read as follows:

"II.7.1 Processing of personal data by the NA and the Commission

Any personal data included in the Agreement must be processed by the NA according to the provisions laid down in the national law.

Any personal data included in the Agreement or stored on the IT Tools provided by the European Commission must be processed by the NA pursuant to Regulation (EC) No 45/2001 and Regulation (EU) 2016/679 as from its entry into force on May 201816.

Such data must be processed by the data controller identified in Article I.6.1 solely for implementing, managing and monitoring the Agreement or to protect the financial interests of the EU, including checks, audits and investigations in accordance with Article II.27, without prejudice to possible transmission to the bodies charged with the monitoring or inspection tasks in application of national law applicable to the Agreement.

The beneficiaries have the right to access and correct their own personal data. For this purpose, they must send any queries about the processing of their personal data to the data controller identified in Article I.6.1.

The beneficiaries may have recourse at any time to the European Data Protection Supervisor."

4. In Article II.9.3, the title and letter (a) of the first paragraph must be read as follows:

"II.9.3 Rights of use of the results and of pre-existing rights by the NA and the Union

The beneficiaries grant the NA and the Union the following rights to use the results of the *project*:

- (a) for its own purposes and in particular to make available to persons working for the NA, Union institutions, agencies and bodies and to Member States' institutions, as well as to copy and reproduce in whole or in part and in an unlimited number of copies."

For the rest of this article, the references to the "Union" must be read as reference to "the NA and/or the Union".

5. The second paragraph of Article II.10.1 must be read as follows:

"The beneficiaries must ensure that the NA, the Commission, the European Court of Auditors and the European Anti-Fraud Office (OLAF) can exercise their rights under Article II.27 also towards the beneficiaries' contractors."

6. A new letter (j) is added to Article II.17.3.1 which reads:

"(j) if there is a complaint made by all other beneficiaries that the coordinator does not implement the Project as specified in Annex II or fails to comply with another substantial obligation incumbent on it under the terms of the Agreement."

7. Article II.18 must be read as follows:

II.18.1 The Agreement is governed by [*insert the national law of the NA*].

II.18.2 The competent court determined in accordance with the applicable national law has sole jurisdiction to hear any dispute between the NA and any beneficiary concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably.

8. Article II.19.1 must be read as follows:

"The conditions for the eligibility of costs are defined in section I.1 and II.1 of Annex III."

9. Article II.20.1 must be read as follows:

"The conditions for declaring costs and contributions are defined in section I.2 and II.2 of Annex III."

10. Article II.20.2 must be read as follows:

"The conditions for records and other documentation to support the costs and contributions declared are defined in section I.2 and II.2 of Annex III."

11. The first paragraph of Article II.22 must be read as follows:

"Beneficiaries are allowed to adjust the estimated budget set out in Annex II by transfers between the different budget categories, if the *project* is implemented as described in Annex II. This adjustment does not require an amendment of the Agreement as provided for in Article II.13, if the conditions provided for in Article I.3.3 are met."

12. Article II.23(b) must be read as follows:

"(b) still fails to submit such a request within further 30 calendar days following a written reminder sent by the NA."

13. The first paragraph of Article II.24.1.3 must be read as follows:

"During the period of suspension of payments the coordinator is not entitled to submit any requests for payments and supporting documents referred to in Articles I.4.3 and I.4.4".

14. Article II.25.1 must be read as follows:

" II.25.1 Step 1 — Application of the reimbursement rate to the eligible costs and addition of the unit contributions

This step is applied as follows:

(a) If, as provided for in Article I.3.2(a), the grant takes the form of the reimbursement of eligible costs, the reimbursement rate specified in section II.2 of Annex III is applied to the eligible costs of the *project* approved by the NA for the corresponding categories of costs and beneficiaries,;

(b) If, as provided for in Article I.3.2(b), the grant takes the form of a unit contribution, the unit contribution specified in Annex IV is multiplied by the actual number of units approved by the NA for the corresponding beneficiaries.

If Article I.3.2 provides for a combination of different forms of grant, the amounts obtained must be added together."

15. The second paragraph of Article II.25.4 must be read as follows:

"The amount of the reduction will be proportionate to the degree to which the *project* has been implemented improperly or to the seriousness of the breach, as provided for in section IV of Annex III."

16. The third paragraph of Article II.26.3 must be read as follows:

"If payment has not been made by the date specified in the debit note, the NA will recover the amount due:

(a) by offsetting it, without the beneficiary's prior consent, against any amounts owed to the beneficiary by the NA ('offsetting');

In exceptional circumstances, to safeguard the financial interests of the Union, the NA may offset before the due date.

An action may be brought against such offsetting before the competent court determined in Article II.18.2;

(b) by drawing on the financial guarantee where provided for in accordance with Article I.4.2 ('drawing on the financial guarantee');

(c) by holding the beneficiaries jointly and severally liable up to the maximum EU contribution indicated, for each beneficiary, in the estimated budget (Annex II as last amended);

(d) by taking legal action as provided for in Article II.18.2 or in the Special Conditions."

17. The third paragraph of Article II.27.2 must be read as follows:

The periods set out in the first and second subparagraphs are longer if a longer duration is required by national law, or if there are ongoing audits, appeals, litigation or pursuit of claims concerning the grant, including in the cases referred to in Article II.27.7. In the latter cases, the beneficiaries must keep the documents until such audits, appeals, litigation or pursuit of claims have been closed.

18. Article II.27.3 must be read as follows:

"Where a check, audit or evaluation is initiated before the payment of the balance, the coordinator must provide any information, including information in electronic format, requested by the NA or by the Commission or by any other outside body authorised by the NA. Where appropriate, the NA or the Commission may request that a beneficiary provides such information directly.

Where a check or audit is initiated after payment of the balance, the information referred to in the previous subparagraph must be provided by the beneficiary concerned.

If the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the NA may consider:

- (a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;
- (b) any unit contribution insufficiently substantiated by information provided by the beneficiary as undue."

The contract is made in two originals in Hungarian, of which 1 copy is for the Coordinator and 1 for the National Agency.

SIGNATURES

For the coordinator

Dr Miseta Attila
Rector

Jenei Zoltán
Chancellor

For the NA

Dr Dezső Tamás
President

Done at :17/12/2018

Done at: 19/12/2018