



ELE 2 – European Language Equality 2

THIRD PARTY AGREEMENT

for Provision of Financial Resources from the ELE 2 project to third party

Table of Contents

Table of Contents	1
1 Definitions	3
2 Subject	3
3 Duration	3
4 Financial Provisions	4
5 Organisation and Performance of the Work	5
6 Results	5
7 Dissemination	7
8 Confidentiality	7
9 Reports and Deliverables	8
10 Liability	9
11 Miscellaneous	9
12 Appendix 1 – Project proposal of the Third Party	12
13 Appendix 2 – Excerpts from the Grant Agreement – principal Terms and Conditions	13
14 Appendix 3 – Call Documentation	28

This Third Party Agreement, hereinafter the "Third Party Agreement", shall be valid from 1st January 2023 ("Effective Date").

BETWEEN:

Univerzita Karlova
Matematicko-fyzikální fakulta
IČ: 00216208
se sídlem: Ke Karlovu 2027/3, 121 16 Praha 2
(Charles University, (Constituent part) Faculty of Mathematics and Physics, a Czech Republic Company number 00216208, having its address at Ke Karlovu 2027/3, 12116 Praha 2, Czech Republic)
Represented by Assoc. Prof. Mirko Rokyta, CSc., acting as Dean

(hereinafter referred to as "Charles University");

and

imaxin|software
Factoria de Software e Multimedia, SL,
Tax Identity Number: B70001912
The Company's registered address is in Santiago de Compostela (A Coruña) [Spain], Rua Salgueiriños de Abaixo (D11), L6 (15891).
Deed executed on the fifteenth day of June, two thousand and five before Notary of Santiago de Compostela, Mr Enrique Roger Amat, under number 2357 of his protocol.
Represented by Diego Vázquez Rey
Bank Account (IBAN) : ES9301826022310101507769 y SWIFT BBVAESMMXXX

hereinafter referred to as "Third Party";

Hereinafter all contracting parties of this Agreement jointly or individually, referred to as "Parties" or "Party";

WHEREAS:

Together with other Beneficiaries, Charles University has been awarded a Grant Agreement by the European Commission (Funding Authority) agreement number LC-01884166 - project 101075356 entitled »ELE 2«, hereinafter referred to as the "Grant Agreement". From this Grant Agreement including its Annexes certain rights and obligations result between the Funding Authority, Charles University and the other ELE 2 project consortium members. The Grant Agreement states that third parties will be selected and financially supported for executing SRIA contribution projects.

Charles University is acting on behalf of the ELE 2 consortium. Charles University will provide financial support to the Third Party according to the provisions of the Grant Agreement for the Financial Support to Third Parties.

Under the Grant Agreement, the ELE 2 Beneficiaries are required to ensure that the ELE 2 Project is implemented in compliance with the provisions of the Grant Agreement; and the Parties shall comply with this in the implementation of their tasks. The ELE 2 Beneficiaries furthermore are entering into a Consortium Agreement by which they have obligations towards each other. The Third Party shall not do anything or omit to do anything which renders Charles University or the other ELE 2 project consortium members in breach of the Grant Agreement or the Consortium Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1 Definitions

Words beginning with a capital letter shall have the meaning defined either herein or in the Grant Agreement or Consortium Agreement, including their respective Appendixes.

2 Subject

2.1 The Third Party will perform the work as defined in this Third Party Agreement, the Grant Agreement, the Call Documentation (attached to this Third Party Agreement as Appendix 3) and Third Party's project proposal as finally agreed with the ELE 2 Consortium. The project proposal of the Third Party is attached to this Third Party Agreement as Appendix 1.

2.2 The Third Party shall be responsible for ensuring that the work is carried out and complies with accepted technical, scientific and professional standards, is undertaken by appropriate personnel and carried out in accordance with the schedule laid down in Article 3 and the financial provisions laid down in Article 4.

2.3 The Third Party assumes all responsibility towards Charles University and the ELE 2 Consortium for all tasks contracted to it by this Third Party Agreement and shall indemnify and hold harmless Charles University and the ELE 2 Consortium in case of breach of its obligations.

