



Clean Sky

JOINT UNDERTAKING

H2020 FRAMEWORK PROGRAMME

Title: More electric, advanced hydromechanics propeller control components

PROPCONEL

Internal Consortium Agreement

Version: 1 draft

Date: 1 April 2016

Table of Contents

Section 1: Definitions.....	6
1.1 Definitions	6
1.2 Additional Definitions.....	6
Section 2: Purpose.....	7
Section 3: Entry into force, duration and termination	7
3.1 Entry into force.....	7
3.2 Duration and termination.....	7
3.3 Survival of rights and obligations.....	7
Section 4: Responsibilities of Parties.....	8
4.1 General principles	8
4.2 Termination of the participation of a party in the Project (Breach)	8
4.3 Involvement of third parties	8
Section 5: Liability towards each other	8
5.1 No warranties.....	8
5.2 Limitations of contractual liability	9
5.3 Damage caused to third parties.....	9
5.4 Force Majeure.....	9
Section 6: Project and Governance structure	9
6.1 Project organization	9
6.1.1 Project Implementation – Division of tasks	9
6.2 General governance structure.....	11
6.3 Description of Consortium Bodies	11
6.3.1 Coordinator	11
6.3.2 Steering Committee	12
6.3.3 Project Management Committee	14
6.3.4 Work Packages and WP Leaders.....	15
6.3.5 Exploitation and Dissemination Manager	16
6.3.6 Meetings with CSJU representatives and CS2 members	16
6.4 Veto rights.....	16
Section 7: Financial provisions	16
7.1 General Principles.....	16
7.1.1 Distribution of Financial Contribution.....	16
7.1.2 Justifying Costs.....	17
7.1.3 Funding Principles.....	17

7.1.3	Funding Principles.....	17
7.1.4	Financial Consequences of the termination of the participation of a Party.....	17
7.2	Budgeting.....	17
7.3	Payments of the financial contribution.....	17
7.3.1	Payments to Parties.....	17
7.3.2	Payment schedule.....	18
Section 8:	Results.....	18
8.1	Joint ownership.....	18
8.2	Transfer of Results.....	18
8.3	Dissemination of Results.....	19
8.3.1	Publication.....	19
8.3.2	Publication of another Party's Results or Background.....	19
8.3.3	Cooperation obligations.....	19
8.3.4	Use of names, logos or trademarks.....	19
Section 9:	Access Rights.....	19
9.1	Background covered.....	19
9.2	General Principles.....	20
9.3	Access Rights for implementation.....	20
9.4	Access Rights for Exploitation.....	20
9.5	Access Rights for Affiliated Entities.....	20
9.6	Additional Access Rights.....	21
9.7	Access Rights for Parties entering or leaving the Consortium.....	21
9.7.1	New Parties entering the Consortium.....	21
9.7.2	Parties leaving the Consortium.....	21
9.8	Specific Provisions for Access Rights to Software.....	22
9.9	Ownership and use of materials or equipment.....	22
Section 10:	Non-disclosure of information.....	22
Section 11:	Miscellaneous.....	23
11.1	Attachments, inconsistencies and severability.....	23
11.2	No representation, partnership or agency.....	24
11.3	Notices and other communication.....	24
11.4	Assignment and amendments.....	24
11.5	Mandatory national law.....	24
11.6	Language.....	24
11.7	Applicable law.....	25
11.8	Settlement of disputes.....	25

Section 12: Signatures	25
Attachment 1: Background included	28
Attachment 2: Accession document	29
Attachment 3: Listed Affiliated Entities	30
Attachment 4: List of Third Parties.....	31
Attachment 5: Agreement for the loan of material or equipment.....	32
Attachment 6: Register of Changes.....	34

(1) Vědecký ústav AVČR, having its registered office at Štefánikova 175, 302 32 Vodňany, Czech Republic, the Coordinator

and

(2) Vědecký ústav AVČR, ústav (VZU), having its registered office at Štefánikova 131, 199 05 Praha-Libuš, Czech Republic

hereinafter jointly or individually referred to as "Parties" or "Party"

relating to the Project entitled

State electric, advanced hydro-mechanics propeller control components

in short

PROPCOREL

hereinafter referred to as "Project".

The Parties, having considerable experience in the field concerned, have in answer to the call of the CSJU submitted a proposal.

The Parties hereby wish to specify or supplement binding commitments among themselves in addition to the provisions of the relevant CSJU Grant Agreement on the terms and conditions of this Consortium Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

THIS CONSORTIUM AGREEMENT is based upon

REGULATION (EC) No 1290/2013 of the European Parliament and of the Council of 11 December 2013 laying down the rules for participation and dissemination in "Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020)"

BETWEEN:

(1) Jihostroj a.s. (JSV), having its registered office at Budějovická 148, 382 32 Velešín, Czech Republic, **the Coordinator**

and

(2) Výzkumný a zkušební letecký ústav, a.s. (VZLU), having its registered office at Beranových 130, 199 05 Praha-Letňany, Czech Republic

hereinafter jointly or individually, referred to as "Parties" or "Party"

relating to the Project entitled

More electric, advanced hydromechanics propeller control components

in short

PROPCONEL

hereinafter referred to as "Project".

The Parties, having considerable experience in the field concerned, have in answer to the call of the CSJU submitted a proposal.

The Parties hereby wish to specify or supplement binding commitments among themselves in addition to the provisions of the relevant CSJU Grant Agreement on the terms and conditions of this Consortium Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

Section 1: Definitions

1.1 Definitions

Words beginning with a capital letter shall have the meaning defined either herein or in the Rules for Participation for Horizon 2020 or in the Grant Agreement including its Annexes without the need to replicate said terms herein.

1.2 Additional Definitions

"Consortium Agreement"

Consortium Agreement means this document and its attachments, including any amendments thereto as well as any other document incorporated therein by reference, which are integral parts of this Consortium Agreement. Further referred to as "*the CA*".

"Consortium Plan"

Consortium Plan means the more detailed description of the work and the related agreed Consortium Budget, including the payment schedule, as updated and approved by the Steering Committee, the initial version might be included as Attachment 7 to this Agreement.

"Consortium Budget"

Consortium Budget means the allocation of all the resources in cash or in kind for the activities as defined in Annex I of the Grant Agreement and in the Consortium Plan thereafter.

"Defaulting Party"

Defaulting Party means a Party which the Steering Committee has identified to be in breach of this Consortium Agreement and/or the Grant Agreement as specified in Section 4.2 of this Consortium Agreement.

