

Agreement on Partnership with financial contribution
(the “Agreement”)

made and entered into pursuant to Section 1746 (2) of Act No. 89/2012 Coll., the Civil Code

Article I

CONTRACTING PARTIES

Ostravská univerzita,

having its registered office/place of business at Ostrava, Dvořákova 7,
represented by Prof. MUDr. Jan Lata, CSc., rector,
registered at Court in, Section, file No.¹,
ID No.: 61988987, bank details 931761/0710²
(the “Beneficiary”)

and

Wepler & Trefil s.r.o.

having its registered office/place of business at Ostrava, Suderova 2013/19a, 709 00 Mariánské Hory,
represented by Tomášem Trefilem, jednatelem
registered at in the Commercial Register kept by Regional Court in Ostrava, Section C, file No. 90¹
ID No.: 00561894, bank details 205264958/0600²
(the “Partner 1”)

and

Varroc Lighting Systems, s.r.o.,

having its registered office at Šenov u Nového Jičína, Suvorovova 195, 742 42,
represented by the authorized person Todd Morgan (Representative acting under power of attorney),
registered at the Commercial Register kept by regional, Court in Ostrava, Section C, file No.55719¹,
ID No.: 24304450, bank details 107-3530580237/0100²
(the “Partner 2”)

have made and entered into this Agreement on partnership (the “Agreement”) on the day, month and year below written, as follows:

¹ To be indicated for entities registered in the Commercial Register only.

² This concerns the bank details – bank account number to be used to transfer the financial support.



Article II

SUBJECT-MATTER AND PURPOSE OF THE AGREEMENT

The subject-matter of this Agreement is the definition of the legal position of the Beneficiary and its Partners, their roles and responsibilities, as well as the stipulation of their mutual rights and obligations in the implementation of the Project under paragraph 2 of this Article hereof.

The purpose of this Agreement is to provide for the mutual cooperation between the Beneficiary and the Partner(s) who jointly implement the Project "**AI-Met4AI : Centre for development of Artificial Intelligence Methods for the Automotive Industry of the region**", with registration number³, under the Operational Programme Research, Development and Education (the "Project"); the project documentation is attached as annex hereto.

The relations between the Beneficiary and its Partners shall be governed by the principles of partnership which are defined in the Rules for applicants and beneficiaries – general part and the Rules for applicants and beneficiaries – specific party of the call published under the Operational Programme Research, Development and Education (the "Rules for applicants and beneficiaries"), the binding version of which is stipulated in the legal act governing the provision/transfer of support or, where appropriate, in the Decision on modification of the legal act governing the granting/transfer of support, or in the call.

When implementing the Project, the Beneficiary and its Partners are obliged to follow the Rules for applicants and beneficiaries stipulated in the legal act governing the granting/transfer of support or, where appropriate, in other methodological guidelines issued by the Managing Authority (Ministry of Education, Youth and Sports).

³ Where the registration number was already assigned to the project.



Article III

RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

The contracting parties agreed to jointly participate in the implementation of the Project referred to in Art. II hereof as follows:

1. The *Beneficiary* will carry out the following activities:
 - Project management (always carried out by the beneficiary);
 - designing of training modules and preparation of materials available as part of the implementation;
 - training sessions;
 - preparation and management of conferences and workshops;
 - preparation of the project proposal and any modifications and amendments thereto;
 - keeping the Partners informed on a regular basis;
 - evaluation of project activities on a continuous basis;
 - evaluation of comments and assessment of project outputs;
 - ensuring project publicity;
 - discussing all changes and obligations with the Partner;
 - preparation of implementation reports and submission of requests for payment;
 - approval and payment of eligible expenditure incurred by the Partner, etc.
2. The *Partner* will carry out the following activities:
 - making comments and assessing project outputs;
 - cooperation in securing the target group in human resources;
 - facilitating contacts with the target group (ensuring information transfer between the target group and the Beneficiary);
 - cooperation in defining the needs of the target group;
 - cooperation in proposing modifications and amendments to the Project;
 - account statement of expenses incurred;
 - preparation of reports on their activities in the agreed periods, etc.;
 - representing the Beneficiary in the exercise of rights and obligations related to the tendering procedure or proposal competitions, pursuant to Section 151 of Act No. 137/2006 Coll., on Public Procurement, as amended.
3. The Beneficiary and the Partners undertake to be fully responsible for the performance of the activities they should carry out under this Agreement.
4. Each Partner is obliged to act in a manner that does not jeopardize the implementation of the Project or the interests of the Beneficiary and the Partners.
5. The Partner shall be entitled to any and all information concerning the Project, the Project results achieved and related documentation.
6. In addition, the Partner undertakes to:
 - have an own bank account. The bank account may be opened with any bank authorized to carry out business in the Czech Republic and must be denominated solely in CZK. The Partner is obliged to maintain its bank account also after the project was closed until the Partner receives the final payment or until the financial settlement of the Project, as appropriate;