2.4 Additionally, the Third Party recognizes that Charles University and the other members of the ELE 2 project consortium are bound by certain obligations arising out of the Grant Agreement and the ELE 2 Consortium Agreement. Herewith, the Third Party agrees to comply with all obligations arising out of the Grant Agreement and the ELE 2 Consortium Agreement to the extent which can be justly demanded of the Third Party considering that the Third Party gets/got acquainted with the said agreements when concluding this Agreement.

2.5 The Third Party accepts the Terms and Conditions of the Grant Agreement and of the ELE 2 Consortium Agreement insofar as they relate to the tasks which are contracted to it hereby. The principal Terms and Conditions of the Grant Agreement are attached as Appendix 2 to this Third Party Agreement.

3 Duration

3.1 The ELE 2 Project started on 1 July 2022 with a duration of 12 months. This Third Party Agreement will be effective from the Effective Date first mentioned above and will be valid as long as the Grant Agreement. Should the period of validity of the Grant Agreement be amended, this Third Party Agreement shall be deemed automatically changed accordingly.

3.2 The Third Party(ies) shall commence to perform their activities according to Annex 1 on 1 January 2023 and shall have completed it no longer than after 3 months except as otherwise agreed in writing by the Parties. By that date, all results and reports shall have been delivered to Charles University.

3.3 The Third Party shall notify Charles University in writing without undue delay if it becomes apparent that it might be unable to keep the schedule.

3.4 Charles University can terminate this Agreement with immediate effect through written notice to the Third Party:

- if the Third Party is in breach of any of its material obligations under this Third Party Agreement, which breach is not remediable, or, if remediable, has not been remedied within thirty (30) days after written notice to that effect from Charles University,
- if, to the extent permitted by law, the Third Party is declared bankrupt, is being wound up, is having its affairs administered by the courts, has entered into an arrangement with its creditors, has suspended business activities, or is the subject of any other similar proceeding concerning those matters, or
- if the Third Party is subject to an event of Force Majeure (in accordance with how that term is defined under Article 51 of the Grant Agreement), which prevents the Third Party from correct performance of its obligations hereunder and such circumstances have lasted, or can reasonably be expected to last more than six (6) weeks.

4 Financial Provisions

4.1 The maximum grant amount is EUR 24402 and is set as a lump sum. The funding rate for costs is 90% of the eligible costs.

The financial support will be paid to the Third Party after completing all activities according to Appendix 1 and approval of the final report.

This payment will be made only if the project is executed accordingly and properly to the project proposal.

At the time a payment request is submitted, written documentation must be provided to Charles University for the completion and proper implementation of the project's corresponding deliverable and/or progress report as specified in Call Documentation and Project proposal.

4.2 Charles University is entitled to withhold any payments due to a Third Party

(a) identified by the members of the ELE 2 project consortium to be in breach of its obligations under this Agreement and its Appendices, or

(b) who has not yet signed this Third Party Agreement.

Charles University is entitled to recover any payments already paid to a defaulting Third Party.

Charles University is equally entitled to withhold payments to a Third Party when this is suggested by or agreed with the Funding Authority or if Charles University itself does not receive payment from the Funding Authority.

5 Organisation and Performance of the Work

5.1 Technical and Financial Responsibility

The Third Party shall provide all personnel, facilities, equipment and materials necessary for the proper performance of this Third Party Agreement and shall assume the technical and financial responsibility for the work specified in Appendix 1. The Third Party undertakes to indemnify Charles University and/or other members of ELE 2 project consortium against any failure on its part to discharge its aforementioned responsibilities.

5.2 Technical and Financial Control, Verification, Audits

The Third Party undertakes to supply Charles University and/or other members of the ELE 2 project consortium without delay with any information which the latter may justifiably request concerning the implementation of this Third Party Agreement. In particular, upon request the Third Party shall make available to Charles University, the other members of the ELE 2 project consortium and to their auditors the technical and financial documents verifying the costs and that the work is being or has been carried out. The Third Party acknowledges and accepts the rights of the Funding Authority relating to controls and audits laid down in Articles 25 and 26 of the Grant Agreement , as attached.

