6th DRAFT End of July

**Annex 2 to the Statutes of ELI-ERIC**

**Annual financial contributions by Members and Observers including Strategic Partners or Third Parties**

# This Annex lays down the mechanism for the calculation of the contributions by Members and Observers (and other contributors if applicable) during and after the start-up period of 2018-2019.

# The operational costs of ELI-ERIC shall be defined by the GA, based on the assessment and reccomendations of the AFC. These costs shall be related to the access effectively offered to users of the facilities each year and their effective costs. The overall level of contributions to be paid by Members and Observers shall be defined by the GA in the annual activity plan and budget of the ERIC, supported by an agreed five-year plan. The first five year plan will detail the planned ramp-up in the experimental resources available to the international users, and define the timing and assessment of the expected steady state operation.

# The period of membership for Members and/or Observers is defined as indicated in the Statutes. Contributions and commitments from Intergovernmental and International Organisations and Strategic Partners shall be decided by the GA on a case-by-case basis.

# The operational costs of ELI-ERIC shall be allocated according to paragraph (5) for the start-up period of 2018-2019 and/or paragraph (6) for the steady state operation. Any contribution received under paragraph (3) shall be deducted from the overall operation costs prior to the allocations being made.

# Allocation of costs during the start-up period 2018-2019:

## During the start-up period of 2018-2019 the Host Members shall contribute 50% of the overall operational costs. In addition the Host Members are considering to cover any deficit in operational costs during this period eventually not covered according to (5b to 5d inclusive), this extra financial support is to be considered as an advance payment to be gradually deducted from future due contributions of the Host Members, after the steady state operation and a financially sustainable level are reached according to a plan approved by the GA.

## The Members and Observers who enter the ELI-ERIC as founding Members/Observers shall agree both on the final level of contribution based on the size of their potential users community for the ELI Research Infrastructure, and on the ramp-up of the contribution. The final level of contribution shall be reached when the steady-state operation is reached, or within the end of 2020 (whichever is earlier). While the yearly contribution is below the agreed contribution level, a cap may be imposed on the level of scientific usage and on other returns, as deemed appropriate by the GA.

## Calculation of Member/Observer contributions 2018-2019: each founding non-Host Member/Observer, that is already a Member of ELI-DC, shall be obliged to pay the following annual contributions:

## in 2018: a fixed fee of € 250 000 in cash,

## in 2019 at least 30% of their agreed contribution level

Founding Members/Observers that provide resources to the testing and commissioning of the technology and of the experimental set-ups in the Pillars shall be entitled to have these recognized as additional in-kind contributions. The cost value attributed to each in-kind contribution (and FTE) shall be agreed by the GA.

## Calculation of contributions for founding Members/Observers that were not previously Members of ELI-DC:

## Each founding non-host Member/Observer that was not a Member of ELI-DC shall be obliged to pay the following annual contributions:

## 2018: a fixed fee of € 250 000 in cash or a cash contribution of at least 20% of their agreed contribution level, whichever is greatest.

## 2019: a cash contribution of at least 40% of their agreed contribution level.

## Founding Members/Observers that were not previously Members of ELI-DC, who provide resources dedicated to the testing and commissioning of the technology and experimental set-up in the Pillars may be entitled to have these recognized as additional in-kind contributions. The cost value attributed to each in kind (and FTE), and related conditions shall be agreed by the GA on a case-by-case basis.

# Allocation of costs during steady state operation after 2019:

## The Members/Observers of ELI-ERIC shall contribute to the operating costs on the principle of proportionality to their use of the ELI Research Infrastructure.

## For the first five years of steady state operation the Host Members shall jointly contribute 20% of the total operating costs. These costs shall be proportional to the operational cost of their respective facility and include an additional host premium. After this period their agreed contribution shall be calculated on the basis of the rolling-average used by each Member in the previous three years.

## The non-Host Members shall each contribute a share of the operational costs. Each non-Host Members contribution shall be based on either:

## Their average percentage of usage in the previous three years, or

## On an agreed percentage of usage, (e.g. related to the size of the users community as inferred from available publications data).

## This amount will include a minimum fixed part of 50% of the initial agreed contribution and a variable fee based on actual usage. If the variable part is higher than 50% of the total for more than two years, the agreed contribution shall be reviewed.

## An Observer to ELI-ERIC shall also contribute a share of the operational costs. This will consist of a fixed fee of € 250 000 per year in addition to a contribution based on either:

## Their average percentage of usage of the ELI-ERIC infrastructure in the previous three years, or

## On the basis of an agreed estimated percentage of usage (e.g. from publications data).

## The contribution amount shall include a minimum fixed fee of 50% of the agreed contribution and a variable fee based on the actual usage of the facility. The agreed contribution shall be renegotiated if the variable part is higher than 50% of the initial agreed contribution.

## No non-Host Member or Observer shall pay more than 25 % of the operational costs in the first five years.

# During the first five years of steady state operations at least 50% of the contributions made by non-Host Members or Observers who enter after the initial start-up, and after reaching the sustainability level of ELI-ERIC, will be devoted to reduce the contribution of the founding Members and Observers on a pro-rata basis according to their contributions calculated in paragraph (6). From year six onwards, funding by new Members and Observers will be used to reduce the contributions of all previous Members on a pro-rata basis.

# Contributions in-kind by Members and Observers will be possible both to cover requirements for new projects/upgrades and for operation, subject to approval of the GA. ELI-ERIC will develop an in-kind policy and a Cost-Book approved by the GA with the support of the AFC:

# for upgrades and new investments approved by the GA, the in-kind contributions by Members will be apportionated to their contribution to the operation costs as defined in (6). If these contributions are above this level, and based on an approval by the GA, the part above this level will be deducted from the yearly contribution at a rate not higher than 10%/year, upon verification of the sustainability of the yearly budget, with the support of the AFC.

# for the operation costs, contributions allowed by the GA to Members shall effectively offset part of planned operation costs (e.g. personnell or targetry, etc.) and can replace cash contributions within limits defined by the GA.