"Effective Date"

Effective Date means the date of signature of the Consortium Agreement by the last Party.

"Needed" means:

For the implementation of the Project:

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

For Use of own Results:

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

"Software"

Software means sequences of instructions to carry out a process in, or convertible into, a form executable by a computer and fixed in any tangible medium of expression.

"Implementation Agreement", further referred to as "*the IA*". The agreement concluded between the Consortium and the partner of ITD/IADP of the Clean Sky2.

"Grant Agreement", further referred to as "*the GA*". The agreement concluded between the Consortium and the Joint Undertaking managing and administrating the Clean Sky 2.

Section 2: Purpose

The purpose of this Consortium Agreement is to specify with respect to the Project the relationship among the Parties, in particular concerning the organisation of the work between the Parties, the management of the Project and the rights and obligations of the Parties concerning inter alia liability, Access Rights and dispute resolution.

Section 3: Entry into force, duration and termination

3.1 Entry into force

This Consortium Agreement will enter into force on the date of its signing by both parties and into the efficiency on the date of publication in the register of contracts.

VZLU as the obliged entity pursuant to Czech Act No. 340/2015 Coll., on special conditions for the effectiveness of certain contracts, the publication of these contracts and on the Contracts Register (Act on Contracts Register) will therefore without undue delay after signing of this Consortium Agreement by both parties and in accordance with the Act of Contracts Register submit the Consortium Agreement to register of contracts for publication.

An entity becomes a Party to this Consortium Agreement upon signature of this Consortium Agreement by a duly authorised representative. A new Party enters the Consortium, subject to the approval of the Steering Committee, upon signature of the accession document Attachment 2 by the new Party and the Coordinator. Such accession shall have effect from the date identified in the accession document, but not earlier than the date of publication of the Accession document in the register of contracts.

3.2 Duration and termination

This Consortium Agreement shall continue in full force and effect until complete fulfilment of all obligations undertaken by the Parties under the Grant Agreement and under this Consortium Agreement.

However, this Consortium Agreement or the participation of one or more Parties to it may be terminated in accordance with the terms of this Consortium Agreement and the Grant Agreement.

If the Grant Agreement is not signed by the Funding Authority or a Party, or is terminated, or if a Party's participation in the Grant Agreement is terminated, this Consortium Agreement shall automatically terminate in respect of the affected Party/Parties, subject to the provisions surviving the expiration or termination under Section 3.3 of this Consortium Agreement.

For the application of the confidentiality obligations of Section 10, the Coordinator shall notify the other Parties with the date to be considered by the Parties as the date of end of the Project.

3.3 Survival of rights and obligations

The provisions relating to Access Rights and Confidentiality, for the time period mentioned therein, as well as for Liability, Applicable law and Settlement of disputes shall survive the expiration or termination of this Consortium Agreement as agreed in respective articles.

Termination shall not affect any rights or obligations of a Party leaving the Consortium incurred prior to the date of termination, unless otherwise agreed between the Steering Committee and

leaving Party. This includes the obligation to provide all input, deliverables and documents for the period of its participation.

Section 4: Responsibilities of Parties

4.1 General principles

Each Party undertakes to take part in the efficient implementation of the Project, and to cooperate, perform and fulfil, promptly and on time, all of its obligations under the Grant Agreement, Implementation Agreement and this Consortium Agreement as may be reasonably required from it and in a manner of good faith.

Each Party undertakes to notify promptly, in accordance with the governance structure of the Project, any significant information, fact, problem or delay likely to affect the Project.

Each Party shall promptly provide all information reasonably required by a Consortium Body or by the Coordinator to carry out its tasks.

Each Party shall take reasonable measures to ensure the accuracy of any information or materials it supplies to the other Parties.

4.2 Termination of the participation of a party in the Project (Breach)

In the event one of the Consortium Bodies identifies a breach by a Party of its obligations under this Consortium Agreement, Implementation Agreement or the Grant Agreement (e.g.: a partner producing poor quality work), the Coordinator or the Party appointed by the Steering Committee if the Coordinator is in breach of its obligations under this Consortium Agreement or the Grant Agreement, will give written notice to such Party requiring that such breach be remedied within thirty (30) calendar days.

If such breach is substantial and is not remedied within that period or is not capable of remedy, the Steering Committee may decide to declare the Party to be a Defaulting Party and to decide on the consequences thereof which may include termination of its participation.

4.3 Involvement of third parties

A Party that enters into a subcontract or otherwise involves third parties in the Project remains solely responsible for carrying out its relevant part of the Project and for such third party's compliance with the provisions of this Consortium Agreement and of the Grant Agreement. It has to ensure that the involvement of third parties does not affect the rights and obligations of the other Parties under this Consortium Agreement, Implementation Agreement and the Grant Agreement.

Section 5: Liability towards each other

Each Party undertakes to perform its work at its own risk and under its sole liability and shall support all consequences in compliance with the provisions hereunder.

5.1 No warranties

In respect of any information or materials (incl. Results and Background) supplied by one Party to another under the Project, no warranty or representation of any kind is made, given or implied

to the sufficiency or fitness for purpose nor as to the absence of any infringement of any proprietary rights of third parties.

Therefore,

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

5.2 Limitations of contractual liability

No Party shall be responsible to any other Party for any indirect or consequential loss or similar damage such as, but not limited to, loss of profit, loss of revenue or loss of contracts, provided such damage was not caused by a wilful act or by a breach of confidentiality.

A Party's aggregate liability towards the other Parties collectively shall be limited once the Party's share of the total costs of the Project. Nevertheless, in the case of loan or bail of material and/or equipment between Parties for the performance of the Project an agreement based on the model set forth in Attachment 5 shall be entered into between the said Parties and may be amended to contain specific conditions regarding liabilities.

The limitations of liability stated above shall not apply in the case of damage caused by a wilful act, gross negligence, or injury or death of a person.

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

5.3 Damage caused to third parties

Each Party shall be solely liable for any loss, damage or injury to third parties to the extent resulting from the performance of the said Party's obligations by it or on its behalf under this Consortium Agreement or from its use of Results or Background.

5.4 Force Majeure

No Party shall be considered to be in breach of this Consortium Agreement if such breach is caused by Force Majeure. Each Party will notify the competent Consortium Bodies of any Force Majeure without undue delay. If the consequences of Force Majeure for the Project are not overcome within 6 weeks after such notification, the transfer of tasks - if any - shall be decided by the competent Consortium Bodies.