The Third Party undertakes to give the representatives of Charles University during standard business hours and upon prior notice reasonable access to the premises where the work is being carried out and to all documents concerning the work programme and/or necessary to verify the compliance with the obligations arising from this Third Party Agreement and of the Grant Agreement including its Annexes. Additionally, the Third Party acknowledges and accepts the rights of the EC, the European Anti-fraud Office (OLAF) and the Court of Auditors to exercise their powers of control on documents, information, even stored on electronic media, or on the Third Party's premises.

5.3 The Third Party fully accepts the provisions of Articles 12, 13, 17 and 33 of the Grant Agreement, as attached.

6 Results

6.1 Ownership of Results

Results are owned by the Party that generates them. Result(s) of the project are specified in the Project Proposal.

6.2 Joint ownership

Where Results are generated from work carried out jointly by the Parties to this Third Party Agreement or by the Third Party and ELE 2 project consortium member(s) and it is not possible to separate such joint invention, design or work for the purpose of applying for, obtaining and/or maintaining the relevant patent protection or any other intellectual property right, the Parties or the Third Party and the ELE 2 project consortium member(s) shall have joint ownership of this work. The joint owners shall, within a six (6) months period as from the date of the generation of such Results, establish a written separate joint ownership agreement regarding the allocation of ownership and terms of exercising, protecting, the division of related costs and exploiting such jointly owned Results on a case by case basis. However, until the time a joint ownership agreement has been concluded and as long as such rights are in force, such Results shall be jointly owned in shares according to their share of contribution (such share to be determined by taking into account in particular, but not limited to, the contribution of a joint owner to an inventive step, the person months or costs spent on the respective work etc.) to the Results by the joint owners concerned.

Unless otherwise agreed:

- each of the joint owners shall be entitled to use their jointly owned Results for non-commercial research activities on a royalty-free basis,

and

- each of the joint owners shall be entitled to otherwise exploit the jointly owned Results and to grant non-exclusive licenses to third parties (without any right to sub-license), if the other joint owners are given:

- (a) at least 45 calendar days advance notice; and

- (b) compensation under Fair and Reasonable conditions.

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

6.3 The Third Party shall use all reasonable endeavours to ensure the accuracy of all information and data provided by it to Charles University and/or the other members of the ELE 2 project consortium under this Third Party Agreement, whether they are Third Party Results or not and whether they are protected by intellectual property rights or not, and warrants its right to disclose such information. In the event of any error or omission in the Third Party Results being brought to the attention of the Third Party by Charles University or the other members of the ELE 2 project consortium, the Third Party undertakes to correct such error or rectify such omission promptly, during which time Charles University shall be entitled to withhold payment of any sums due to the Third Party.

The Third Party declares that it will take all necessary actions to ensure that the Results and any information provided by it under this Third Party Agreement shall not infringe the intellectual property rights of any third party.

7 Dissemination

The Third Party agrees that any dissemination activity by the Third Party (including publications, presentations etc.) other than specified in the project proposal is subject to the prior written approval of Charles University and the other members of the ELE 2 project consortium.

Charles University and the other members of the ELE 2 project consortium are entitled to include the main issues and information regarding the Third Party's work in their reporting towards the European Commission.

8 Confidentiality

All information in whatever form or mode of communication, which is disclosed by a Party (the "Disclosing Party") to any other Party (the "Recipient") in connection with this Third Party Agreement and the tasks of the Third Party and which has been explicitly marked as "confidential" at the time of disclosure, or when disclosed orally has been identified as confidential at the time of disclosure and has been confirmed and designated in writing within 15 calendar days from oral disclosure at the latest as confidential information by the Disclosing Party, is "Confidential Information".

