

# Financial Support Agreement

**Version 2.0**  
**31March 2023**

HISTORY OF CHANGES		
Version	Date	Changes
V 1.0	14.11.2022	Initial version
V 2.0	31.03.2023	Consolidated version with annexes

**Internal guidelines for completion:**

- Text highlighted in yellow and in square brackets, i.e. [yellow], indicates option for additional text or choosing from several options. Delete the option(s) that are not applicable.
- Text in red is instructional, follow the instructions and then delete this text.

Climate-KIC Holding B.V., incorporated under the laws of the Netherlands and whose registered office is Plantage Middenlaan 45, 1018 DC, Amsterdam, Netherlands, and acting in representation of Climate KIC (henceforth “**the KIC Legal Entity**”),

And

[*Recipient of financial support name, jurisdiction, name and address*], hereinafter referred to as [“**the Recipient**” in case of single recipient/ “**Primary Recipient**” acting on behalf of the consortium of partners listed in Annex 1 in case of a lead/ coordinator organisation signing on behalf of a consortium of partners/ “**the Recipients**” in case each member of a consortium is signing in which case all consortium members shall be listed here],

Hereinafter, jointly or individually, referred to as “**Parties**” or “**Party**”;

Enter into a Financial Support Agreement (“**the Agreement**”) in accordance with the conditions set out in Grant Agreement [*number*] between the KIC Legal Entity and the European Institute of Innovation and Technology (“**EIT**”) [*link*] (the “**GA**”).

The Agreement is composed of:

Terms and Conditions

Annex 1 Project and Budget Description

Annex 2 Reporting and Payment Conditions and Schedule

Annex 3 Eligibility of Costs

Annex 4 General Provisions of the Grant Agreement

## Terms and Conditions

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## ARTICLE 1: DEFINITIONS

**“Authorised Representative”** shall mean the person or persons duly authorised to sign this Agreement on behalf of a Party.

**“Background Intellectual Property”** shall mean any tangible or intangible input — from data to know-how, information or rights — that exists before the Agreement is signed or that is needed to implement the Project or to exploit its results (e.g., database rights, patents, prototypes, cell lines, etc). For registered intellectual property rights, it suffices that the application was filed before the Agreement is signed.

**“Co-funding”** is the Recipient’s contribution to a Project.

**“Defaulting Party”** means any Party in breach of its obligation under this Agreement.

**“Effective Date”** shall mean the Project start date as indicated in Annex 1.

**“Force Majeure”** shall mean any situation or event that:

- prevents either Party from fulfilling their obligations under this Agreement,
- was unforeseeable, exceptional situation and beyond the Parties’ control,
- was not due to error or negligence on their part (or on the part of other participants involved in the action), and
- proves to be inevitable despite both Parties exercising all due diligence.

The following events cannot be invoked as force majeure:

- any default of a service, defect in equipment or material, or delays in making them available, unless they stem directly from a relevant case of force majeure,
- labour disputes or strikes, or
- financial difficulties.

**“Funder”** shall mean the European Union institution, agency or body with whom the KIC Legal Entity has concluded a Grant Agreement.

**“Intellectual Property”** shall be understood in the meaning defined in Article 2 of the Convention establishing the World Intellectual Property Organisation<sup>1</sup>.

**“Project”** shall refer to the action as set out in Annex 1.

**“Results”** shall mean any tangible or intangible effect of the Project, such as data, know-how or information, whatever its form or nature, whether or not it can be protected, as well as any rights attached to it, including intellectual property rights.

**“Third Party Receiving Financial Support”** shall mean a recipient of EU funds in the form of grants, prizes or similar forms of support as described in Article 9.4 and Annex V of the GA.

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<sup>1</sup> [WIPO Lex](#)

## ARTICLE 2: SUBJECT OF THE AGREEMENT

This Agreement sets out the rights and obligations and terms and conditions applicable to the financial support awarded for the implementation of the Project as set out in Annex 1.

By signing the Agreement, the [Recipient] accepts the financial support and agrees to implement the Project, under their own responsibility and in accordance with the Agreement.

## ARTICLE 3: EXECUTION DATE, EFFECTIVE DATE, , DURATION AND TERMINATION

### 3.1 Execution date

The execution date is the date when the last of the Parties signs the Agreement.

