



EUROPEAN COMMISSION

DIRECTORATE GENERAL XIII: Telecommunications, Information Market and Exploitation of Research  
DIRECTORATE B: Advanced Communications Technologies and Services

Ref:DGXIII-B - A561-MC  
Rev: 8 September, 1995

# **ADVANCED COMMUNICATION TECHNOLOGIES AND SERVICES (ACTS)**

## **MODEL CONTRACT**

### **2nd ACTS Call**

### **Background Material**

## **NOTE**

The attention of proposers is drawn to the fact that other model contracts may need to be used to meet the requirements of the Council Decision on the specific ACTS Programme.

# COMMISSION OF THE EUROPEAN COMMUNITIES

DGXIII - Telecommunications, Information Market and Exploitation of  
Research

Directorate B: Advanced Communications Technologies and Services

Date

## Advanced Communications Technologies and Services

*ACTS*

**Project: *Project No.***

*Full Title*

*( Short Title)*

## CONTRACT

The **European Community** ("**the Community**") represented by **the Commission of the European Communities** ("**the Commission**") represented by the Director General for Telecommunications, Information Market and Exploitation of Research or its authorised representative,

and

**COMPANY NAME**, ("*the Coordinator*"), ("*short name*"), established in ("*address*"),

and

**COMPANY NAME**, ("*company name*"), ("*short name*"), established in ("*address*"),

and .....

and .....

(collectively "the Contractors") represented by their authorised representatives,

HAVE AGREED to a project called "*Project title*" being carried out in the ACTS research and technological development programme ("the specific RTD programme") according to the following provisions:

### Article 1 - Scope

- 1.1 The *Contractors*<sup>(\*)</sup> shall carry out this contract jointly and severally towards the Commission for the work set out in Annex I up to and including the milestone "*Name of Milestone / Deliverable*" specified on page "*Page No*". ("**the Project**").
- 1.2 Subject to force majeure (including strikes, lockouts and other events beyond the reasonable control of the *Contractors*), the *Contractors* shall use reasonable endeavours to achieve the results intended for the *Project* and to fulfil obligations of a defaulting *Contractor*. A *Contractor* shall not be liable to take action beyond its reasonable control or to reimburse money due from a defaulting *Contractor* unless it has contributed to the default. Measures to be taken in the event of force majeure shall be agreed between the contracting parties.

### Article 2 - Duration

- 2.1 The *Project* shall last for "*number of months*" from the "*date*" ("**the Commencement Date**").
- 2.2 The contract shall be completed on the date of the final payment due by the Commission ("**the Completion Date**"). However, Articles 6,17 and 24 of Annex II shall continue to apply after the *Completion Date* to the extent of any limitations specified in those Articles.

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<sup>(\*)</sup> Words printed in italics are defined in Article 1 of Annex II .

**Article 3 - Allowable Costs and Financial Contribution (see Articles 18 to 20 of Annex II)**

- 3.1 The estimated allowable costs of the *Project* are “*amount in figures*” ECU ( “*amount in words*” European Currency Units).
- 3.2 The Commission shall contribute up to and including 50% of the allowable full costs <sup>(1)</sup> and 100% of the additional costs<sup>(1)</sup> up to “*amount in figures*” ECU ( “*amount in words*” European Currency Units) of the *Project*.

All money paid by the Commission under this contract shall be taken into account in calculating the Commission contribution paid to the *Project* and determining whether the Commission has fulfilled the requirements of this Article.

The amount of any indirect taxes, sales taxes or customs duties for any invoice or bill by a supplier exceeding 2500 ECU specific to the *Project*, and not directly recoverable by the participant, may be reimbursed in addition to the Community contribution in conformity with arrangements implementing the Protocol on the Privileges and Immunities of the European Communities enabling the Commission to recover such amount from a Member State.

- 3.3 Except to any extent specified in Article 9, no entity established outside the Community or an *Associated State* as defined by Article 1(5) of Annex II may receive Community finance under this contract. Such financing, however, is allowed for the supply of materials or equipment, or under the conditions of any approval for subcontracts in accordance with Article 3 of Annex II.

**Article 4 - Payments by the Commission (see Article 23 of Annex II)**

The Commission shall pay its contribution for the *Project* in ECU as follows:

- an advance of “*amount in figures*” ECU ( “*amount in words*” European Currency Units) as defined in Article 9 ;
- by instalments, each paid within two months after the approval of the respective periodic progress reports and corresponding cost statements. The advance and instalments shall not cumulatively exceed 90% of the maximum Commission contribution for the *Project*;
- the balance of its total contribution due (a retention of 10% ) within two months after the approval of the last report, document or other *Project Deliverables* specified in Annex I (“*Project Deliverables*”) and the cost statement for the final period, as specified in Article 5.2 .

**Article 5 - Cost Statements (see Article 21 and Part D of Annex II)**

- 5.1 Two signed cost statements shall be submitted through the Coordinator to cover each progress report.
- 5.2 The cost statements for the final period, incorporating adjustments for previous periods, shall be submitted not later than three months after the approval of the last report, document or other *Project Deliverable* following which no further costs shall be allowable for payments.

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<sup>(1)</sup> The costs basis to be used is set out in Annex I.

**Article 6 - Reports (See Article 10 of Annex II)**

Reports shall be submitted through the Coordinator in 5 copies in the English language as specified in Annexes I and II.

The periodic reports are required as follows :

- management reports each month ;
- progress reports for the period to “*date*” and thereafter each 12 months.

**Article 7 - Ownership, Exploitation and Technology Transfer**

Ownership, exploitation and the granting of licences or rights in respect of *Foreground* referred to in Article 1(18) of Annex II shall accord with Part B of Annex II.

**Article 8- Amendments**

This document may be modified only by a written agreement by duly authorised representatives of the contracting parties.

**Article 9 Special Conditions****9.1 The Specific RTD Programme**

The special conditions specified in Annex III - Special conditions for the ACTS Programme - shall apply to the specific RTD Programme. In addition the following conditions shall apply:

**9.1.1 Payments by the Commission**

All payments by the Commission shall be made to :

Company name :	<i>COMPANY NAME</i>
Bank name :	<i>Bank Name</i>
Bank address :	<i>Bank address</i>
Bank sort code :	<i>Code</i>
(ECU) Account No :	<i>Account No.</i>
Ref. :	<i>Project No.</i>

The advance payment in Article 4 shall be payable as follows:

- 50 % of the advance amount within two months after the last signature of the contracting parties;
- the balance of the advance amount within 6 months after the last signature of the contracting parties.

### 9.1.2 **Transfer of estimated budgets**

In Article 18.2 of Annex II, there shall be added :

However, budget transfers concerning the categories 'labour and overheads' and 'equipment' may be effected between *Contractors* up to a total of 10% per category per *Contractor*; such transfers shall be notified to the Commission. For transfers between *Contractors* in excess of 10% per category per *Contractor*, prior approval by the Commission shall be obtained.