Section 6: Project and Governance structure

6.1 Project organization

6.1.1 Project Implementation – Division of work

The work of the project is split into eight technical Work Packages (WPs) led by the WP leaders allocated among the Parties. Each WP is subdivided into particular tasks.

The work content and timing of WPs and tasks as well as responsibilities assigned to each party are described in the GA.

For more detail information about timing of WPs, tasks and work content may be described in the Work Plan approved by the Steering Committee. Changes to the Work Plan, this CA, the GA or IA are subject of approval by the Steering Committee.

6.1.2 Managing user rights on the Participant Portal

All documents related to the project are managed through the electronic exchange system - the Participant Portal. Each Party shall appoint people for the following roles:

The Coordinator – shall appoint at least Legal Entity Appointed Representative (LEAR), Primary Coordinator Contact (PCoCo), Coordinator Contact (CoCo), Project Legal Signatory (PLSIGN) and Project Financial Signatory (PFSIGN).

Other Parties – shall appoint Participant Contact (PaCo), Project Legal Signatory (PLSIGN) and Project Financial Signatory (PFSIGN).

LEAR is the main administrative contact between a Party and the Commission. LEAR is appointed by the authorised representative of the Party.

LEAR has the following responsibilities:

- view Party's legal and financial data in the 'Beneficiary Register' in the 'My Area' Section of the Participant Portal — the EU's dedicated (secure) website for funding;
- ask the Commission to validate updates of this information where necessary including the change of LEAR;
- monitor whether or not this information is validated by the Commission, and when;
- view and download all documents related to organisation's legal and financial data and Horizon 2020 status;
- can delegate his/her tasks to an 'Account Administrators' (without the right to delegate further);
- has an overview of all the projects and proposals the organisation is involved in, and the role colleagues have in those projects
- can assign 'Legal Signatories' (LSIGN) and 'Financial Signatories' (FSIGN) roles to users in his/her organisation and keep these lists - at all times - up-to-date

Primary Coordinator Contact (PCoCo) is nominated for each project as the main contact point between the consortium and the Commission for a particular Project. The PCoCo submits requests, reports and notifications to the Commission on behalf of the Consortium. There can only be one PCoCo per Project.

The PCoCo nominates or revokes an unlimited number of **Coordinator Contacts (CoCos)**, who have the same rights - except the right to revoke the PCoCo.

All Coordinator Contacts can:

- nominate/ revoke Participant Contacts for other Parties in the consortium;
- nominate/ revoke Task Managers and Team Members in their own organisation;
- assign Legal and Financial Signatories in their organisation to their projects;
- make changes to project documents on the Participant Portal;
- submit proposals and project documents to the Commission.

CoCo and CoCo have the right to read, write and submit all documents concerning the Project and the consortium to EC.

Participant Contact (PaCo) is a representative of a Party in the consortium that is not the coordinating Party. A Party can have an unlimited number of PaCos per project, and each will be able to:

- nominate/revoke other PaCos in their organisation;
- assign Legal and Financial Signatories in their organisation to their projects;
- read, write and submit own documents (except financial documents) to the Coordinator;
- nominate/revoke Task Managers and Team Members in their own organisation;
- make changes to project documents on the Participant Portal;
- submit information directly to the Commission (if laid down in the Grant Agreement).

Task Manager (TaMa) performs some restricted actions like creating, updating and uploading documents about Party's participation, completing, modifying and deleting project information. A Party can have an unlimited number of TaMas per project. They cannot nominate or revoke anybody and submit information to the Coordinator or Commission.

Project Legal Signatory (PLSIGN) has the right to sign grant agreements and amendments on behalf of the Party. A Party can have one or more LSiGNs per project.

Project Financial Signatory (PFSIGN) has the right to read, write, submit and sign financial statements (Forms C) for Project on behalf of the Party managed through the Participant Portal. A Party can have an unlimited number of FSIGNs per project.

All roles, responsibilities and access rights are described in detail in the Participant Portal H2020 Online Manual.

If a person representing a LEAR role or PCoCo role leaves a Party or is revoked a Party must appoint a new LEAR or PCoCo according to the instructions in the Participant Portal H2020 Online Manual. Appointment of a new LEAR has to be validated by the Validation Services of the EC. Changes in the email address need to be reported to the Validation Services through electronic exchange system.

Appointment of other Project or organisation roles is the responsibility of each Party.

6.2 General governance structure

The governance structure of the Consortium shall comprise the following Consortium Bodies:

The Coordinator will serve as a project manager.

The Steering Committee (SC) is the highest project authority.

The Project Management Committee (PMC) consists of the Coordinator and all Work Package leaders.

Work Package Leaders are responsible for workflow, coordination, timeliness, deliverables and results of their WP.

The Consortium Bodies become operational on the Effective Date.

6.3 Description of Consortium Bodies

6.3.1 Coordinator

The Coordinator serves as a project manager, i.e. he is responsible both for the technical and financial management as well as representation in relation with the EC/CS2 JU.

Main responsibilities of the coordinator are:

- Monitoring compliance by the Parties with their obligations; in particular and to the extent possible informing the concerned Party about any cases of non-compliance with provisions of the Grant Agreement.
- Keeping the address list of members and other contact persons updated and available;
- Collecting, reviewing and submitting information on the progress of the Project and reports and other deliverables (including financial statements and related certification) to the JU or the EC;
- Preparing the meetings, proposing decisions and preparing the agenda of Steering Committee meetings and PMC meetings, chairing the meetings, preparing the minutes of the meetings and monitoring the implementation of decisions taken at meetings;
- Transmitting documents and information connected with the Project, including copies of Accession documents and changes of contact information to the Parties;
- Defining and handling of confidential information;
- Publications of results and dissemination issues in agreement with the parties;
- Administering the Community financial contribution and fulfilling the financial tasks described in Section 7.1.1 and 7.3 below;
- Providing, upon request, the Parties with official copies or originals of documents which are in the sole possession of the Coordinator when such copies or originals are necessary for the Parties to present claims;
- Receiving and submitting requests for amendments and termination at the initiative of the Consortium in accordance with the Grant Agreement.
- Approving the budget changes among cost categories and budget redistribution among parties, except for a transfer of tasks between partners, where the contract amendment is usually required.

If the Coordinator fails in its coordination tasks, the Steering Committee may propose to the Commission to change the Coordinator through a vote in a meeting or by consents of the Parties. Decisions shall be taken unanimously by all of the Parties.

The Coordinator shall not be entitled to act or to make legally binding declarations on behalf of any other Party.