### 3.2 Effective date

The effective date is the Project start date as indicated in Annex 1.

### 3.3 Duration

The Agreement shall be in force from the Effective date and until the full completion of the Project or the expiration of the Project upon the end date, as indicated in Annex 1, whichever occurs first.

### 3.4 Termination

#### 3.4.1. Breach of Agreement by the KIC Legal Entity (Termination by the Recipient)

3.4.1.1 In the event the KIC Legal Entity is in breach of its obligations under this Agreement, the Recipient may give formal notice to the KIC Legal Entity requiring that such breach will be remedied within 90 calendar days of this formal notice, unless such breach cannot be remedied.

If such breach is substantial and is not remedied within that period of 90 calendar days or, is not capable of remedy, the Recipient may decide to terminate the Agreement upon notice.

3.4.1.2 The Recipient may terminate this Agreement with immediate effect through written notice to the KIC Legal Entity, if the latter is subject to an event of Force Majeure, preventing it from correct performance of its obligations hereunder and such circumstances have lasted, or can reasonably be expected to last more than 120 calendar days.

#### 3.4.2. Breach by Recipient (Termination by the KIC Legal Entity)

3.4.2.1 In the event the Recipient is in breach of its obligations under this Agreement, the KIC Legal Entity may give formal notice to the Recipient requiring that such breach will be remedied within 14 calendar days of this formal notice, unless such breach cannot be remedied.

If such breach is substantial (i.e. improper implementation of the Project, non-compliance with the call conditions, submission of false information or incomplete information, failure to provide required information, breach of ethics or security rules) and is not remedied within that period or, is not capable of remedy, the KIC Legal Entity may decide to declare the Recipient to be a defaulting Party and to decide on the consequences thereof which may include termination of

this Agreement upon written notice as well as the measures described in Article 4.3 (Recovery of funds), Article 5 (Financial provisions) and Article 14 (Checks, reviews and audits).

3.4.2.2 The KIC Legal Entity may terminate this Agreement with immediate effect through written notice to the Recipient, if the Recipient is subject to an event of Force Majeure, which prevents the Recipient from correct performance of its obligations hereunder and such circumstances have lasted or can reasonably be expected to last more than 120 calendar days.

3.4.2.3 The KIC Legal Entity may at any time terminate this Agreement immediately upon written notice if one of the following events occurs:

- a change to the legal, financial, technical, organisational or ownership situation of the Recipient is likely to substantially affect or delay the implementation of the Project it is involved in or calls into question the decision to select the Project (including changes linked to one of the exclusion grounds listed in the declaration of honour, signed by the time of the signature of this Agreement);
- the Recipient is subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.);
- the Recipient is in breach of social security or tax obligations;
- the Recipient (or person having powers of representation, decision-making or control, or person essential for the implementation of the projects) has been found guilty of grave professional misconduct;
- the Recipient (or person having powers of representation, decision-making or control, or person essential for the implementation of the projects) has committed fraud, corruption, or is involved in a criminal organisation, money laundering, terrorism related crimes (including terrorism financing), child labour or human trafficking;
- the Recipient (or person having powers of representation, decision-making or control, or person essential for the implementation of the projects) was established under a different jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin or created another entity with this purpose;
- the Recipient (or person having powers of representation, decision-making or control, or person essential for the implementation of the Project) has committed substantial errors, irregularities or fraud.

3.4.2.4 The KIC Legal Entity may terminate this Agreement if the Recipient is in breach of any of its material obligations under any binding regulation or agreement with the former, or its material obligations pertaining to the membership of the KIC Legal Entity, always provided that such breach is duly notified to the Recipient, has not been remedied and results in a termination due to breach in accordance with the applicable provisions for such termination. Following a default under this Agreement, the KIC Legal Entity may also terminate any other agreement it may have with the defaulting Recipient.

3.4.2.5 The KIC Legal Entity may terminate this Agreement at the end of each financial year by giving three (3) months written notice of the termination through registered letter to the Recipient. For clarification reasons, such termination shall have to coincide with the termination of the Recipient as a member in the KIC Legal Entity, if applicable.