### 9.1.3 **Payments of Commission contribution**

In article 23.1 of Annex II the first sentence of the second paragraph is modified as follows:

The Commission shall make interim payments in full against accepted cost statements up to the limit specified in Article 4 of the contract, provided that all the *Project Deliverables* to which the cost statements relate have been accepted in accordance with the procedures defined in Article 1.2 of Annex III of the contract.

### 9.1.4 **Have made rights**

The first paragraph of Article 14.1 of Annex II shall be substituted by:

Each *Contractor* in the same contract and each *Complementary Contractor* shall be entitled to exploit all the *Foreground*, including to procure the manufacture of products by third parties for *exploitation* by the *Contractor* at its risk and account, after first giving the other *Contractors* a prior right to undertake such manufacture on fair and reasonable conditions, and shall grant each other *Access Rights* for *exploitation* of *Foreground*, on a *royalty-free* basis.

### 9.1.5 **Sublicensing of software**

The *Access Rights* granted under Article 14.1 of Annex II in respect of *Foreground* which is software shall include the right for the beneficiary to grant sublicences necessary due to the amalgamation and incorporation of the software with the beneficiary's own *Foreground* for its products or processes.

## 9.2 **The Project**

### 9.2.1 **Associated States**

For the purpose of this contract, the only Associated States are Iceland, Liechtenstein and Norway on the basis of the Agreement on the European Economic Area. If and when agreements of the type referred to in Article 1(5) of Annex II currently being negotiated with the Swiss Confederation and the State of Israel are concluded, these two countries will also automatically be considered Associated States with effect from the date of entry into force of the relevant agreement.

### 9.2.2 **Special Conditions for the Project**

There are no further special conditions relating to the *Project*

9.3 The special conditions in this Article 9 prevail over all other provisions of this contract. If Annex I conflicts with any other provision of this contract, the latter shall prevail.

**Article 10 - Applicable Law and Entry into Force**

The law of “ normally the law of the country where the coordinator is located” shall apply to the contract which shall enter into force only after the last signature of the contracting parties.

**Article 11 - Annexes**

The Annexes forming an integral part of this contract are :

Annex I - *Project Programme*

Annex II - *General Conditions*

Annex III - *Special conditions for the ACTS Programme*

Done at Brussels,  
in duplicate in the English language,

For “***THE CONTRACTOR***”

Signature:

Status:

Date:

For “***THE CONTRACTOR***”

Signature:

Status:

Date:

.....

For “***THE COMMISSION***”

Signature:

Date:



**ANNEX I**

**Title:** *Full Title of the Project*

**Project Number:** *"Project Number"*

**TECHNICAL ANNEX**

**Note: This Technical Annex may extend beyond  
the Contract Project duration**

Pages Numbered: "....." through  
"....."

**ANNEX II**  
**GENERAL CONDITIONS<sup>1</sup>**

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<sup>1</sup> Words defined in the Contract or Article 1 of this Annex appear in italics throughout.

## Part A - Implementation of the Work

### Article 1 - Definitions

- (1) "**Access Rights**" means non-exclusive licences and user rights to *Foreground* or *Background* under this Annex.

In granting *Access Rights* the conditions may vary between the recipients unless otherwise specified and:

"**Royalty-free**" means at no cost and against no conditions other than those specified in this Annex;

"**Transfer conditions**" means conditions that have a value lower than *favourable conditions*, normally the cost of making the *Access Rights* available;

"**Favourable conditions**" means conditions preferential to commercial conditions (open market payment and other conditions).

- (2) "**Affiliate**" means:

- (a) any legal entity directly or indirectly owning, owned by, or under the same ownership as, a *Contractor*, where the *Affiliate* or the ultimate owning entity is established in the Community, or an *Associated State*, for so long as such ownership or control lasts and provided that the said *Affiliate* or the ultimate owning or controlling company is incorporated and resident in, and subject to the law of, a Member State of the Community, or an *Associated State*.

Ownership shall exist through the direct or indirect:

- ownership or control of more than 50% of the nominal value of the issued equity share capital or of more than 50% of the shares entitling the holders to vote for the election of directors or persons performing similar functions, or
- right by any other means to elect or appoint directors, or persons performing similar functions, who have a majority vote,

- (b) any other organisation specified in this contract to be an *Affiliate*,

provided that a company shall not be regarded as an *Affiliate* where there has been a change

in the ownership or control of the *Contractor* unless the Commission has been provided with the details of the change in accordance with Article 2.3(d) of this Annex and has indicated in writing that it does not intend to terminate the contract in accordance with Article 5.3(b) of this Annex.

Common ownership through government for commercial or industrial activities does not, in itself, create affiliated status unless otherwise specified in accordance with paragraph (b) above.

- (3) "**Associate Contract**" means a contractual arrangement between a *Contractor* and an *Associated Contractor* for the performance of part of the work on the *Project*.

- (4) "**Associated Contractor**" means a third party contributing technically and financially to part of the work on the *Project* under a contractual arrangement with a *Contractor*.

- (5) "**Associated State**" means a State specified in Article 9.2 of the contract which has concluded a cooperation agreement with the Community in respect of *RTD* associating it with, and under which the State contributes financially to, the *Specific RTD Programme* provided the cooperation agreement specifies that legal entities or persons from the Associated State shall have the same rights and obligations in the *Specific RTD Programme* as legal entities or persons from the Community, subject to specific conditions that may be imposed.

- (6) "**Associated State RTD Undertaking**" means any legal entity or person established and carrying out *RTD* in an *Associated State*.

- (7) "**Background**" means *Background Information* and *Background Rights*.

- (8) "**Background Information**" means all information (excluding *Foreground Information* and information still treated as such under a separate contract with the Community), owned or controlled by a *Contractor* in the same fields as, or fields related to, the *Project*.