The Recipients hereby undertake for a period of 4 years after the termination of this Third Party Agreement:

- not to use Confidential Information otherwise than for the purpose for which it was disclosed;
- not to disclose Confidential Information without the prior written consent by the Disclosing Party;
- to ensure that internal distribution of Confidential Information by a Recipient shall take place on a strict need-to-know basis; and
- to return to the Disclosing Party, or destroy, on request all Confidential Information that has been disclosed to the Recipients including all copies thereof and to delete all information stored in a machine readable form to the extent practically possible. The Recipients may keep a copy to the extent it is required to keep, archive or store such Confidential Information because of compliance with applicable laws and regulations or for the proof of on-going obligations provided that the Recipient comply with the confidentiality obligations herein contained with respect to such copy for as long as the copy is retained.

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

The above shall not apply for disclosure or use of Confidential Information, if and in so far as the Recipient can show that:

- the Confidential Information has become or becomes publicly available by means other than a breach of the Recipient's confidentiality obligations;
- the Disclosing Party subsequently informs the Recipient that the Confidential Information is no longer confidential;
- the Confidential Information is communicated to the Recipient without any obligation of confidentiality by a third party who is to the best knowledge of the Recipient in lawful possession thereof and under no obligation of confidentiality to the Disclosing Party;
- the disclosure or communication of the Confidential Information is foreseen by provisions of the Grant Agreement;
- the Confidential Information, at any time, was developed by the Recipient completely independently of any such disclosure by the Disclosing Party;
- the Confidential Information was already known to the Recipient prior to disclosure, or
- the Recipient is required to disclose the Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order. If a Party becomes aware that it will be required, or is likely to be required, to disclose Confidential Information in order to comply with applicable laws or regulations or with a court or administrative order, it shall, to the extent it is lawfully able to do so, prior to any such disclosure notify the Disclosing Party, and comply with the Disclosing Party's reasonable instructions to protect the confidentiality of the information.

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

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

The same obligations on confidentiality apply to the Third Party which is receiving Confidential Information by the other members of the ELG project consortium.

9 Reports and Deliverables

9.1 The Third Party agrees to submit final report to Charles University as specified in Call Documentation.

9.2 The contents and format of the final report required will be defined by Charles University.

10 Liability

10.1 Charles University's liability

The contractual liability of Charles University under this Third Party Agreement shall in any case be limited to the amount of the financial support provided or to be provided to the Third Party hereunder. Charles University shall not in any case be liable for any indirect or consequential damages such as:

- loss of profits, interest, savings, shelf-space, production and business opportunities;
- lost contracts, goodwill, and anticipated savings;
- loss of or damage to reputation or to data;
- costs of recall of products; or
- any other type of indirect, incidental, punitive, special or consequential loss or damage.

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

10.2 Liability between Third Party, Charles University and the other members of the ELE 2 project consortium

The Third Party shall fully and exclusively bear the risks in connection with the work provided by it and for which financial support is granted and forwarded by Charles University, in cases of wilful act or gross negligence. In such cases the Third Party shall indemnify Charles University and the other members of the ELE2 project consortium for all damages, penalties, costs and expenses which Charles University or the other members of the ELE2 project consortium as a result thereof would incur or have to pay to the European Commission or to any third parties with respect to the Third Party's work financially supported and/or for any damage in general which Charles University or the other members of the ELE 2 project consortium would incur as a result thereof.

In addition, should the European Commission have a right of recovery against Charles University regarding the financial support granted under this Third Party Agreement, the Third Party shall pay the sums in question in the terms and the date specified by Charles University.

Moreover, the Third Party shall indemnify and hold Charles University and the other members of the ELE 2 project consortium, their respective officers, directors, employees and agents harmless from and against all repayments, loss, liability, costs, charges, claims or damages that would result from or arise out of / resulting or arising out of (*v tomto druhém případě bez předešlého that*) any such recovery action by the European Commission.

11 Miscellaneous

11.1 Attachments, inconsistencies and severability

In case the terms of this Agreement are in conflict with the terms of the Grant Agreement, the terms of the latter shall prevail.