3.4.2.6 If the Grant Agreement is terminated by the Funder or the KIC Legal Entity, the latter shall have right to terminate this Agreement upon notice to the Recipient, subject to the provisions surviving the expiration of the Agreement.

### 3.4.3 *Survival of rights and obligations*

After termination, the Recipient's obligations, in particular those contained in Articles 9 (Confidentiality), 7 (Intellectual property rights), 6 (Liability), 12 (Communication, dissemination and visibility rules), 4.4 (Reporting), 14 (Checks, reviews, audits and investigations), and 17.5 (Applicable law) of this Agreement, as well as Articles 26 (Impact evaluation), 27 (Rejections), 28 (Grant reduction) and 42 (Assignment of claims) of the Grant Agreement, continue to apply.

Termination shall not affect any rights or obligations of the Parties incurred prior to the date of termination, unless otherwise stipulated herein or agreed between the Parties. This includes the obligation to provide all input, deliverables, and documents for the period that the Agreement was still in force and effect.

### 3.4.4 *Termination report*

The Recipient must within 60 days from when termination takes effect submit a termination report, for the open reporting period under the Project until termination, containing an overview of the progress of work, the financial statement, the explanation on the use of resources, and if applicable, the certificate on the financial statement to the KIC Legal Entity.

The KIC Legal Entity will calculate the amount that might be due to the Recipient on the basis of the report submitted and taking into account the costs incurred and contributions implemented before the end of work date foreseen in Annex 1. Costs relating to contracts due for execution only after the end of work are not eligible.

If the KIC Legal Entity does not receive the termination report within the deadline, only costs and contributions which are included in an approved periodic report will be taken into account (no costs/contributions if no periodic report was ever approved).

## ARTICLE 4: IMPLEMENTATION OF THE PROJECT

### 4.1 General principles

The Recipient is fully responsible towards the KIC Legal Entity for implementing its tasks in the Project.

If the Project is to be carried out by a consortium of partner entities, all Recipients will be considered fully responsible towards the KIC Legal Entity for the implementation of the Project.

[only applicable for consortia] The Primary Recipient will act as the main point of contact between the other members of the consortium and the KIC Legal Entity for all communications related to the Project.

The Recipients shall conclude an internal arrangement (e.g. a Consortium Agreement) regarding their operation and coordination, to ensure that the Project is implemented properly.]

The Recipient(s) must:

- implement this Agreement to the best of its abilities, in good faith, respecting the principles of transparency, non-discrimination and sound financial management and in accordance with all the obligations herein contained.
- have the appropriate resources to implement the Project under its own responsibility. If the Recipient relies on its affiliated entities or other third parties, the Recipient retains sole



responsibility towards the Funder, the KIC Legal Entity and the other Recipients involved in the Project. If the KIC Legal Entity requires joint and several liability of affiliated entities they must sign a *Declaration on joint and several liability of affiliated entities* and may be held liable in case of enforced recoveries against their Recipients.

- remain eligible under the Horizon Europe programme funding for the entire duration of this Agreement. Costs and contributions will be eligible only as long as the Recipient is eligible.
- promptly notify to the KIC Legal Entity any significant information, fact, problem or delay likely to affect its participation in the Project.
- promptly provide all information reasonably required by the KIC Legal Entity for the implementation of the Projects (including mid-term reviews, if any) and the reporting of the costs.

#### 4.2 Proper implementation of the Project

[the Recipient] shall use the financial support to implement the Project as described in Annex 1 in compliance with the provisions of the Agreement, [the call conditions] and all legal obligations under applicable European Union (EU), international, and national law.

The Project shall be implemented properly pursuant to the principles contained in Article 4.1 and in a timely manner in line with the stipulations of Annexes 1 and 2.

[the Recipient] must prevent delays or reduce them as much as possible. Important delays of more than 2 months shall be immediately disclosed to the KIC Legal Entity in line with Article 17.2 (Notices).

#### 4.3 Involvement of third parties (including subcontracting and affiliated entities)

[the Recipient] must ensure that its contractual obligations under Articles 4.2 (Proper implementation of the Project), 8 (Conflict of interest), 9 (non-disclosure of information), 11 (Ethics), 12 (Visibility rules), 13 (Information, record keeping) and 14 (Checks, reviews, audits and investigations) of this Agreement and any other specific rules for carrying out Project as described in the Agreement, also apply to the involved subcontractors, affiliated entities and any other third parties.