- (9) "**Background Rights**" means patent applications, patents, registered designs, copyrights (including the copyright on software in any code) and other similar statutory rights, as well as applications for any such rights, (excluding *Foreground Rights* and rights still treated as such under a separate contract

- with the Community), owned or controlled by a *Contractor* in the same fields as, or fields related to, the *Project*.
- (10) "**Business interests**" means any business interests of the *Contractor* opposing the grant of *Access Rights* which are sought including opposition due to the fact that services, software or products or the manufacturing thereof are, or are about to become, commercially available (opposition on this latter basis shall not, under normal circumstances, be deemed to be abusive).
- (11) "**Commencement Date**" is defined in Article 2.1 of the contract.
- (12) "**Completion Date**" is defined in Article 2.2 of the contract.
- (13) "**Community RTD Undertaking**" means any legal entity or person established and carrying out *RTD* in the Community.
- (14) "**Complementary Contract**" means any contract containing equivalent obligations to Part B of this Annex, concluded with the Community in respect of work having technical interdependence with the *Project* and agreed as such by those contracting parties to each contract established in the Community or an *Associated State*.
- (15) "**Complementary Contractor**" means a legal entity or person having concluded a *Complementary Contract* and agreed in writing as such by all those contracting parties to each contract established in the Community or an *Associated State*.
- (16) "**Contractor**" means a signatory to this contract, other than the Community, and also, for Part B only, any *Affiliate*, provided it undertakes to comply with the confidentiality and *Access Rights* obligations of this Annex.
- (17) "**Exploitation**" includes commercialisation.
- (18) "**Foreground**" means *Foreground Information* and *Foreground Rights*.
- (19) "**Foreground Information**" means all information generated by any *Contractor*, or third party working for it, in the performance of the *Project*.
- (20) "**Foreground Rights**" means patents, registered designs, copyrights (including the copyright on software in any code) and other similar statutory rights, as well as applications for any such rights, resulting from the performance of the *Project*.
- (21) "**Project**" is defined in Article 1.1 of the contract.
- (22) "**Project Deliverables**" are defined in Article 4 of the contract.
- (23) "**Proprietary Information**" means information including trade secrets of actual or potential commercial value not generally available to the public or only made available under confidentiality arrangements.
- (24) "**Related Associated State RTD Undertaking**" means any legal entity or person established and carrying out *RTD* under a contract within a *Related RTD Programme* in a State having concluded a cooperation agreement with the Community, in respect of *RTD*, associating that State with, and under which the State contributes financially to, both the *Related RTD Programme* and the *Specific RTD Programme*.
- (25) "**Related RTD Programme**" means a Community *RTD* programme, with related objectives to the *Specific RTD Programme*, and in respect of which a contract concluded with the Community contains equivalent obligations to Part B of this Annex.
- (26) "**RTD**" means research and technological development and includes demonstration.
- (27) "**Specific RTD Programme**" means the research and development programme under which this contract was concluded as specified in the recitals (preceding Article 1 to the contract).
- (28) "**Subcontract**" means a contractual arrangement between a *Contractor* and a third party (other than an *Associated Contractor*) for the third party to carry out work, at no cost to itself, on the *Project*.
- (29) "**Subcontractor**" means a third party (other than an *Associated Contractor*) having concluded a *Subcontract* with a *Contractor*.
- (30) "**Third Country Project Undertaking**" means any legal entity or person established in a State, other than a Member State of the Community or an *Associated State*, and participating as a *Contractor* or *Associated Contractor* in a project within the *Specific RTD Programme*.

## Article 2 - Management of Project

2.1 The Coordinator shall:

- (a) be the channel for submitting all documents and for general liaison between the *Contractors* and the Commission. All general communications with the Commission shall be through the Coordinator;
- (b) subject to any special conditions in Article 9 of the contract, receive and distribute all payments which shall be made to the Coordinator in trust for the *Contractors*. The Coordinator shall immediately transfer the appropriate amount of each payment to each *Contractor*. The Coordinator shall not be the beneficial owner of any payment, except by agreement between the *Contractors* who shall agree appropriate arrangements concerning any transfer to the Coordinator's own account.

2.2 The *Contractors* shall agree appropriate arrangements for the efficient management of the *Project* and shall, in particular, designate a person or persons being employee(s) or, with the written approval of the Commission, third parties, who shall, under the responsibility of the *Contractors*:

- (a) manage and direct the *Project*;
- (b) confirm that the overall resources used are consistent with, and reasonable for, the work performed;
- (c) ensure that agreements for *Associated Contracts* and *Subcontracts* conform with the obligations of this contract and maintain copies of the agreements for inspection by the Commission as specified in Articles 4 and 24 of this Annex.

The *Contractors* shall notify the name(s) of the designated person(s) in writing to the Commission through the Coordinator and shall ensure that the designated tasks are effected.

Within two months of the receipt of a request to designate a third party to undertake any of the above tasks, the Commission shall submit its observations, failing which the approval shall be deemed to be granted.

2.3 The *Contractors* shall promptly notify the Commission, through the Coordinator, in writing, of:

- (a) the actual commencement of work on the *Project*;

- (b) the person in direct charge of the work for each *Contractor*;
- (c) any circumstance which may materially affect the *Project*, and
- (d) changes in ownership (as defined in Article 1(2) of this Annex) of a *Contractor*, *Associated Contractor* or an *Affiliate* (i) actively participating in the *Project* or (ii) granted *Foreground* by virtue of Article 1(2) and (16) of this Annex where the new ultimate controlling entity is established outside the Community or the *Associated State*.

2.4 Any written notice, request or approval required under the contract shall be sent by recorded delivery or registered post.

### Article 3 - Participation of Third Parties

3.1 This Article applies to *Associate Contracts*, and *Subcontracts*. It does not apply to arrangements for the provision of materials, equipment and services concluded by a *Contractor* in the course of its normal business.

3.2 The *Contractors* may, where necessary or appropriate, enter into *Associated Contracts* or *Subcontracts* subject to the prior written approval of the Commission being required:

- (a) for any *Associated Contract* or *Subcontract* where the *Associated Contractor* or *Subcontractor* is established outside the Community or an *Associated State* (subject to (c), no approval is required for *Subcontracts* placed by a *Third Country Project Undertaking* in the State in which it is established), or
- (b) for each *Associated Contractor*, with regard to the work to be undertaken by it, its costs and its contribution, or
- (c) for *Subcontracts* which cumulatively exceed 20% of the relevant *Contractor's* estimated allowable *Project* costs, unless sufficient details of the *Subcontracts* have been included in this contract.

In respect of arrangements between *Affiliates*:

- approval is deemed granted under (a) for arrangements between *Affiliates* situated in countries entitled to participate in the *Specific*

*RTD Programme* unless written observations are notified by the Commission within one month of the receipt of the request;

- approval is not required under (b) and (c) for arrangements which do not affect the conditions under which the contract was concluded. Written notification only of such arrangements shall be given to the Commission.

Within one month of the receipt of the request the Commission shall submit its observations or notify the *Contractor* of the need for a longer period, not exceeding three months, to submit its observations, failing which relevant approval under this Article shall be deemed to be granted.

In concluding *Associated Contracts*, each *Contractor* shall ensure that its *Associated Contractors* shall:

- comply with this Annex as if they were *Contractors*;
- subject to the minimum *Access Rights* specified in Articles 13.1, 13.3 and 14.2(a) of this Annex, be given such other fair and equitable rights to *Foreground* having regard to their contribution to the *Project*;
- receive prompt financial payments from the *Contractors* following receipt of payments by the Commission.