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

The Clauses 6, 7, 9, 11 remain valid also after expiration or termination of this Third Party Agreement.

11.2 No representation, partnership or agency

No Party shall be entitled to act or to make legally binding declarations on behalf of any other Party. Furthermore, a Third Party shall not be entitled to act or to make legally binding declarations on behalf of any of the ELE 2 project consortium members. Nothing in this Agreement shall be deemed to constitute a joint venture, agency, partnership, interest grouping or any other kind of formal business grouping or entity between the Parties.

11.3 Mandatory national law

Nothing in this Agreement shall be deemed to require a Party to breach any mandatory statutory law under which the Party is operating.

11.4 Language

This Agreement is drawn up in English, which language shall govern all documents, notices, meetings, arbitral proceedings and processes relative thereto.

11.5 Applicable law and settlement of disputes

Any matters not covered by this document will be governed by Czech law, in particular the provisions of the Civil Code, and any other applicable legislation in the European Union.

The Parties shall endeavour to settle their disputes amicably, if the Parties mutually agree, by mediation. If a amicably solution is not possible, then any and all disputes, claims or controversies arising under, out of or relating to this Agreement, shall be submitted exclusively to the competent court at the seat of Charles University unless the Grant Agreement or the Funding Authority provides otherwise.

Signatures

AS WITNESS:

The Parties have caused this Agreement to be duly signed by the undersigned authorised representatives.

Charles University on behalf of ELE 2 Project Consortium

Signature(s)

Name Assoc. Prof. Mirko Rokyta, CSc.

Title Dean of Faculty of Mathematics and Physics

Date

Third Party

Signature(s)

Name Diego Vázquez Rey

Title Joint and several director

Date 2022/12/22

12 Appendix 1 – Project proposal of the Third Party

13 Appendix 2 – Excerpts from the Grant Agreement – principal Terms and Conditions

In the following the relevant excerpts from the Grant Agreement are quoted.

ARTICLE 6 — ELIGIBLE AND INELIGIBLE COSTS AND CONTRIBUTIONS

In order to be eligible, costs and contributions must meet the **eligibility** conditions set out in this Article.

6.1 General eligibility conditions

The **general eligibility conditions** are the following:

(a) for actual costs:

(i) they must be actually incurred by the beneficiary

(ii) they must be incurred in the period set out in Article 4 (with the exception of costs relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)

(iii) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2

(iv) they must be incurred in connection with the action as described in Annex 1 and necessary for its implementation

(v) they must be identifiable and verifiable, in particular recorded in the beneficiary's accounts in accordance with the accounting standards applicable in the country where the beneficiary is established and with the beneficiary's usual cost accounting practices

(vi) they must comply with the applicable national law on taxes, labour and social security and

(vii) they must be reasonable, justified and must comply with the principle of sound financial management, in particular regarding economy and efficiency

(b) for unit costs or contributions (if any):

(i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2

(ii) the units must:

- be actually used or produced by the beneficiary in the period set out in Article 4 (with the exception of units relating to the submission of the final periodic report, which may be used or produced afterwards; see Article 21)

- be necessary for the implementation of the action and

(iii) the number of units must be identifiable and verifiable, in particular supported by records and documentation (see Article 20)

(c) for flat-rate costs or contributions (if any):

(i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2

(ii) the costs or contributions to which the flat-rate is applied must:

- be eligible

- relate to the period set out in Article 4 (with the exception of costs or contributions relating to the submission of the final periodic report, which may be incurred afterwards; see Article 21)

(d) for lump sum costs or contributions (if any):

(i) they must be declared under one of the budget categories set out in Article 6.2 and Annex 2

(ii) the work must be properly implemented by the beneficiary in accordance with Annex 1

(iii) the deliverables/outputs must be achieved in the period set out in Article 4 (with the exception of deliverables/outputs relating to the submission of the final periodic report, which may be achieved afterwards; see Article 21)

(e) for unit, flat-rate or lump sum costs or contributions according to usual cost accounting practices (if any):

(i) they must fulfil the general eligibility conditions for the type of cost concerned

(ii) the cost accounting practices must be applied in a consistent manner, based on objective criteria, regardless of the source of funding

(f) for financing not linked to costs (if any): the results must be achieved or the conditions must be fulfilled as described in Annex 1.