#### 4.4 Project Monitoring and reporting

[the Recipient] shall abide by the following standards for the monitoring of the Project:

- systematic monitoring and review of the Project(s) (e.g. staff management, procurement, financial management, quality control, risk management, distribution and provision of support to final recipients, outputs, activity, financial reports etc.), in the format and timing specified by the KIC Legal Entity;
- effective and reliable monitoring and reporting of the Project(s) (including information on indicators, EIT Impact Framework, legality and regularity of the expenditure claimed, contribution to the financial sustainability of the KIC, where applicable), in the format and timing specified by the KIC Legal Entity;
- provisions for the re-orienting or stoppage of underperforming Project(s) in the manner established by the KIC Legal Entity;
- a mechanism to evaluate high potential Project outcomes and fast track them towards further investment and rapid development;

- ensure the legality and regularity of the expenditure claimed.

**[the Recipient]** shall:

- comply with any reporting policy and instructions issued by the KIC Legal Entity and contained in Annex 2, in accordance with the timing and conditions it sets out as may be amended/modified by the KIC Legal Entity;
- comply with any and all other monitoring and reporting requirements, including any future requirements by the KIC Legal Entity and/or as may be established by the KIC Legal Entity, as the case may be pursuant to Funder requirements;
- proactively report to the KIC Legal Entity any developments which may seriously affect the Project(s) including the achievement of the overall Project target, any milestone thereunder and/or the purpose of the financial support immediately upon their respective occurrence.

#### **4.4 Consequences of improper implementation of the Project**

In the event of an improper implementation of the Project by the Recipient in accordance with this Agreement, the KIC Legal Entity, at its own discretion and following the applicable Funder rules and guidelines, may:

- i. re-orient the scope of the Project,
- ii. reduce the amount of grant and/or
- iii. stop a Project pursuant to the Go / no Go process.

The KIC Legal Entity shall also have the right to suspend any payment towards the defaulting Recipient and to request the defaulting Recipient to return the funds received (recovery or withdrawal of funds) in accordance with Articles 5.4. and 5.5 of this Agreement.

### **ARTICLE 5: FINANCIAL PROVISIONS**

#### **5.1 Financial support**

The financial support for the implementation of the Project described in Annex 1 is [currency, e.g. EUR] [amount, e.g. 10.000,56]. The Project budget [including per Recipient] is further detailed in Annex 1.

#### **5.2 Payments**

The number of payments, their frequency and conditioning on implementation progress and reporting are described in Annex 2.

Payments shall be transferred to the bank account indicated by [the Recipient/ Primary Recipient] in the reporting documentation and as specified in Annex 2.

#### **5.3 Eligibility of costs**

To be eligible for financial support, costs must meet the eligibility conditions set out in Annex 3.

#### **5.4 Suspension of payments**

The KIC Legal Entity may — at any moment — suspend the payments, in whole or in part, if:

- (a) the required report (as per Annex 2) has not been submitted, is not complete, or additional information is needed;
- (b) there are doubts about the amount to be paid (e.g., an ongoing extension procedure, queries about eligibility, need for a financial support reduction, etc.) and additional checks, reviews, audits, or investigations are necessary;
- (c) **[the Recipient]** (or a person having powers of representation, decision-making or control, or person essential for the award/implementation of the financial support) has committed or is suspected of having committed:
  - (i) substantial errors, irregularities, or fraud or;
  - (ii) serious breach of obligations under this Agreement or during its award (including improper implementation of the Project, non-compliance with the selection conditions, submission of false information, failure to provide required information, or breach of ethics rules (if applicable)).

### 5.5 Recovery of funds by the KIC Legal Entity

The KIC Legal Entity shall proceed with the recovery of the funds transferred to the Recipient within 30 calendar days upon notification, in case:

- the Recipient did not use the financial support for the purposes indicated in Annex 1;
- the Recipient has not complied with its obligations under this Agreement, including the cost eligibility rules referred to in Annex 3 (i.e. breach) and milestones, and;
- the Project has lost its relevance for scientific or technological reasons, and the KIC Legal Entity, in exercise of its reasonable discretion and after consultation with the recipient and, if appropriate, with independent external experts, decides to terminate the action.