- 3.3 Obligations shall be imposed in each *Associated Contract* and *Subcontract* giving the Commission the same rights concerning technical monitoring of, and access to, the *Associated Contractor* and *Subcontractor* as the Commission has in respect of the *Contractors*. Such obligations shall also be extended to financial monitoring in the case of an *Associated Contractor*.

#### Article 4 - Technical Verification of *Project*

- 4.1 The Commission, or its authorised representatives, shall be given reasonable access to sites or premises of work on the *Project* and to documents concerning the *Project's* management, progress and review.
- 4.2 Each *Contractor* shall provide reasonable assistance, including attending meetings for monitoring, reviewing and evaluating the *Project*.

#### Article 5 - Termination of Contract

- 5.1 The *Contractors*, acting jointly and unanimously, or the Commission, may terminate the contract, or the participation of any *Contractor*, for major technical or economic reasons substantially affecting the *Project*, or if the exploitation potential of the results of the contract significantly diminishes, by giving two months written notice.

- 5.2 The Commission shall not object to the withdrawal by a *Contractor* from the *Project* where all the other *Contractors* have agreed, in writing, unless the withdrawal affects the conditions under which the contract was concluded. Prior notification shall be given to the Commission and shall be deemed to be accepted unless written observations are transmitted within two months of the receipt of the notification.

- 5.3 The Commission may immediately terminate the contract, or the participation of any *Contractor*, by written notice:

- (a) where remedial action to rectify non-performance within a reasonable period of time (being not less than one month) specified in writing has been requested by the Commission and has not been satisfactorily taken, or for any financial irregularity of a serious nature;
- (b) if there is a change in the ownership (as defined in Article 1(2) of this Annex) of a *Contractor*, *Associate Contractor* or an *Affiliate* which is likely to affect the *Project* or the interests of the Community.

- 5.4 The Community contribution to costs, on termination, shall be paid if they relate to *Project Deliverables* accepted by the Commission and such other costs which are fair and reasonable, including expenditure commitments.

*Contractors* shall take appropriate action to cancel or mitigate commitments entered into before the termination notice and shall take account of any reasonable written directions of the Commission to this effect on the termination.

For termination under Article 5.3(a), interest may be added to any amount to be reimbursed, upon written request, at 2% above the rate applied by the European Monetary Institute for ECU operations<sup>1</sup>

<sup>1</sup> Published monthly in the Official Journal

for the period between the receipt of the funds and their reimbursement.

- 5.5 *Access Rights* relating to work performed on the *Project* before termination shall be granted by any defaulting or withdrawing *Contractor* on the conditions specified in Article 13.1(a), 13.3(a), 14.1 and 14.4 of this Annex to any replacing entity performing the *Project*.

*Access Rights* granted by any of the other *Contractors* to a defaulting or a withdrawing *Contractor* shall relate only to work performed on the *Project* before the termination or withdrawal.

- 5.6 The following provisions shall continue to apply despite any termination:
- the submission of reports, and cost statements supporting costs, relating to work up to termination;
  - Articles 6, 11 and Part C of this Annex.

#### **Article 6 - Liability**

- 6.1 The Commission shall incur no liability in respect of any claim consequent upon its financial contribution to the *Project*.
- 6.2 The *Contractors* shall, subject to any suitable disclaimer in the report, indemnify the Commission against any liability resulting from the publication, or transmission of any report in accordance with this contract or from the application of the contents of any report (other than liability resulting from an erroneous translation in accordance with Article 11.5 of this Annex or other erroneous acts or omissions attributable to the Commission).
- 6.3 Notification shall be given to the *Contractor* of any claim against the Community for which the *Contractor* is, or may be, liable and the *Contractor* shall be given the opportunity to take over its defence.

#### **Article 7 - Competent Court**

The Court of First Instance of the European Communities, and in the case of appeal, the Court of Justice of the European Communities shall have exclusive jurisdiction in any dispute between the Commission and the *Contractors* concerning the validity, application and interpretation of this contract.

#### **Article 8 - Experts providing services to the Commission**

The Commission shall take reasonable steps to ensure that experts providing assistance to it in the management of this contract do not disclose or use confidential information provided to them. Details of any such representatives intending to exercise functions under Articles 4, 15, or 24 of this Annex shall be given in advance and the Commission shall take reasonable account of any objections by the *Contractors* for legitimate business reasons.

#### **Part B - Publicity, Exploitation and Transfer of Technology**

##### **Article 9 - Ownership and Patents**

- 9.1 *Foreground* shall be owned by the *Contractor(s)* or *Associated Contractor(s)* generating it.
- 9.2 *Contractors* shall take appropriate action to protect the *Foreground Information* which could be used for industrial or commercial application. Where *Contractors* agree that there shall be joint ownership of *Foreground*, they shall agree amongst themselves on the action to be taken for such protection.

The Commission shall be notified, at the latest in the technology implementation plan specified in Article 10.1 of this Annex, where no protection of patentable information is to be sought in a country specified by the Commission, and shall, with the agreement of the relevant *Contractor*, be afforded the right to seek to protect the *Information* in that country. Notification shall also be given to the Commission before any such protection, sought or obtained, is abandoned, and the Community shall be afforded, on similar conditions, the right to take an assignment of any such *Foreground Rights*. In such cases, the *Contractor* waiving protection or assigning such rights shall be granted non-exclusive *royalty-free* licences in that country by the Community and have the right to grant non-exclusive sublicences necessary in the framework of patent cross-licensing arrangements or technology transfers undertaken by the *Contractor* in its normal course of business.

Agreement of the relevant *Contractor* under this Article shall, subject to prior contractual commitments, not be unreasonably withheld.

Assignees of *Foreground Rights* shall be required to comply with this Annex.

9.3 Nothing in this Annex shall affect rights of employees. Each *Contractor* shall, nevertheless, ensure that it is able to grant the *Access Rights* specified in this Annex.

## Article 10 - Reports

### 10.1 Submission of Reports

The *Contractors* shall submit to the Commission for approval the following reports through the Coordinator who shall consolidate and summarise the work and results of all the *Contractors* to the extent specified in the Annexes:

(a) progress reports (the progress, resources employed, deviations to the work plan, and results).

Each 12 months, or such other period specified in the contract, the information in the relevant report must enable the Commission to evaluate the progress and cooperation, within the *Project* and with any related project;

(b) a final report covering all the work, the objectives, the results and the conclusions, including a suitable summary of all these matters;

(c) edited annual and final reports in a suitable form for publication by the Community and the *Contractors*. The publishable final report shall include sufficient information on new developments to enable third parties in the Community and *Associated States* to become aware of opportunities to request a licence for technology developed with the Community funding. Separate reports are not required if the full reports may be published.

*Contractors* shall, through the Coordinator, also submit at, or before, the end of the *Project* a technology implementation plan acceptable to the Commission. This plan shall indicate all potential *Foreground Rights* and exploitation intentions (including a timetable) taking account of Community policies, including those for the transfer of technology to SMEs, and promoting the use of generic technology.