The Coordinator shall not enlarge its role beyond the tasks specified in this Consortium Agreement and in the Grant Agreement.

The level of details regarding information requested by the Coordinator for the management of the Project and the frequency for providing such information beyond the reporting periods set in the Grant Agreement shall prior be agreed by the Steering Committee. A reasonable frequency for such submission should not be more than twice a year and should only contain estimated data.

The Coordinator shall provide evidence of any particular European Commission request for information to a Party. In the event such a request concerns a piece of information that the Party considers as sensitive said Party may elect to directly provide the information to the European Commission and will inform the Coordinator of such communication.

6.3.2 Steering Committee

The Steering Committee is the ultimate decision-making body of the consortium and is in charge of the overall supervision and major decisions with regard to the Project. The Steering committee shall be advised by recommendations made to it by the Project management Committee.

Steering Committee has no competence to take decisions concerning the internal sovereignty and independence of the Parties.

The Steering Committee consists of three members, two appointed representatives of PROPCONEL participants and the Coordinator.

The SC shall in particular be responsible for approval of:

- Proposals for changes of the GA or the IA;
- Proposal of the Parties for changes of this CA;
- Entry of a new Party to the Consortium and approval of the settlement on the conditions of the accession of such a new Party;
- Withdrawal of a Party from the Consortium and the approval of the settlement on the conditions of the withdrawal;
- Termination of a Defaulting Party's participation in the Consortium and measures relating thereto;
- Proposal to the JU for a change of the Coordinator;
- Proposal to the JU for termination of the Project and the Consortium Agreement.

Decisions concerning individual partners (default or acceding or leaving the consortium) can only be taken unanimously. All decisions of the Steering committee are taken unanimously.

The Coordinator shall call and chair all meetings of the Steering Committee.

The Coordinator shall give each of the Parties at least thirty (30) calendar days' notice in writing of such meetings or fifteen (15) calendar days' notice in case of an extraordinary meeting, along with an agenda.

Each Party shall have one vote. Should a member not be able to attend a meeting, it shall appoint a substitute to attend and vote on its behalf.

This substitute may be the Steering Committee member of another Party. Any substitute will have to justify its appointment as a substitute by written evidence, to be distributed to the Coordinator in advance of the meeting.

Any decision requiring a vote at a Steering Committee meeting must be identified as such on the invitation.

Should a Party suggest adding a discussion/decision to the proposed agenda, it shall do so in writing to all other Parties at least seven (7) calendar days prior to the meeting date.

However, any decision required or permitted to be taken by the Steering Committee may be adopted:

- i. In meetings including meetings held via teleconference or videoconference.
- ii. Without a meeting, through circulation among the Parties of a written document setting forth the decision to be voted which must be returned within fifteen (15) calendar days to the Coordinator, duly signed and with their votes indicated in relation thereof. In such a case, the Coordinator shall draft the minutes to formalize in writing the decisions taken, taking into account the documents returned and the votes accounted for in accordance with the rules below mentioned in the same paragraph and shall dispatch them to all Parties within fifteen calendar days of the expiration date of the above fifteen (15) days.

The Coordinator shall draft the minutes of each meeting to formalize in writing all decisions taken and shall dispatch them to all Parties within fifteen (15) calendar days of a meeting.

All the minutes (including those drafted without meeting as above mentioned) shall be considered as accepted by the Parties if, within fifteen (15) calendar days from receipt thereof, no Party has objected in writing to the Coordinator, provided that objection shall be either on

formalization or on a decision that was not part of the agenda and which was not accepted by all Parties.

6.3.3 Project Management Committee

The Project Management Committee consists of the Coordinator and all Work Package (WP) leaders. The PMC will communicate quite frequently using teleconferences, incl. interactive Webex meetings. Beside virtual meetings, the project meetings with real presence of participants will be organized once a year or "ad hoc" according to actual needs.

Main PMC objectives will be to assure project coordination among WPs in the following matters:

- Technical coordination on the WP level – work content, timing, responsibilities, capacities;
- Monitor and assess quality of work on the WP level;
- Identification of risks (technical, capacity, financial etc.) and proposals for solutions and assignment of action items;
- Harmonization of work among WPs;
- Suggestion for budget and workshare redistribution in order to optimize resources and project work flow;
- Contribution to the exploitation and dissemination plan.
- Declaration of a Party to be a Defaulting Party; defining remedies to be performed by a Defaulting Party;
- Making proposals to the Steering Committee for any changes related to CA and the IA.
- Contributing to the IPR and access rights problem solution together with the Exploitation and Dissemination Manager;
- Suggesting and deciding upon dissemination and training activities and internal and external events;
- Supervising the exploitation oriented activities, including exploitation plan elaboration;

The Project Management Committee shall make its decisions through votes.

The Coordinator shall chair all meetings of the Project Management Committee. Each PMC representative shall participate or be duly represented by a substitute to each PMC meeting.

The Coordinator shall convene meetings of the Project Management Committee at least once a year and shall also convene meetings at any time upon written request of any member of the Project Management Committee.

The Coordinator shall give each of the Parties at least fifteen (15) calendar days' notice in writing of such meetings or seven (7) calendar days' notice in case of an emergency situation.

Any decision requiring a vote at the Project Management Committee meeting must be identified as such on the invitation.

Should a member of the Project Management Committee suggest adding a discussion/decision to the proposed agenda, it shall do so in writing to all other members at least two (2) working days prior to the meeting date.

However, any decision required or permitted to be taken by the Project Management Committee may be taken as follows:

- In meetings including meetings held via teleconference or videoconference.

Without a meeting, through circulation among the representatives of the Programme Management Committee of a written document setting forth the decision to be voted which must be returned within fifteen (15) calendar days to the Coordinator, duly signed and with their votes indicated in relation thereof. In such a case, the Coordinator shall draft the minutes to formalize in writing the decisions taken, taking into account the documents returned and the votes accounted in accordance with the rules below mentioned in the same paragraph and shall dispatch them to the Parties within fifteen (15) calendar days of the expiration date of the above fifteen (15) days.

The Project Management Committee shall not deliberate and decide validly unless a majority of two-third (2/3) of its members are present or represented.

In any case, decisions shall be taken by a majority of three-fourth (3/4) of the votes of members present or represented.

The Parties agree to abide by all decisions of the Project Management Committee.

The Coordinator shall draft the minutes of each meeting to formalize in writing all decisions taken and shall dispatch them to all Parties within fifteen (15) calendar days of a meeting date.