The right of the KIC Legal Entity to recover the affected funds is without prejudice to its right to claim compensation for damages caused by the Recipient's breach.

## ARTICLE 6: LIABILITY

### 6.1 Respect to mutual obligations

Either Party shall comply with its obligations towards the other Party under this Agreement and its Annexes.

### 6.2 Liability of the KIC Legal Entity

The KIC Legal Entity cannot be held liable for any damage caused to **[the Recipient]** or third parties as a consequence of the implementation of the Agreement, including for gross negligence.

The KIC Legal Entity cannot be held liable for any damage caused by **[the Recipient]** or other participants involved in the Project as a consequence of the implementation of the Agreement.

### 6.3 Liability of **[the Recipient]**

**[the Recipient]** has individual financial responsibility for its own financial obligations under this Agreement and the co-funding agreed upon ("financial liability").

[the Recipient] is responsible for the technical implementation of the Project (“technical liability”).

[the Recipient] shall compensate the KIC Legal Entity for any damage sustained as a result of the implementation of the Project or because the Project was not implemented in full compliance with the Agreement, provided that it was caused by gross negligence or a wilful act. The liability does not extend to indirect or consequential losses or similar damage (such as loss of profit, loss of revenue, or loss of contracts), provided such damage was not caused by a wilful act or by a breach of confidentiality.

[Article 6.3 is only applicable in case of a consortium of partners where each partner signs this Agreement. Delete if not applicable.]

#### **[6.4 Joint liability of Recipients]**

The Recipients involved in the Project and constituted in the form of a consortium are jointly and severally liable for the technical implementation of the Project. If a Recipient fails to implement its part of the Project or in case it withdraws from the Project, the other Recipients become responsible for implementing this part or completing the Project, without being entitled to any additional funding at Project level for doing so, unless the KIC Legal Entity expressly relieves them of this obligation or unless the failure to implement the part of the Project is due to gross negligence of the KIC Legal Entity. For the avoidance of doubt, the remaining budget share of the failing or withdrawing Recipient may be reallocated to the remaining Recipients of the Project to enable them to complete the failing or withdrawing Recipient’s part of the Project. Consortium partners may agree to supplement the liability regime of this Agreement through specific provisions in their consortium agreement.]

## **ARTICLE 7: INTELLECTUAL PROPERTY RIGHTS**

### **7.1 General considerations**

The Recipient shall abide by the rules governing intellectual property contained in the General provisions of the Grant Agreement. The relevant rules are included into this Agreement under its Annex 4.

Further to the specific rules governing intellectual property contained in the referred General provisions, the KIC Legal Entity makes no claim in respect of intellectual property developed in the course of the Project implementation.

### **7.1 Background and access rights to background**

The Parties must give each other access to the background identified as needed for implementing the Project. If the background is subject to rights of a third party, the Party concerned must ensure that it is able to comply with its obligations under the Agreement.

### **7.2 Ownership of results**

Results are owned by the Recipient.

### **7.3 Joint ownership of results**

Results are owned jointly by the Parties if:

- a) they have jointly generated them; and

- b) it is not possible to:
- establish the respective contribution of each Party, or
  - separate them for the purpose of applying for, obtaining, or maintaining their protection.

The joint owners may agree — in writing — to apply another regime than joint ownership.

#### **7.4 Exploitation of results by third parties**

Granting result exploitation rights to third parties shall be agreed in writing.

Unless otherwise agreed in the joint ownership agreement or consortium agreement, each joint owner may grant non-exclusive licences to third parties to exploit jointly-owned results (without any right to sub-license), if the other joint owners are given:

- at least 45 days advance notice and
- fair and reasonable compensation.

#### **7.5 Complementary consortium agreements**

[if applicable] The above-referred provisions and policies on intellectual property rights might be supplemented by specific consortium agreements between consortium partners regulating intellectual property rights in the context of the Project or by other ad hoc agreements. Such agreements will always abide by the principles and rules contained in the General provisions of the Grant Agreement with regard to intellectual property rights.