10.2 The layout of the reports shall conform with any reasonable rules notified by the Commission. Each report shall be of a suitable quality to enable direct reproduction.

10.3 Each progress report shall be submitted within one month of the end of the relevant reporting period.

A final report shall be submitted within two months following the period specified in Article 2.1 of the contract, or the completion of the work, if earlier.

Unless there are observations by the Commission the final report shall be deemed to be approved within two months of its receipt and within one month in the case of other reports.

## Article 11 - Confidentiality, Publicity and Information on Results

11.1 The Commission shall be entitled to publish general information on the *Project*, namely the participants, title, objective, duration, total estimated allowable costs, the Community financial contribution, and the names of the project managers.

11.2 All reports, other than those specified in Article 10.1(c) of this Annex shall remain confidential provided that:

(a) the Commission may submit the reports to other Community Institutions on a confidential basis to the extent properly required by them;

(b) the Commission and the *Contractors* shall agree, having regard to the interests of the Community and the *Contractors*, a policy for limited and restricted dissemination of the reports, if appropriate, on a confidential basis to Member States of the Community, *Associated States*, international organisations or other third parties.

11.3 Except as expressly authorised by, and subject to any obligations of, this contract, the contracting parties undertake to keep confidential any information, document or other material communicated to them as confidential or the disclosure of which may be prejudicial to any of the other contracting parties, until, or unless, the content legitimately becomes publicly available through other parties or through work or actions lawfully performed outside, and not based on activities under, this contract, or has been made available to the disclosing party by another party without any confidentiality restrictions.

11.4 Any communication or publication concerning the *Project*, including at a conference or seminar, shall acknowledge the participants, the financial



contribution of the Commission, and the *Specific RTD Programme*.

11.5 Upon request, and where it is free to do so, each *Contractor* shall grant the Community a non-exclusive irrevocable *royalty-free* non-commercial right to translate, reproduce and distribute scientific and technical journal articles, conference papers and other documents published by the *Contractor*, or with the *Contractor's* consent, in respect of the *Project*.

11.6 Subject to the confidentiality requirements, the *Contractors* shall wherever appropriate for up to two years after the *Completion Date* give reasonable information on the *Project* to relevant standardisation bodies notified in writing by the Commission.

## **Article 12 - General Principles for the Use of Results, and Technology, and Granting Access Rights**

12.1 *Contractors* shall exploit, or have exploited, *Foreground* in conformity with:

- the principles and timescale established in the technology implementation plan specified in Article 10.1 of this Annex, and
- the interests of the Community (in particular, taking account of strengthening the international competitiveness of Community industry, economic and social cohesion in the Community, the needs of other Community policies in support of which the *RTD* is carried out, and the existence of scientific and technical cooperation agreements between the Community and third countries or international organisations) or, for those *Contractors* from *Associated States*, the mutual interests of the Community and the *Associated States*. Exploitation by *Third Country Project Undertakings* shall not be deemed to be in the interests of the Community solely because it does not prejudice the interests of the Community.

12.2 *Contractors* shall grant *Access Rights*, subject to the following, in accordance with Articles 13 and 14 of this Annex:

- *Access Rights* shall be granted only if requested (the other *Contractors* shall be given such rights without requesting them).
- *Access Rights* granted for *Foreground* or *Background* shall be subject, where appropriate,

to suitable arrangements determined by the *Contractor* to ensure their use only for the purpose for which they are granted and may be subject to appropriate undertakings as to confidentiality.

- *Access Rights* for *Background* shall be conditional upon the *Contractor* being free to grant such rights.
- *Access Rights* shall not, unless expressly agreed, confer any right to sub-license.
- *Proprietary Information* which is to be treated confidentially shall be duly marked.
- *Access Rights* for *Foreground* to be granted to *Associated State RTD Undertakings, Related Associated State RTD Undertakings* or legal entities from *Associated States* shall only apply in respect of *Foreground* arising after the effective date of the financial contribution to the *Specific RTD Programme* specified in the relevant cooperation agreement concluded with the Community.
- *Access Rights* may be granted on more preferential conditions than Articles 13 and 14 if the relevant *Contractor* granting rights so determines.

12.3 Consortium agreements complementing, but not conflicting with the requirements for *Access Rights* may be agreed between the *Contractors*. Any such agreement shall comply with competition policy under the Treaty establishing the European Community.

## **Article 13 - Access Rights for RTD**

### ***Foreground for RTD***

13.1 *Access Rights* for *Foreground* necessary for the performance of their own *RTD* work in a contract within a Community Framework Programme shall be granted:

- (a) on a *royalty-free* basis to the other *Contractors* in the same contract and those *Associated Contractors* established in the Community or an *Associated State* for their work on the *Project*, and to *Complementary Contractors* for work in the *Complementary Contract*,

- (b) on *transfer conditions* to:
- (i) *Community RTD Undertakings* for their work in the *Specific RTD Programme* or a *Related RTD Programme*;
  - (ii) *Associated State RTD Undertakings* for their work in the *Specific RTD Programme*;
  - (iii) *Related Associated State RTD Undertakings* for their work in the *Related RTD Programme*.
- subject to *business interests, Community RTD Undertakings*, for their work in a *Related RTD Programme*;
- subject to *business interests, Related Associated State RTD Undertakings*, for their work in the *Related RTD Programme*.

13.2 Subject to major *business interests*, *Contractors* shall not unreasonably refuse to grant *Access Rights* for *Foreground*, on *favourable conditions*, to *Community RTD Undertakings and Associated State RTD Undertakings* where this is necessary for their own *RTD* work, outside a *Community Framework Programme*, in the same or related fields in conformity with *Community interests*.

### **Background for RTD**

13.3 *Access Rights* for *Background* necessary for the performance of their own *RTD* work under a contract within the *Community Framework Programme* shall be granted:

- (a) on *transfer conditions* to the *Contractors* in the same contract for their work on the *Project*, and to those *Complementary Contractors* for their work required by the *Complementary Contract*;
- (b) subject to major *business interests*, on *favourable conditions* for their work under the *Project* to those *Associated Contractors* established in the *Community* or an *Associated State* and working in the *Project* with the agreement of the relevant *Contractor* granting the *Rights*;
- (c) on *favourable conditions* for the use of *Foreground* made available under Article 13.1(b) of this Annex, to other contractors or associated contractors in other contracts and which are:
  - subject to major *business interests, Community or Associated State RTD Undertakings*, for their work in the *Specific RTD Programme*;

### **Access Rights for the Community**

13.4 The *Community* shall be granted *Access Rights* for *Foreground* on a *royalty-free* basis for *RTD* work in pursuance of *Community policies* by its *Joint Research Centre* for its direct action activities in accordance with *Community Framework Programmes* (namely its institutional non-competitive *RTD* work) and by *Joint Undertakings* set up under Article 130n of the *EC Treaty*, or Article 45 of the *EAEC Treaty*.