The minutes shall be considered as accepted by the Parties if no Party has objected in writing to the Coordinator, provided that objection shall be possible only in the following events:

- if made by a member of the Project Management Committee on the grounds that such objection shall be either on such formalization or on a decision that was not part of the agenda and which was not accepted by all members of the Project Management Committee and provided that the objection is made within fifteen (15) calendar days of receipt of the minutes.
- if made by a Party that is not a member of the Project Management Committee on the grounds that such Party's tasks or activities, time for performance, costs or liabilities, or intellectual property rights are impacted or whose information is to be published, provided that the objection is made within fifteen (15) calendar days of receipt of the minutes.

6.3.4 Work Packages and WP Leaders

Work packages are the major structure of the project and each WP is led by a WP leader. Work packages are further divided to individual tasks, which comprise particular work to be performed individually or by small group of participants in order to accomplish WP objectives. Main responsibilities of WP Leaders are to ensure that main goals of the work package are pursued and to verify the quality of the deliverables resulting from the WP.

Specific responsibilities of WP leaders:

- Entire technical responsibility for particular work package and for smooth work flow;
- Solving daily problems on WP and Task levels, including prevention of risk situations;
- Reporting to the Project coordinator every three months;
- Mandatory participation on the SP Committee meetings;
- Active contribution to the requested periodic reports and to planning;
- First instance and technical authority for Deliverable Reports review;
- Call for regular WP meetings (at least twice a year) and for specific meetings when a deadlock situation appears;

Active contribution to the Exploitation and Dissemination plans.

6.3.5 Exploitation and Dissemination Manager

Exploitation and Dissemination Manager will be in charge of taking care of project results, its protection, exploitation and related IPR issues. He will observe that the terms and conditions of the EC and CS2 contractual rules are kept while respecting the appropriate IPR policies towards CSJU members and potential users of PROPCONEL project results. This person will report directly to the SC. In case of any disputes among participants, the Topic Manager of CS2 and the exploitation and dissemination manager shall find amicable solutions, which will respect legitimate interests of all parties. The manager will be responsible also for organization and execution of dissemination and public awareness communication activities.

6.3.6 Meetings with CSJU representatives and CS2 members

The coordinator will meet with the appointed CSJU representatives (mainly with the Topic Manager) at least once a year, and at the beginning (the Kick off meeting) and at the end of the project. Additional meetings will be organized if requested by the Topic Manager or need be.

6.4 Veto rights

A Member of a Consortium Body which can show that its own work, time for performance, costs, liabilities, intellectual property rights or other legitimate interests would be severely affected by a decision of a Consortium Body may exercise a veto with respect to the corresponding decision or relevant part of the decision.

When the decision is foreseen on the original agenda, a Member may veto such a decision during the meeting only.

When a decision has been taken on a new item added to the agenda before or during the meeting, a Member may veto such decision during the meeting and within 15 days after the draft minutes of the meeting are sent.

In case of exercise of veto, the Members of the related Consortium Body shall make every effort to resolve the matter which occasioned the veto to the general satisfaction of all its Members.

A Party may not veto decisions relating to its identification as a Defaulting Party. The Defaulting Party may not veto decisions relating to its participation and termination in the Consortium or the consequences of them.

A Party requesting to leave the Consortium may not veto decisions relating thereto.

Section 7: Financial provisions

7.1 General Principles

7.1.1 Distribution of Financial Contribution

The financial contribution of the Union to the Project shall be distributed by the Coordinator according to:

- the Consortium Budget as included in the Grant Agreement;
- the approval of reports by the JU or the EU, and
- the provisions of payment in Article 7.3.

Party shall be funded only for its tasks carried out in accordance with the GA.

7.1.2 Justifying Costs

In accordance with its own usual accounting and management principles and practices, each Party shall be solely responsible for justifying its costs with respect to the Project towards the European Commission or the JU. Neither the Coordinator nor any of the other Parties shall be in any way liable or responsible for such justification of costs towards the European Commission or the JU.

7.1.3 Funding Principles

A Party which spends less than its allocated share of the Consortium Budget will be funded in accordance with its actual duly justified eligible costs only.

A Party that spends more than its allocated share of the Consortium Budget will be funded only in respect of duly justified eligible costs up to an amount not exceeding that share.

In any event, the Steering Committee is responsible for the definition and modification of the Consortium Budget.

7.1.4 Financial Consequences of the termination of the participation of a Party

A Party leaving the Consortium pursuant to the terms of Article 4.2 shall refund all payments it has received except the amount of expended eligible costs accepted by the European Commission or the JU. Furthermore a Defaulting Party shall, within the limits specified in Article 5.2 of this Consortium Agreement, bear any reasonable and justifiable additional costs occurring to the other Parties in order to perform its and their tasks.

7.2 Budgeting

The Consortium Budget shall be valued in accordance with the usual accounting and management principles and practices of the respective Parties and shall be budgeted.

Eligible and ineligible costs are defined by Chapter 3 Article 6 of the Grant Agreement.

7.3 Payments of the financial contribution

7.3.1 Payments to Parties

Payments to Parties are the exclusive tasks of the Coordinator.

In particular, the Coordinator shall:

- Notify the Party concerned promptly of the date and composition of the amount transferred to its bank account, giving the relevant references,
- Perform diligently its tasks in the proper administration of any funds and in maintaining financial accounts,
- Undertake to keep the Community financial contribution to the Project separated from its normal business accounts, its own assets and property, except if the Coordinator is a Public Body or is not entitled to do so due to national legislation.

2 Payment schedule

All payments shall be made without undue delay after receipt by the Coordinator of funds from the JU or the EC in accordance with the accepted decisions of the Steering Committee on the Consortium Budget, which includes the payment schedule.

The Coordinator is not obliged to forward the payments to Parties until the duly signed original of the bank account identification is received by the Coordinator. The Bank account identification shall bear a signature and a stamp of the bank official and a signature and a stamp of the authorized financial officer of the Party.

Payments to Parties will be handled according to the following two principles:

- Pre-financing in respect of future work will be fully distributed to the Parties.
- Payments for past performance approved by the JU or the EC will be compared with the pre-financing given to a Party for such past performance; the difference due will be paid to the Party concerned or withheld from the Party by the Coordinator in case of surplus of pre-financing. Payments shall be done in a way that parties have covered by the remaining pre-financing the same portion of costs planned for the next period. The Party with surplus of pre-financing shall transfer the requested sum to the Coordinators' bank account within 15 days after receiving the written request from the Coordinator.

The Coordinator is entitled to withhold any payment due to a Defaulting Party.