In addition, for direct cost categories (e.g. personnel, travel & subsistence, subcontracting and other direct costs) only costs that are *directly* linked to the action implementation and can therefore be attributed to it *directly* are eligible. They must not include any *indirect* costs (i.e. costs that are only indirectly linked to the action, e.g. via cost drivers).

6.2 Specific eligibility conditions for each budget category

For each budget category, the **specific eligibility conditions** are as follows:

Direct costs

A. Personnel costs

A.1 Costs for employees (or equivalent) are eligible as personnel costs, if they fulfil the general eligibility conditions and are related to personnel working for the beneficiary under an employment contract (or equivalent appointing act) and assigned to the action.

They must be limited to salaries, social security contributions, taxes and other costs linked to the remuneration, if they arise from national law or the employment contract (or equivalent appointing act) and be calculated on the basis of the costs actually incurred, in accordance with the following method:

{daily rate for the person

multiplied by

number of day-equivalents worked on the action (rounded up or down to the nearest half-day}).

The daily rate must be calculated as:

{annual personnel costs for the person

divided by

215}

The number of day-equivalents declared for a person must be identifiable and verifiable (see Article 20).

The total number of day-equivalents declared in EU grants, for a person for a year, cannot be higher than 215.

The personnel costs may also include supplementary payments for personnel assigned to the action (including payments on the basis of supplementary contracts regardless of their nature), if:

- it is part of the beneficiary's usual remuneration practices and is paid in a consistent manner whenever the same kind of work or expertise is required

- the criteria used to calculate the supplementary payments are objective and generally applied by the beneficiary, regardless of the source of funding used.

A.2 and A.3 Costs for natural persons working under a direct contract other than an employment contract and costs for **seconded persons by a third party against payment** are also eligible as personnel costs, if they are assigned to the action, fulfil the general eligibility conditions and:

(a) work under conditions similar to those of an employee (in particular regarding the way the work is organised, the tasks that are performed and the premises where they are performed) and

(b) the result of the work belongs to the beneficiary (unless agreed otherwise).

They must be calculated on the basis of a rate which corresponds to the costs actually incurred for the direct contract or secondment and must not be significantly different from those for personnel performing similar tasks under an employment contract with the beneficiary.

A.4 The work of **SME owners** for the action (i.e. owners of beneficiaries that are small and medium-sized enterprises¹ not receiving a salary) or **natural person beneficiaries** (i.e. beneficiaries that are natural persons not receiving a salary) may be declared as personnel costs, if they fulfil the general eligibility conditions and are calculated as unit costs in accordance with the method set out in Annex 2a.

B. Subcontracting costs

Subcontracting costs for the action (including related duties, taxes and charges, such as non-deductible or non-refundable value added tax (VAT)) are eligible, if they are calculated on the basis of the costs actually incurred, fulfil the general eligibility conditions and are awarded using the beneficiary's usual purchasing practices — provided these ensure subcontracts with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

Subcontracting may cover only a limited part of the action.

The tasks to be subcontracted and the estimated cost for each subcontract must be set out in Annex 1 and the total estimated costs of subcontracting per beneficiary must be set out in Annex 2 (or may be approved ex post in the periodic report, if the use of subcontracting does not entail changes to the Agreement which would call into question the decision awarding the grant or breach the principle of equal treatment of applicants; 'simplified approval procedure').

C. Purchase costs

Purchase costs for the action (including related duties, taxes and charges, such as non-deductible or non-refundable value added tax (VAT)) are eligible, if they fulfil the general eligibility conditions and are bought using the beneficiary's usual purchasing practices — provided these ensure purchases with best value for money (or if appropriate the lowest price) and that there is no conflict of interests (see Article 12).