Where the *Community* carries out part of the *Project* through its *Joint Research Centre* in a similar manner to a *Contractor*, the *Community* shall be granted *Access Rights* for *Foreground* and *Background* on the same conditions as the *Contractors* in accordance with Articles 13.1(a), 13.3(a), 14.1 and 14.4 of this Annex, and shall be entitled to exploit all the *Foreground* in accordance with the said Article 14.1.

## **Article 14 - Access Rights for Exploitation**

### **Foreground for exploitation**

14.1 Each *Contractor* and each *Complementary Contractor* shall be entitled to *exploit* all the *Foreground*, including to procure the manufacture of products by third parties for *exploitation* by the *Contractor* at its risk and account and shall grant each other *Access Rights* for *exploitation* of *Foreground*, on a *royalty-free* basis.

Any *Contractor* not generally undertaking commercial activities and unable itself to commercialise its *Foreground* may grant the above *Access Rights* on, instead of *royalty-free* conditions, fair and reasonable financial or similar conditions which have regard to the *Contractor's* contribution to the *Project* and the commercialisation potential of the *Foreground*. Agreement shall not delay or prejudice commercialisation, and, if necessary, the *Access Rights* to enable commercialisation to commence shall be granted prior to the final conditions being agreed. Any *Contractor* applying this subparagraph shall not use the *Foreground* in commercial activities.

14.2 *Access Rights* for *Foreground* necessary for the *exploitation* of the results of their own *RTD* work in a contract within a Community Framework Programme, shall be granted:

(a) on *favourable conditions* for their work on the *Project* to those *Associated Contractors* established in the Community or an *Associated State* and working in the *Project* with the agreement of the relevant *Contractor* granting the Rights;

(b) subject to major *business interests* (provided they do not result in abusive restrictions to the *exploitation* of *Foreground* in the Community), on *favourable conditions* to:

- *Community RTD Undertakings* for their work in the *Specific RTD Programme* or a *Related RTD Programme*,

- *Associated State RTD Undertakings* for their work in the *Specific RTD Programme*, and

- *Related Associated State RTD Undertakings* for their work in the *Related RTD Programme*.

14.3 *Access Rights* for *Foreground* shall be granted on open market commercial conditions, to any legal entity or person established in the Community or an *Associated State* where such Rights are necessary for (a) the *exploitation* of its own *RTD* work in the same or related fields or (b) any manufacture and *exploitation* and subject to:

(i) the grant conforming with the interests of the Community or, in the case of a legal entity in an *Associated State*, the mutual interests of the Community and the *Associated State*; and

(ii) no adequate steps having been taken to exploit the *Foreground*, and

(iii) major *business interests*, provided they do not result in abusive restrictions to the *exploitation* of *Foreground* in the Community.

### **Background for exploitation**

14.4 Each *Contractor* shall grant *Access Rights* for its *Background* necessary for the *exploitation* of *Foreground*, to the other *Contractors* in the same contract, or to *Complementary Contractors*:

(i) subject to major *business interests* (provided they do not result in abusive restrictions to the *exploitation* of *Foreground* in the Community) on *favourable conditions* to *Contractors* or *Complementary Contractors* established in the Community or an *Associated State*;

(ii) subject to *business interests*, on commercial conditions to other *Contractors* or *Complementary Contractors*.

### **Article 15 - Technology Audit**

Each *Contractor* shall keep, and if required make available to the Commission, or its authorised representatives, information and documents to verify its compliance with the technology implementation plan and its obligations for the use of the *Foreground*.

### **Article 16 - Limitations, Obligations and Restrictions Affecting Part B**

Each *Contractor* shall use reasonable care and diligence to avoid commitments which may prejudice the application of Part B and to notify the other contracting parties and *Complementary Contractors* of limitations on granting rights to *Background*, obligations to grant rights for *Foreground* to a third party, or restrictions which may materially and adversely affect the granting of *Access Rights*.

The notification shall be made prior to the contract taking effect or promptly after any such limitations, obligations or restrictions may arise, or become relevant to the *Project*. The conditions in the notification shall be deemed to be accepted by the Commission unless written observations are transmitted within two months of the receipt of the notification.

### **Article 17 - Duration and Implementation of Part B**

17.1 The rights and obligations of the contracting parties resulting from Part B shall apply unless otherwise specified in the contract

(a) for the duration of the *Foreground Rights*, in respect of Article 13.4 of this Annex;

(b) for 10 years, after the *Completion Date* or earlier termination of this contract, in respect of Articles 9.2, 12.1, 13.2, 14.3, and 15 of this Annex, and *Foreground Information* under Article 13.4 of this Annex;

(c) for 5 years after the *Completion Date* or earlier termination of this contract, in respect of the remaining Articles of this Annex.

17.2 The cessation of the rights and obligations under Part B shall not affect *Access Rights* granted or requested prior to such cessation.

## Part C - Financial Management

### Article 18- Allowable Costs

18.1 Allowable costs are those actual costs defined in Articles 19 and 20 of this Annex which are necessary for the *Project*, can be substantiated, and are incurred during the period specified in Article 2.1 of the contract. Allowable costs after this period shall be limited to those relating to the reporting, review or evaluation requirements of this contract.

For *Contractors* whose actual costs are limited to their additional costs (those higher education establishments and research centres which are unable to substantiate through their cost accounting systems, with sufficient precision to the satisfaction of the Commission, the full costs relating to their research activities), these costs are (i) those direct costs specified in Article 19 of this Annex incurred for the *Project* and to which the *Contractor* is not otherwise committed, and (ii) indirect costs in accordance with Article 20 of this Annex.

Costs shall exclude any profit and be determined in accordance with accounting principles relating to historic costs, and the internal rules of the *Contractor*.

18.2 The estimated costs for the work by categories shall be indicative only. *Contractors* may transfer the estimated budget between themselves and between categories provided the scope of the *Project* is not fundamentally affected.

18.3 No *Contractor* shall incur unnecessarily high or extravagant cost on the *Project*. No costs may be charged in respect of marketing, sales, distribution costs for products and services, interest, return on capital employed, provisions for future losses or liabilities, and any costs related to other projects.

### Article 19 - Direct Costs

#### 19.1 Personnel

19.1.1 The costs of actual hours worked on the *Project* only by scientific professional, postgraduate or technical staff directly employed by the *Contractor* may be charged.

**For *Contractors* using full costs**, personnel costs shall be:

- the actual employment costs (salary, wages, social charges and pension costs), or

- the average employment costs (rates) conforming to the relevant *Contractor's* normal practices if there is no significant deviation between the average and actual employment costs.