The Coordinator is entitled to recover any sum already paid to a Defaulting Party for services not performed or materials not provided.

Section 8: Results

The rules regarding ownership of Results are set out in Grant Agreement Chapter 4 Section 3. They shall apply with the following additions:

Results are owned by the Party that generates them. In case results are generated by more than one Party, then joint ownership applies.

8.1 Joint ownership

In case of joint ownership of Results, unless otherwise agreed, each of the joint owners shall be entitled to use their jointly owned Results free of charge, and without requiring the prior consent of the other joint-owner(s) for their own direct use only.

Unless a joint-ownership agreement is concluded, 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, subject to the following conditions:

- a. At least forty-five (45) days prior notice must be given to the other joint owner(s); and
- b. Fair and reasonable compensation must be provided to the other joint owner(s). For the avoidance of doubt 'fair and reasonable' may mean free of charge.

8.2 Transfer of Results

Each Party may transfer ownership of its own Results in all or in part following the procedures of the Grant Agreement Article 30.

It may identify specific third parties it intends to transfer the ownership of its Results to in Attachment 4 to this Consortium Agreement.

other Parties hereby waive their right to object to a transfer to listed third parties according to the Grant Agreement Article 30.1.

The transferring Party shall, however, at the time of the transfer, notify the other Parties of such transfer and shall ensure that the rights of the other Parties will not be affected by such transfer.

Any addition to Attachment 4 after signature of this Agreement requires a decision of the Steering Committee.

The Parties recognize that in the framework of a merger or an acquisition of an important part of its assets, a Party may be subject to confidentiality obligations which prevent it from giving prior notice for the transfer as foreseen in the Grant Agreement Article 30.1.

8.3 Dissemination of Results

8.3.1 Publication

Dissemination activities including but not restricted to publications and presentations shall be governed by Article 29 of the Grant Agreement.

8.3.2 Publication of another Party's Results or Background

For the avoidance of doubt, a Party shall not publish Results or Background of another Party, even if such Results or Background is amalgamated with Party's Results, without the other Party's prior written approval.

8.3.3 Cooperation obligations

The Parties undertake to cooperate to allow the timely submission, examination, publication and defense of any dissertation or thesis for a degree which includes their Results or Background.

However, confidentiality and publication clauses have to be respected.

8.3.4 Use of names, logos or trademarks

The Parties confer the rights to use the name of the Parties or their logos only in project publicity, project advertising, project dissemination and training activities. The Party may forbid in writing the use of the name of the said Party and its logos or trademarks for the above mentioned purposes.

Section 9: Access Rights

9.1 Background covered

The Parties shall identify in the Attachment 1 the Background to which they shall grant Access Rights, subject to the provisions of this Consortium Agreement and the Grant Agreement and may update the Attachment 1 during the Project.

However, a Party may decide to withdraw Background from Attachment 1 provided that:

- such Party provides the other Parties with a prior written notice to that effect,
- the Background has not yet been used by one of the Parties and/or is not planned to be used.

The Parties agree that all background not listed in Attachment 1 shall be explicitly excluded from Access Rights.

Parties agree, however, to negotiate in good faith additions to Attachment 1 if a Party requests so and provided such additions are needed. For the avoidance of doubt, the owner is under no obligation to agree to additions of his Background to Attachment 1.

9.2 General Principles

Each Party shall take appropriate measures to ensure, as far as legally possible, that it can grant Access Rights and fulfil the obligations under the Grant Agreement and this CA and the IA notwithstanding any rights of its employees, or any person it assigns or engages to perform its own Work Package for the Project.

As provided in the Grant Agreement Article 25 and 31, the Parties shall specify promptly in Attachment 1 any limitation to the granting of Access Rights to Background or of any other restriction which might substantially affect the granting of Access Rights (e.g. the use of open source code software in the Project).

Any Access Rights granted expressly exclude any rights to sublicense unless expressly stated otherwise.

Access Rights shall be free of any administrative transfer costs.

Access Rights are granted on a non-exclusive basis, if not otherwise agreed in writing by all the Parties.

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

All Access Rights shall be granted upon written request. The granting of Access Rights may be made conditional on the acceptance of specific conditions ensuring that these rights will be used only for the intended purpose and that appropriate confidentiality obligations are in place.

The requesting Party must show with all due care and in good faith that the Access Rights are needed.

9.3 Access Rights for implementation

Access Rights to Results and Background Needed for the performance of the own work of a Party under the Project shall be granted on a royalty-free basis.

9.4 Access Rights for Exploitation

Access Rights to Results if needed for exploitation of a Party's own Results shall be granted on fair and reasonable conditions.

Use for third party research shall be subject to the prior written approval of the owner of the Results, such agreement will not be unreasonably withheld.

Access Rights for internal research activities shall be granted on a royalty-free basis.

Access Rights to Background if needed for exploitation of a Party's own Results shall be granted on fair and reasonable conditions.

A request for Access Rights may be made up to one year after the end of the Project or, in the case of Art. 9.7.2.1.2, after the termination of the requesting Party's participation in the Project.

9.5 Access Rights for Affiliated Entities

Notwithstanding Article 25 and 31 of the Grant Agreement, Affiliate Entities shall enjoy Access Rights where the Party requiring Access Rights for its Affiliate Entity can show that its Affiliate Entity:

- holds the right to use the Results owned by the Party it is affiliated to; and
- Needs Access Rights in order to Use such Results; and
- is established in a Member State or an Associated Country; and
- is listed in Attachment 3 to this Consortium Agreement.

Such Access Rights shall be granted on fair and reasonable conditions and upon written bilateral agreement with the owner of the information. Affiliated Entities which obtain Access Rights shall fulfil all confidentiality and other obligations accepted by the Parties under the Grant Agreement and under this Consortium Agreement as if such Affiliated Entities were Parties.

However, a Party may refuse to grant Access Rights to another Party's Affiliated Entity if such granting is contrary to that its legitimate interests.

Access Rights granted to any Affiliated Entity are subject to the continuation of the Access Rights of the Party to which it is affiliated, and shall automatically terminate upon termination of the Access Rights granted to such Party.

In the event of any change of control of an Affiliated Entity, any Access Rights granted to such former Affiliated Entity shall lapse unless agreed otherwise by the owning Party.

Further arrangements with Affiliated Entities may be negotiated in separate agreements.

9.6 Additional Access Rights

Any grant of Access Rights not covered by the Grant Agreement or this Consortium Agreement shall be at the absolute discretion of the owning Party and subject to such terms and conditions as may be agreed between the owning and receiving Parties.