Beneficiaries that are 'contracting authorities/entities' within the meaning of the EU Directives on public procurement must also comply with the applicable national law on public procurement.

¹ For the definition, see Commission Recommendation 2003/361/EC: micro, small or medium-sized enterprise (SME) are enterprises-- engaged in an economic activity, irrespective of their legal form (including, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity) and

- employing fewer than 250 persons (expressed in 'annual working units' as defined in Article 5 of the Recommendation) and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million.

C.1 Travel and subsistence

Purchases for **travel, accommodation and subsistence** must be calculated as follows:

- travel: as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary's usual practices on travel
- accommodation: as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary's usual practices on travel
- subsistence: as unit costs in accordance with the method set out in Annex 2a if covered by Decision C(2021)35 or otherwise as costs actually incurred and in line with the beneficiary's usual practices on travel.

C.2 Equipment

Purchases of **equipment, infrastructure or other assets** used for the action must be declared as depreciation costs, calculated on the basis of the costs actually incurred and written off in accordance with international accounting standards and the beneficiary's usual accounting practices.

Only the portion of the costs that corresponds to the rate of actual use for the action during the action duration can be taken into account.

Costs for **renting or leasing** equipment, infrastructure or other assets are also eligible, if they do not exceed the depreciation costs of similar equipment, infrastructure or assets and do not include any financing fees.

C.3 Other goods, works and services

Purchases of **other goods, works and services** must be calculated on the basis of the costs actually incurred.

Such goods, works and services include, for instance, consumables and supplies, promotion, dissemination, protection of results, translations, publications, certificates and financial guarantees, if required under the Agreement.

D. Other cost categories

D.1 Financial support to third parties

Costs for providing financial support to third parties (in the form of **grants, prizes** or similar forms of support; if any) are eligible, if and as declared eligible in the call conditions, if they fulfil the general eligibility conditions, are calculated on the basis of the costs actually incurred and the support is implemented in accordance with the conditions set out in Annex 1.

These conditions must ensure objective and transparent selection procedures and include at least the following:

- (a) for grants (or similar):

- (i) the maximum amount of financial support for each third party ('recipient'); this amount may not exceed the amount set out in the Data Sheet (see Point 3) or otherwise agreed with the granting authority
 - (ii) the criteria for calculating the exact amount of the financial support
 - (iii) the different types of activity that qualify for financial support, on the basis of a closed list
 - (iv) the persons or categories of persons that will be supported and
 - (v) the criteria and procedures for giving financial support
- (b) for prizes (or similar):
- (i) the eligibility and award criteria
 - (ii) the amount of the prize and
 - (iii) the payment arrangements.

Indirect costs

E. Indirect costs

Indirect costs will be reimbursed at the flat-rate of 7% of the eligible direct costs (categories A-D, except volunteers costs and exempted specific cost categories, if any).

Contributions

Not applicable

6.3 Ineligible costs and contributions

The following costs or contributions are **ineligible**:

- (a) costs or contributions that do not comply with the conditions set out above (Article 6.1 and 6.2), in particular:
 - (i) costs related to return on capital and dividends paid by a beneficiary
 - (ii) debt and debt service charges
 - (iii) provisions for future losses or debts
 - (iv) interest owed
 - (v) currency exchange losses
 - (vi) bank costs charged by the beneficiary's bank for transfers from the granting authority
 - (vii) excessive or reckless expenditure

- (viii) deductible or refundable VAT (including VAT paid by public bodies acting as public authority)
- (ix) costs incurred or contributions for activities implemented during grant agreement suspension (see Article 31)
- (x) in-kind contributions by third parties
- (b) costs or contributions declared under other EU grants (or grants awarded by an EU Member State, non-EU country or other body implementing the EU budget), except for the following cases:
 - (i) Synergy actions: not applicable
 - (ii) if the action grant is combined with an operating grant running during the same period and the beneficiary can demonstrate that the operating grant does not cover any (direct or indirect) costs of the action grant
- (c) costs or contributions for staff of a national (or regional/local) administration, for activities that are part of the administration's normal activities (i.e. not undertaken only because of the grant)
- (d) costs or contributions (especially travel and subsistence) for staff or representatives of EU institutions, bodies or agencies
- (e) other:
 - (i) country restrictions for eligible costs: not applicable
 - (ii) costs or contributions declared specifically ineligible in the call conditions.