- keep accounts in accordance with Act No. 563/1991 Coll., on Accounting, as amended, or tax records pursuant to Act No. 586/1992 Coll., on Income Tax, as amended. If the Partner keeps tax records, the Partner must ensure that the relevant documents proving the expenditure incurred in relation to the Project include all the particulars of an accounting document required under Section 11 of Act No. 563/1991 Coll., on Accounting, as amended, and that these documents are correct, complete, conclusive and comprehensible. In addition, the Partner is obliged to keep the records in the manner prescribed in Act No. 563/1991 Coll., on Accounting, as amended, and in Act No. 499/2004 Coll., on Archives and Records Service and on the amendment to certain acts, as amended, and in accordance with other applicable legal regulations in force in the Czech Republic;
- keep separate accounting records for all accounting cases related to the Project;
- include, in the project expenditure, only the expenditure meeting the effectiveness and eligibility rules provided for in the legal act governing the granting/transfer of support;
- use the funds provided under this Agreement in consistence with the principles provided for in the Rules for applicants and beneficiaries and in the legal act governing the provision/transfer of support, in particular the principles of value for money, efficiency and effectiveness;
- during the implementation of the Project, provide cooperation in achieving the Project indicators set out in Annex No. 1 to this Agreement.

Partner 1: During the implementation of the Project referred to in Article II hereof, the Partner 1 shall achieve the following indicators:

1. 20400 Number of new researchers: 0,5 FTE
2. 20500 Number of researchers working in upgraded research infrastructures: 8 FTE
3. 20213 Journal publications in co-authorship of research organizations and enterprises: 2
4. 22011 International Patent Applications (PCTs) created by Supported Bodies: 1

Partner 2: During the implementation of the Project referred to in Article II hereof, the Partner 2 shall achieve the following indicators:

1. 20400 Number of new researchers: 0,5 FTE
2. 20500 Number of researchers working in upgraded research infrastructures: 10 FTE
3. 20213 Journal publications in co-authorship of research organizations and enterprises: 3
4. 22011 International Patent Applications (PCTs) created by Supported Bodies: 1

- at the request of the Beneficiary, provide any required additional information related to project implementation, in writing, without delay and no later than in the period set by the Beneficiary; such period must be sufficient to handle the request;
- properly store all documents related to project implementation in accordance with the applicable legal regulations in force in the Czech Republic and EU, pursuant to Chapter 7.4 of the Rules for applicants and beneficiaries;
- throughout the Project implementation and sustainability, where sustainability is relevant and if required for the Project, comply with the applicable legal regulations of the Czech Republic