9.7 Access Rights for Parties entering or leaving the Consortium

9.7.1 New Parties entering the Consortium

All Results developed before the accession of the new Party shall be considered to be Background with regard to the said new Party.

9.7.2 Parties leaving the Consortium

9.7.2.1 Access Rights granted to a leaving Party

9.7.2.1.1 Defaulting Party

Access Rights granted to a Defaulting Party and such Party's right to request Access Rights shall cease immediately upon receipt by the Defaulting Party of the formal notice of the decision of the Steering Committee to terminate its participation in the Consortium.

9.7.2.1.2 Non-defaulting Party

A non-defaulting Party leaving voluntarily shall have Access Rights to the Results developed until the date of the termination of its participation. The time-limit for its right to request these Access Rights shall start on the same date.

9.7.2.2 Access Rights to be granted by any leaving Party

Any Party leaving the Project shall continue to grant Access Rights pursuant to the Grant Agreement and this Consortium Agreement as if it had remained a Party for the whole duration of the Project.

Specific Provisions for Access Rights to Software

For the avoidance of doubt, the general provisions for Access Rights provided for in this Section 9 are applicable also to Software.

Parties' Access Rights to Software do not include any right to receive source code or object code ported to a certain hardware platform or any right to receive respective Software documentation in any particular form or detail, but only as available from the Party granting the Access Rights.

9.9 Ownership and use of materials or equipment

In the event a material or equipment is developed or manufactured in the frame of the Project by two or more Parties, such Parties shall enter into a separate agreement addressing the ownership and conditions of use, maintenance, deposit, etc... of such material or equipment.

The Parties to the Consortium Agreement will be granted a right to use free of charge such material or equipment needed for the implementation of the Project in accordance with the loan conditions in Attachment 5 to the Consortium Agreement.

Section 10: Non-disclosure of information

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

The Recipients hereby undertake in addition and without prejudice to any commitment of non-disclosure under the Grant Agreement, for a period of 10 years after the end of the Project:

- not to use Confidential Information otherwise than for the purpose for which it was disclosed;
- not to disclose Confidential Information to any third party 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 on demand all Confidential Information which has been supplied to the Recipients including all copies thereof and to delete all information stored in a machine readable form. If needed for the recording of on-going obligations, the Recipients may however request to keep a copy for archival purposes only. The Recipients may also keep archival copies of any documents as required by national law.

The Recipients shall be responsible for the fulfilment of the above obligations on the part of their employees and shall ensure that their employees remain so obliged, as far as legally possible, during and after the end of the Project and/or after the termination of employment.

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 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 confidence by a third party who is in lawful possession thereof and under no obligation of confidence 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; or
- the Confidential Information was already known to the Recipient prior to disclosure.

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

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

If any 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 confidentiality obligations under this Consortium Agreement and the Grant Agreement shall not prevent the communication of Confidential Information to the European Commission.

The confidentiality obligation shall not apply to cases where the fact in question is generally known or there exists a statutory or legal obligation to disclose or publish such fact, including this CA.

Section 11: Miscellaneous

11.1 Attachments, inconsistencies and severability

This Consortium Agreement consists of this body text and:

Attachment 1: Background included

Attachment 2: Accession Document

Attachment 3: Listed Affiliated Entities

Attachment 4: List of Third Parties to which transfer of Results is possible without prior notice to other Parties

Attachment 5: Agreement for the loan of materials/equipment

Attachment 6: Register of changes

In case the terms of this Consortium Agreement are in conflict with the terms of the Grant Agreement, the terms of the latter shall prevail. In case of conflicts between the Attachments and the core text of this Consortium Agreement, the latter shall prevail.

Should any provision of this Consortium Agreement become invalid, illegal or unenforceable, it shall not affect the validity of the remaining provisions of this Consortium 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.

11.2 No representation, partnership or agency

The Parties shall not be entitled to act or to make legally binding declarations on behalf of any other Party. Nothing in this Consortium 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 Notices and other communication

Any notice to be given under this Consortium Agreement shall be in writing to the addresses and recipients as listed in the most current address list kept by the Coordinator.

Formal notices:

If it is required in this Consortium Agreement (Article. 9.7.2.1.1 and 11.4) that a formal notice, consent or approval shall be given, such notice shall be signed by an authorised representative of a Party and shall either be served personally or sent by mail with recorded delivery or telefax with receipt acknowledgement.

Other communication:

Other Communication between the Parties may also be effected by other means such as e-mail with acknowledgement of receipt (e.g. minutes), which fulfils the conditions of written form.

Any change of persons or contact details shall be notified immediately by the respective Party to the Coordinator. The address list (Point of Contacts) shall be accessible to all concerned. The change of the contact persons list does not require the signature of an amendment of the Consortium Agreement by all Parties hereto.

11.4 Assignment and amendments

No rights or obligations of the Parties arising from this Consortium Agreement may be assigned or transferred, in whole or in part, to any third party without the other Parties' prior formal approval.

11.5 Mandatory national law

The Parties recognize that at the time of signature of this Consortium Agreement, nothing in this Consortium Agreement requires a Party to breach any mandatory national law under which the Party is operating. To the extent any future mandatory law forbids or restricts any of the activities contemplated hereunder, the Parties agree to inform each other and discuss about the consequences thereof.

11.6 Language

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

Applicable law

This Consortium Agreement shall be construed in accordance with and governed by the laws of the Czech Republic.

11.8 Settlement of disputes

All disputes arising out of or in connection with this Consortium Agreement, which cannot be solved amicably, shall be finally settled under relevant court of justice of the Czech Republic.

The place of the court shall be primarily based on the place of the seat of the coordinator.