**For *Contractors* using additional costs**, personnel costs shall be limited to the actual employment costs (salary, wages, social charges and pension costs) of scientific professional, postgraduate or technical staff engaged in research and their registration, tuition or bench fees where such staff are employed under:

(a) temporary contracts on Community *RTD Projects* (permanent employees paid for working fulltime for the *Contractor* are excluded from charging their costs under any such arrangements), or

(b) temporary contracts for completing doctorates, or

(c) contracts which are dependent upon external funding additional to the normal recurrent funding of the *Contractor* (the costs charged to the *Project* shall exclude any costs supported from such recurrent funding).

19.1.2 All personnel time charged must be recorded and certified. This requirement will be satisfied by, at the minimum, the maintenance of time records, certified at least monthly by the designated project manager, or an authorised senior employee of the *Contractor*.

#### 19.2 Equipment

Equipment purchased, or leased may be charged as a direct cost. The allowable costs for leased equipment shall not exceed any allowable costs for its purchase. The Community contribution to the

allowable costs shall be reimbursed in a single amount.

The allowable costs shall be calculated according to the following formula:

$$\frac{A}{B} \times C \times D$$

B

A = the period in months for which the equipment is to be used for the *Project* after its delivery.

B = depreciation period of 60 months (36 months for data processing equipment costing less than 25,000 ECU).

C = cost of equipment.

D = percentage usage of equipment on the *Project*.

By way of an exception to Article 18.1 of this Annex, allowable costs include equipment purchased or leased within the preceding six months of the *Commencement Date* or under a previous Commission *RTD* contract provided the depreciation period has not been exceeded (only the unexpired depreciation period may be charged to this contract).

### 19.3 Third Party Assistance

Costs of *Subcontracts* and external services shall be allowable costs in accordance with Article 3 of this Annex.

### 19.4 Travel and Subsistence

Travel and subsistence costs may be charged, but written approval of the Commission is required for charging travel and subsistence outside Europe or an *Associated State*. Such approval is not required for work or collaboration with organisations, outside Europe, specified in Annex I.

### 19.5 Consumables and Computing

Consumables and computing (on the basis of recorded computer usage) may be charged as direct costs.

However, where reasonably practical and in accordance with the normal accounting conventions

of the *Contractor*, these costs shall be included in indirect overhead costs for *Contractors* using full costs.

### 19.6 Significant Specific *Project* Costs

Significant specific *Project* costs, including prototypes or equipment fabricated, and conference or seminar fees, may be charged with the prior written approval of the Commission (approval is deemed granted if the cost item has been specified in Annex I to the contract, or if no objections are raised by the Commission within two months of the receipt of the written request).

## Article 20 - Indirect Costs: Overheads

20.1 **For *Contractors* using full costs**, overheads (indirect general costs) calculated in accordance with their normal accounting conventions, policies and principles considered by the Commission to be reasonable, may be charged for items such as internal own funded research (subject to a maximum of 10% of the personnel costs), administration, support personnel, office supplies, infrastructure, utilities and services.

Such overheads may be based on those used for similar research for Member States, public funding agencies, or international organisations, subject to necessary adjustments being made to reflect Articles 18, 19 and 20 of this Annex and to access being granted to the Commission to appropriate documentation, or to the provision to the Commission of such documentation, for their establishment and justification.

Subject to Article 19.5 of this Annex, overheads shall exclude items readily capable of being charged directly in accordance with Article 19 and the normal accounting conventions of the *Contractor*, and costs recovered from other parties.

20.2 **For *Contractors* using additional costs**, a contribution up to 20% of the actual allowable costs in respect of all direct costs under Article 19 (except 19.3) of this Annex, may be charged in respect of such overheads.

## Article 21 - Cost Statements

21.1 Cost statement summaries shall be expressed in national currency and in European Currency Units (ECU) unless otherwise specified in the contract.

The conversion rate to ECU for cost statements and payments shall be the rate published by the Commission for budget execution<sup>2</sup> and valid for the first working day of the month following the end of the period for the relevant cost statement. No account shall be taken of exchange gains or losses between the issue of the cost statement and the receipt of any payment.

21.2 The Coordinator, *Contractors* and *Associated Contractors* shall submit cost statements in the format specified in Part D or in any similar format notified or approved in writing by the Commission.

Unless otherwise specified in the contract, these statements shall cover the same period and be appended to each corresponding periodic progress report.

Cost statements are not required from *Third Country Project Undertakings*, but the Commission may require statements of effort and resources devoted to performing the *Project*, namely any significant input in accordance with Annex I, to be submitted.

21.3 If any cost statement is not submitted as required, the Commission may withhold part, or exceptionally all, of its payment for the *Project* until the next financial reporting period.

21.4 The Commission may determine not to take account of any further costs or not to make any further reimbursement after giving one month's notice in writing of the non receipt of the final cost statement.

21.5 The *Contractors* shall provide any details reasonably required by the Commission for its management of the contract.

## Article 22 - Justification of Costs

Each *Contractor* shall maintain, on a regular basis and in accordance with the normal accounting conventions of the State in which it is established, proper books of account and appropriate documentation to support and justify the costs and the hours reported. These shall be made available for audits.

## Article 23 - Payment of Commission Contribution

23.1 Where the *Project* has not effectively commenced within three months of the payment of the advance, the Commission may:

- determine to add interest on the advance from its payment until the effective *Commencement Date* at the monthly rate applied by the European Monetary Institute for its operations in ECU, or
- require the reimbursement of the advance together with such interest.

The Commission shall make interim payments in full against accepted cost statements up to the limit specified in Article 4 of the contract. If the actual level of costs reported is considerably less than foreseen, the Commission may exceptionally adjust the advance by reducing the interim payment due.

23.2 Subject to Article 24 of this Annex, all payments shall be treated as advances until acceptance of the appropriate *Project Deliverables*, or, if none are specified, until acceptance of the final report.

23.3 Where the total financial contribution due for the *Project*, including the result of any audit, is less than the payments made for the *Project*, the *Contractors* shall immediately reimburse the difference, in ECU, to the Commission.

## Article 24 - Auditing

24.1 The Commission, or persons authorised by it, shall be entitled to carry out audits up to two years after the *Completion Date* or the termination of the contract. They shall have complete on-site access at all reasonable times to personnel engaged on the *Project* and all documents, computer records, and equipment relating to the *Project*, or, when necessary, be entitled to require the submission of any such documentary evidence.

24.2 The European Court of Auditors shall be entitled to the same rights, under the same terms and conditions, as the Commission in respect of auditing.

<sup>2</sup> Available from Information Offices of the Commission or Directorate General XIX (Budgets), or automatic answering machine (telephone Brussels 295.1760).