- and EU and EU policies, in particular the competition rules, applicable regulations governing public support, principles of environmental protection and promotion of equal opportunities;
- throughout the Project implementation and sustainability, manage all assets acquired, even if partially, from the financial support, with due diligence and care, in particular secure them against damage, loss or theft. The Partner is not entitled to burden any assets co-financed from the financial support with any third-party easement, including right of lien, or to sell or otherwise dispose of the assets. In case of destruction, damage, loss, theft or another detrimental occurrence concerning the assets co-financed from the financial support, the Partner is obliged to acquire these assets again or restore their original condition as soon as possible, but no later than by the termination date of Project implementation. When managing assets acquired from the financial support, the Partner is furthermore obliged to comply with the Rules for applicants and beneficiaries and with the legal act governing the granting/transfer of support;
 - when carrying out activities under this Agreement, promote the Project in consistence with the instructions provided in the Rules for applicants and beneficiaries;
 - submit to the Beneficiary, at regular intervals or whenever so requested by the Beneficiary, underlying materials for interim reports on project implementation, information about progress in project implementation, final report on project implementation and, where applicable, interim reports on project sustainability and final report on project sustainability according to the Rules for applicants and beneficiaries;
 - allow an audit of all documents related to the activities carried out by the Partner as part of the Project, allow continuous verification of the activities carried out, which the Partner undertook to perform under this Agreement, and provide cooperation to all persons authorized to conduct such audits or persons designated by them, as appropriate. These authorized persons include the Ministry of Education, Youth and Sports, financial administration authorities, the Ministry of Finance, the Supreme Audit Office, the European Commission and the European Court of Auditors and other authorities or persons authorized to conduct audits, if appropriate;
 - notify the Beneficiary, without delay, of any conducted audits arising from the participation in the Project referred to in Article II hereof, of all suggested corrective measures, if any, resulting from these audits and the implementation thereof;
 - inform the Beneficiary, without delay, about any and all changes in the Partner's affairs in relation to the Project or changes related to the activities carried out by the Beneficiary under this Agreement;
7. the Partner is not entitled to cover any of the activities carried out under this Agreement from the funds provided from another budgetary chapter of the Ministry of Education, Youth and Sports, from another budgetary chapter of the national budget, state funds, other EU structural funds or EU financing, or from other public sources.
8. The Beneficiary undertakes to inform the Partners about all facts relevant for the fulfilment of their obligations under this Agreement, in particular to provide them with the Decision on modification of the legal act governing the granting/transfer of support, if any.



Article IV

PROJECT FINANCING

1. The Project pursuant to Article II hereof shall be financed from the funds to be provided to the Beneficiary in the form of financial support under the legal act governing the granting/transfer of support from the Operational Programme Research, Development and Education.
2. Expenditure for activities, through which the Beneficiary and the Partners participate in the Project, is described in detail in the application for support, which is attached as Annex No. 1 hereto.

The total financial share in the Project by the Beneficiary and the different Partners is as follows:

- a) Beneficiary: CZK 31.334.080,-
 - b) Partner 1: CZK 7.146.560,-
 - c) Partner 2: CZK 9.519.360,-
3. Any funds obtained to carry out activities referred to in Article III hereof shall be used by the Partners with a financial contribution solely to cover the expenditure necessary to achieve the objectives of the Project and, at the same time, such expenditure that is deemed eligible in accordance with Council Regulation (EC) No. 1303/2013 and the Rules for applicants and beneficiaries, and that was incurred by the Beneficiary or the Partners no earlier than on the date of issue of the legal act governing the granting/transfer of support, unless an earlier starting date of Project implementation than the date of issue is provided for in the legal act governing the granting/transfer of support, and no later than on the closing date of Project implementation or, where applicable, after the termination of project implementation if related to the financial and substantive closing of the Project.
 4. Every Partner is obliged to follow the expenditure structure with breakdown for the Beneficiary and the different Partners and with breakdown by budget items according to Annex No. 1 hereto.
 5. Eligible expenditure incurred during Project implementation shall be reimbursed to the Partners as follows:

The Partner is obliged to cover the eligible Project expenditure incurred in connection with the performance of the activities referred to in Article III hereof (including payments to suppliers) first from its own funds and only then is entitled to ask the Beneficiary for reimbursement of the expenditure from the financial support, based on an account settlement submitted by the Partner.

Article V

LIABILITY FOR DAMAGE

1. The Beneficiary shall be legally and financially liable for correct and lawful use, by all Partners, of the financial support granted based on the legal act governing the granting/transfer of support in relation to the financial support provider, i.e. the Ministry of Education, Youth and Sports.