6.4 Consequences of non-compliance

If a beneficiary declares costs or contributions that are ineligible, they will be rejected (see Article 27).

This may also lead to other measures described in Chapter 5.

ARTICLE 12 — CONFLICT OF INTERESTS

12.1 Conflict of interests

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

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

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

12.2 Consequences of non-compliance

If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32²).

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

ARTICLE 13 — CONFIDENTIALITY AND SECURITY

13.1 Sensitive information

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

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

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

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

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

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

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

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

The confidentiality obligations no longer apply if:

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

² Can be viewed in the full text of the Grant Agreement.

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

13.2 Classified information

The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/44418 and its implementing rules).

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

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

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

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

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

13.3 Consequences of non-compliance

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

Such breaches may also lead to other measures described in Chapter 5³.

ARTICLE 17 — COMMUNICATION, DISSEMINATION AND VISIBILITY

17.1 Communication — Dissemination — Promoting the action

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

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

17.2 Visibility — European flag and funding statement

Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU

³ Can be viewed in the full text of the Grant Agreement.

support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate):

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

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

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

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

17.3 Quality of information — Disclaimer

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

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

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

17.4 Specific communication, dissemination and visibility rules

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

17.5 Consequences of non-compliance

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

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

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

25.1 Granting authority checks, reviews and audits

25.1.1 Internal checks

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

25.1.2 Project reviews

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

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

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

The coordinator or beneficiary concerned must cooperate diligently and provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The granting authority may request beneficiaries to provide such information to it directly. Sensitive information and documents will be treated in accordance with Article 13.

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

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including to the outside experts) and must ensure that information requested is readily available.

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

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

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

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

25.1.3 Audits

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

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

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

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

For **on-the-spot** visits, the beneficiary concerned must allow access to sites and premises (including for the external audit firm) and must ensure that information requested is readily available.

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

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

The auditors will formally notify the draft audit report to the beneficiary concerned, which has 30 days from receiving notification to make observations (contradictory audit procedure).

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

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

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

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

25.3 Access to records for assessing simplified forms of funding

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

25.4 OLAF, EPPO and ECA audits and investigations

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

- the European Anti-Fraud Office (OLAF) under Regulations No 883/2013 and No 2185/96
- the European Public Prosecutor's Office (EPPO) under Regulation 2017/1939
- the European Court of Auditors (ECA) under Article 287 of the Treaty on the Functioning of the EU (TFEU) and Article 257 of EU Financial Regulation 2018/1046.

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

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

25.5 Consequences of checks, reviews, audits and investigations — Extension of findings

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

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

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

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

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

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

25.5.2 Extension from other grants

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

(a) the beneficiary concerned is found, in other EU grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and

(b) those findings are formally notified to the beneficiary concerned — together with the list of grants affected by the findings — within the time-limit for audits set out in the Data Sheet (see Point 6).

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

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

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

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

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

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

(ii) does not submit revised financial statements.

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

- (a) an invitation to submit observations on the list of grants affected by the findings and
- (b) the **correction rate for extrapolation**, established on the basis of the systemic or recurrent errors and the principle of proportionality.

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

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

25.6 Consequences of non-compliance

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

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

ARTICLE 26 — IMPACT EVALUATIONS

26.1 Impact evaluation

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

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

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

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

26.2 Consequences of non-compliance

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

ARTICLE 33 — DAMAGES

33.1 Liability of the granting authority

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

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

33.2 Liability of the beneficiaries

The beneficiaries must compensate the granting authority for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Agreement, if it was caused by gross negligence or wilful act.

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

14 Appendix 3 – Call Documentation

Available at ELE 2 website: <https://european-language-equality.eu/open-call/>