**Part D**  
**Cost Statement Summary (National Currency/ECU)**

for the period from \_\_\_\_\_ to \_\_\_\_\_ (reporting period no. \_\_\_\_)

Cost basis:

Project Title:  
Contract No.:  
Name of Contractor/Associated Contractor<sup>2</sup>: \_\_\_\_\_ to<sup>3</sup> \_\_\_\_\_  
National Currency in which accounts kept: \_\_\_\_\_ Exchange rate used for conversion from national currency to ECU<sup>4</sup>: \_\_\_\_\_

Categories of Cost <sup>5</sup>	Amount for the period	
	National Currency	ECU
<b>Direct Costs</b>  1. Personnel 2. Equipment <sup>6</sup> 3. Third party assistance 4. Travel and subsistence <sup>7</sup> 5. Consumables and computing <sup>8</sup> 6. Other significant specific Project costs <sup>9</sup>  <div style="text-align: right;">Subtotal of direct costs</div>		
<b>Indirect Costs</b>  7. Overheads <sup>10</sup>  <b>Adjustments</b>  8. Adjustments to costs previously reported <sup>11</sup>  VAT <sup>12</sup>  <div style="text-align: right;">Total:</div>		
...% contribution of Commission:		

**Contractor's Certificate<sup>13</sup>**

We certify that

- the above costs are derived from the resources employed which were necessary for the work under the contract,
- such costs have been incurred and fall within the definition of allowable costs specified in the contract,
- any necessary permissions of the Commission have been obtained and
- full supporting documentation to justify the costs is available for audit.

We certify that any necessary adjustments, for any reason, to costs reported in previous cost statements have been incorporated in the above statement.<sup>11</sup>

Date:

Date:

Name of Technical Manager:<sup>14</sup>

Name of Financial Officer:

Signature of Technical Manager:

Signature of Financial Officer:

<sup>1</sup> Insert as appropriate: FC (Full Costs); AC (Additional Costs)

<sup>2</sup> Delete as necessary - for Associated Contractor, see Article 3 of Annex II. Each Associated Contractor must submit a separate cost statement for its costs through the Contractor to which it is associated - its costs should not be included in the cost statement of the relevant Contractor.

<sup>3</sup> The Associated Contractor must specify the name of the Contractor to which it is associated.

<sup>4</sup> The exchange rate must be that specified in Article 21.1 of Annex II.

<sup>5</sup> Separate details are only required for each category specified in the Annexes which follow.

<sup>6</sup> Equipment must be depreciated - see Article 19.2 of Annex II.

<sup>7</sup> See Article 19.4 of Annex II.

<sup>8</sup> See Article 19.5 of Annex II.

<sup>9</sup> See Article 19.6 of Annex II. These must be approved by the Commission.

<sup>10</sup> See Article 20 of Annex II. Contractors using additional costs may charge up to 20% of direct costs for personnel, equipment, travel and subsistence, consumables and computing, and other significant specific Project costs.

<sup>11</sup> Not applicable for the first cost statement. Any necessary adjustments, for example to reflect actual rates instead of budgeted rates, must be made in subsequent statements. Details and reasons for any adjustments must be provided.

<sup>12</sup> For any invoice or bill by a supplier exceeding 2500 ECU specific to the Project - see Article 3.2 of Contract.

<sup>13</sup> The Technical Manager and the Financial Officer must sign the certificate.

<sup>14</sup> The person designated to be in direct charge of the performance of the work - see Article 2.3 of Annex II.

**COST STATEMENT: DETAILS BY CATEGORY (National Currency)**

for the period from \_\_\_\_\_ to \_\_\_\_\_

Contract No.:

Name of Contractor/Associated Contractor:

Currency:

**PERSONNEL AND OVERHEADS**

Category <sup>15</sup> A	No. of Man Hours B	Hourly Personnel Rate <sup>16</sup> C	Hourly Overhead Rate <sup>17</sup> D	Personnel Amount Col. (B) x (C)	Overheads Amount Col. (B) x (D)
Subtotals					
Total (personnel + overheads)					

**EQUIPMENT<sup>18</sup>**

Description	Date of Purchase	Cost	Depreciation period 36/60 months	% Allocation to Project <sup>19</sup>	Amount <sup>18</sup>
Total					

**OTHER SIGNIFICANT SPECIFIC *Project* COSTS<sup>20</sup>**

Description	Amount

<sup>15</sup> Clearly identifiable (e.g. engineer, technician, department, cost centre, cost centre groups, etc.) to contractor's personnel records. Name individuals if identified in the contract as key personnel.

<sup>16</sup> The personnel rate comprises the elements specified in Article 19.1 of Annex II.

<sup>17</sup> Overheads principles are specified in Article 20 of Annex II. This column should be left blank by contractors using additional costs.

<sup>18</sup> For allowable cost calculation see Article 19.2 of Annex II.

<sup>19</sup> Percentage use of item of equipment on the Project.

<sup>20</sup> See Article 19.6 of Annex II.





## **ANNEX III**

### **SPECIAL CONDITIONS FOR THE ACTS PROGRAMME**

#### **1.1 Collaboration**

To assure coherence of the work within the ACTS programme and its relevance to world-wide developments, the Contractors will be required to contribute to and participate in periodic Concertation Meetings. In particular the Contractors must participate in the ACTS Concertation chains and general management structures, contributing to programme deliverables such as IBC-Technical Guidelines, Common Functional Specifications and Common Practice Recommendations.

Participants in ACTS projects are required to collaborate with National Hosts and providers of experimental trial facilities assimilated to National Hosts regarding the activities carried out by the National Hosts. They are in particular required to contribute their public domain results in a form suitable for inclusion in the ACTS Information Window so as to support the dissemination of results, awareness creation and specialised training activities.

These activities are part of the contract and are financed from it.

#### **1.2 Annual Review**

To ensure the adaptation of the work to the external on-going progress and to changes in the environment, as well as to review the progress of the work within the ACTS projects, a Technical Audit will take place each year. At this point, the Contractors will deliver a report (Progress Report) on the previous year's activities, including a critical self-evaluation and a detailed plan for the following year. This report, together with the deliverables from the project, will be assessed by the Commission services assisted by independent experts. On the basis of the results of the Technical Audit and the outcome of any further call for proposals initiated during the year, the Commission will make a decision to continue, to modify or to stop the project. A modification to the technical approach of the project, as well as the make-up of the partnership, may be included in this decision. The approved plan for the following year will become an Addendum to Annex I.

#### **1.3 Project Deliverables**

The Commission reserves the right to review and accept any of the deliverables specified in Annex I, at any time on or after delivery. If judged necessary by the Commission, a formal review will take place in the course of a meeting with an independent panel of experts and representatives of the Contractors.

All ACTS contracts require the submission of an initial deliverable identifying linkages from the project, to related or complementary project activities undertaken by other consortia within the Programme. Once accepted, this deliverable becomes an integral part of Annex I to the contract and as such, is part of the work to be performed for the project.