2. Every Partner is obliged to compensate the Beneficiary for any damage for which the Beneficiary is liable under Article V (1) hereof and which was suffered by the Beneficiary as a result of any violation of obligations under this Agreement by the Partner.
3. Every Partner shall be liable for any damage suffered by other parties to this Agreement or third parties as a result of any violation of his obligations under this Agreement as well as of the general provisions of legal regulations.
4. The Partner shall not be liable for damage caused by any act or omission by the Beneficiary or other Partners.

Article VI

OTHER RIGHTS AND OBLIGATIONS OF THE CONTRACTING PARTIES

1. The contracting parties are obliged to refrain from any actions that could preclude or hamper the purpose of this Agreement.
2. The contracting parties are obliged to inform each other about any circumstances relevant for the performance of this Agreement and for the Project implementation, in consistence with the legal act governing the granting/transfer of support and without undue delay.
3. When implementing the Project, the contracting parties are obliged to act ethically, correctly, transparently and in consistence with good manners.
4. The Partner is obliged to communicate to the Beneficiary the contact details for the employee in charge of coordination of the Project-related activities referred to in Article II hereof.
5. Assets financed from the financial support shall be the property of the party which financed (paid for) it, unless agreed otherwise by the contracting parties; a change of ownership is possible if a situation referred to in Article VII (2) and (3) hereof occurs.
6. The contracting parties are obliged to agree on appropriate arrangements covering the intellectual property rights, defining the shares in the results of their cooperation and other disposal of such rights in order to avoid any violation of the public aid rules.

Article VII

TERM OF THE AGREEMENT

1. The Agreement is concluded for an indefinite period of time.
2. If a Partner violates any of its obligations arising from this Agreement or from the applicable legal regulations of the Czech Republic or EU in a serious manner or repeatedly, the Partner may be excluded from further participation in the Project implementation based on an approved project change. In such case, the Partner concerned must agree with other parties to the Agreement as to who will assume the Partner's liabilities and assets financed from the financial support, and must hand over all documents and information related to the Project to the Beneficiary or another designated Partner. This shall be without prejudice to the Partner's liability for damage under Article V hereof.



3. Any of the Partners may terminate cooperation with other parties to this Agreement only based on a written agreement by all the parties hereto, which must also include an undertaking by the other parties to this Agreement to assume the obligations, liability and assets (financed from the financial support) of the exiting Partner. Such agreement shall enter into effect no earlier than on the date of approval of the project change consisting in the Partner's withdrawal from the Project implementation by the grant provider (the Ministry of Education, Youth and Sports). Such termination of cooperation may not jeopardize the purpose of this Agreement under Article II hereof and may not cause harm to other parties to this Agreement.

Article VIII

OTHER PROVISIONS

1. Any modifications to this Agreement may only be carried out upon agreement of all the contracting parties in the form of written amendments hereto signed by the authorized representatives of the contracting parties. In case of a change referred to in Article VII (2), the written amendment does not need to be signed by the Partner, whose exclusion is requested. This Agreement shall enter into force and effect on the date of its signing by all contracting parties.
2. Any relations between the contracting parties that are not explicitly addressed in this Agreement shall be governed by Act No. 89/2012 Coll., the Civil Code, and by other generally binding legal regulations of the Czech Republic.
3. This Agreement is executed in 3 identical counterparts, of which each of the parties shall receive 1 counterpart.
4. Annexes No. 1 form an integral part hereof.
5. The contracting parties declare that this Agreement was drawn up on the basis of their true and free will, not in distress or under other markedly unfavourable conditions.
6. The Beneficiary is an obliged entity pursuant to Act No. 340/2015 Coll., Act on the Register of Contracts (hereinafter the "Act on the Register of Contracts"). Partners acknowledge and expressly agree that this Agreement in full is subject to publication in the Register of Contracts (information system of public administration, administered by the Ministry of the Interior). The Beneficiary undertakes to publish this Agreement in compliance with the provisions of the respective Act on the Register of Contracts.
7. This Agreement shall enter into effect on the date when the legal act governing the granting/transfer of support for the Project becomes final. In case of any conflict between this Agreement and the legal act governing the granting/transfer of support, the wording of the latter shall prevail.

In on	In on	In on
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Beneficiary	Partner 1	Partner 2

Annexes No.1 – Financial contribution application