Section 12: Signatures

AS WITNESS:

The Parties have caused this Consortium Agreement to be duly signed by the undersigned authorised representatives in separate signature pages the day and year first above written.

authorised to sign on behalf of Jihostroj a.s.. (JSV)

By (signature):

Name (block letters): Hynek Walner

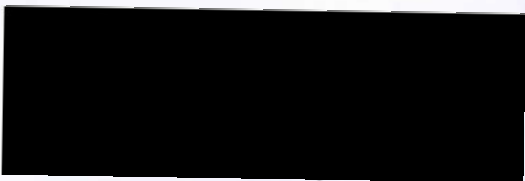
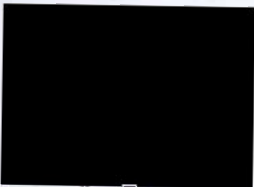
Title: Director for Business and Strategy Development

Date:



used to sign on behalf of Výzkumný a zkušební letecký ústav, a.s.. (VZLU)

Signature:



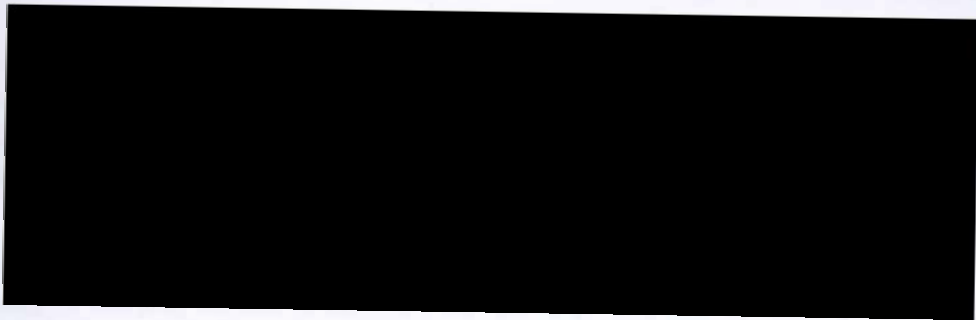
Name (block letters): Josef Kašpár

VIKTOR KUČERA

Title: Chairman of the Board

DEPUTY OF CHAIRMAN OF THE BOARD

Date:



Description of the work	Date of completion of the project
Task assigned by VZLU	
Task	
Description of the work	
Description of the work	
Agreement on the carrying out of the work	
Additional information on the work	



Annex 1: Background included

Access Rights to Background made available to the Parties:

Name of the Party: JIHOSTROJ	
Owner	JIHOSTROJ
Nature	Files in electronic format
Registration/protection	
Description/ Title	Technical data of the current JIHOSTROJ propeller governors and their principles.
Access conditions for carrying out the –IADP/ITD Activities/task under the ITD/IADP / Limitations	No transfer allowed to third parties. To be deleted after completion of the project.

Name of the Party: VZLU	
Owner	VZLU
Nature	
Registration/protection	
Description/ Title	NONE
Access conditions for carrying out the –IADP/ITD Activities/task under the ITD/IADP / Limitations	

Attachment 2: Accession document

ACCESSION

of a new Party to

PROPCONEL Consortium Agreement, version [..., YYYY-MM-DD]

[OFFICIAL NAME OF THE NEW PARTY AS IDENTIFIED IN THE Grant Agreement]

hereby consents to become a Party to the Consortium Agreement identified above and accepts all the rights and obligations of a Party starting [date].

[OFFICIAL NAME OF THE COORDINATOR AS IDENTIFIED IN THE Grant Agreement]

hereby certifies that the Consortium has accepted in the meeting held on [date] the accession of [the name of the new Party] to the Consortium starting [date].

This Accession document has been done in 2 originals to be duly signed by the undersigned authorised representatives.

[Date and Place]

[INSERT NAME OF THE NEW PARTY]

Signature(s)

Name(s)

Title(s)

[Date and Place]

[INSERT NAME OF THE COORDINATOR]

Signature(s)

Name(s)

Title(s)

Attachment 3: Listed Affiliated Entities

NOT APPLICABLE

No affiliated Entities for sharing knowledge

NOT APPLICABLE

No affiliated Entities for a matter of Foreign Law

Attachment 4: List of Third Parties

List of Third Parties to which transfer of Results is possible with prior notice to the other Parties and for which the other Parties have waived their right to object.

NOT APPLICABLE

No third Parties for transfer of Foreground

Attachment 5: Agreement for the loan of material or equipment

Simple Letter Agreement for the Loan of Materials or equipment

In response to the RECIPIENT Party's request dated [_____] for the MATERIAL or EQUIPMENT [insert description] . . . (the "MATERIAL") The PROVIDER Party asks that the RECIPIENT Party agree to the following before delivering the MATERIAL to the RECIPIENT Party :

The MATERIAL is and always remains the property of the PROVIDER Party and is made available in the frame of the [name of the Project] project for the sole performance of the RECIPIENT Party 's tasks.

THIS MATERIAL IS NOT FOR USE IN HUMAN SUBJECTS.

The MATERIAL shall always remain in the RECIPIENT Party's premises [_____] for the duration of the loan and will not be further provided to others without the PROVIDER Party's written consent.

The RECIPIENT Party shall refer any request for the MATERIAL to the PROVIDER Party.

The RECIPIENT Party agrees to acknowledge the source of the MATERIAL in any publications reporting use of it.

Any MATERIAL delivered pursuant to this Agreement is understood to be experimental in nature and may have hazardous properties.

THE PROVIDER MAKES NO REPRESENTATIONS AND EXTENDS NO WARRANTIES OF ANY KIND, EITHER EXPRESSED OR IMPLIED. THERE ARE NO EXPRESS OR IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE MATERIAL WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK, OR OTHER PROPRIETARY RIGHTS.

Unless prohibited by law, RECIPIENT assumes all liability for claims for damage of the Material which is in its custody and for claims for damage against it by third parties which may arise from the use, storage or disposal of the MATERIAL except that, to the extent permitted by law, the PROVIDER Party shall be liable to the RECIPIENT Party when the damage is caused by the gross negligence or wilful misconduct of the PROVIDER Party.

The RECIPIENT Party agrees to use the MATERIAL in compliance with all applicable statutes and regulations.

The MATERIAL is provided at no cost.

(Need to address (transportation costs, export authorization, risk transfer INCOTERMS) duration of the custody)

PROVIDER Party, RECIPIENT Party must both sign 2 copies of this letter and each keeps one signed copy for their record.
The PROVIDER Party will then send the MATERIAL.

PROVIDER Party INFORMATION and AUTHORISED SIGNATURE

Provider Scientist:

Provider Organisation:

Address:

Name of Authorised Official:

Title of Authorised Official:

Certification of Authorised Official: This Simple Letter Agreement has / has not [Check one] been modified. If modified, the modifications are attached.

Signature of Authorised Official and Date ...

RECIPIENT Party INFORMATION and AUTHORISED SIGNATURE

Provider Scientist:

Provider Organisation:

Address:

Name of Authorised Official:

Title of Authorised Official:

Signature of Authorised Official:

Date:

Certification of Recipient: I have read and understood the conditions outlined in this Agreement and I agree to abide by them in the receipt and use of the MATERIAL.

Signature of Recipient... and Date ...

Attachment 6: Register of Changes

Change no.	Description	Pages	Date