#### **ARTICLE 8: CONFLICTS OF INTEREST**

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

[The Recipient] shall formally notify the KIC Legal Entity without delay of any situation constituting or likely to lead to a conflict of interest and immediately take all the necessary steps to rectify this situation as per Article 17.2.

The KIC Legal Entity may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

#### **ARTICLE 9: CONFIDENTIALITY**

The Parties shall keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information'), or when disclosed orally has been identified as sensitive at the time of disclosure and has been confirmed and designated as such in writing at the latest within 15 calendar days from oral disclosure by the disclosing Party.

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

The Parties may disclose sensitive information to their personnel or other participants in the Project only if they:

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

The KIC Legal Entity may disclose sensitive information to third parties:

- (a) to safeguard the EU financial interests; and
- (b) if the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- (a) the disclosing Party agrees to release the other Party;
- (b) the information becomes publicly available, without breaching any confidentiality obligations
- (c) the disclosure of the sensitive information is required by EU, international, or national law.
- (d) a time period of 5 years after the disclosure of the Sensitive Information has passed, unless otherwise agreed upon between the Parties
- (e) the sensitive information is subsequently independently developed by or on behalf of the receiving Party without use of the disclosing Party's sensitive information.

The receiving Party or Parties undertakes to return to the disclosing Party, or to destroy, on request all sensitive information that has been disclosed including all copies thereof and to delete all information stored in a machine-readable form to the extent practically possible. The receiving Party may keep a copy to the extent it is required to keep, archive or store such sensitive information because of compliance with applicable laws and regulations or for the proof of on-going obligations provided that the receiving Party comply with the confidentiality obligations herein contained with respect to such copy.

If either Party becomes aware that it will be required, or is likely to be required, to disclose sensitive information in order to comply with applicable laws or regulations or with a court or administrative order, it shall, to the extent it is lawfully able to do so, prior to any such disclosure the Parties shall:

- (a) notify the other Party; and
- (b) comply with the disclosing Party's reasonable instructions to protect the confidentiality of the information.

## ARTICLE 10: DATA PROTECTION

[The Recipient] shall process personal data under this Agreement in compliance with the applicable EU, international and national law on data protection (in particular, Regulation 2016/679<sup>2</sup>).

The collected personal data will be used solely for the implementation, follow-up, reporting and management of this Agreement by [the Recipient] and its subsidiaries, and for dissemination of information and communication purposes foreseen for this Agreement.

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<sup>2</sup> Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC ('GDPR') (OJ L 119, 4.5.2016, p. 1).

## ARTICLE 11: ETHICS AND VALUES

### 11.1 Ethics

The Project shall be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles. [the Recipient] shall abide by the specific rules on ethics contained in the General provisions of the Grant Agreement, hereby incorporated under Annex 4 of this Agreement.

### 11.2 Values

[The Recipient] must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).

## ARTICLE 12: COMMUNICATION, DISSEMINATION AND VISIBILITY

### 12.1 Communication, dissemination and promoting the Project

Unless otherwise agreed with the KIC Legal Entity, [the Recipient] shall promote the Project and its results by providing targeted information to multiple audiences (including the media and the public) in a strategic, coherent and effective manner.

Before engaging in a communication or dissemination activity expected to have a major media impact, [the Recipient] shall inform the KIC Legal Entity.

### 12.2 Visibility and disclaimer

[The Recipient] shall comply with the applicable rules in the General provisions of the Grant Agreement, annexed to this Agreement, for the use of the European emblem, funding statement and disclaimer.

## ARTICLE 13: INFORMATION OBLIGATIONS – RECORDKEEPING

### 13.1 General information obligations

#### 13.1.1. Information requests

[The Recipient] shall provide — during the Project and for three years after the final payment — any information requested in order to verify eligibility of the costs or contributions declared, proper implementation of the Project(s) and compliance with the other obligations under this Agreement. The information provided must be accurate, precise and complete, and in the format requested, including in an electronic format.

[The following line is compulsory when the financial support is above EUR 60.000 and relevant when there are additional funder requirements specified in the GA.]

[The eligibility of costs is further detailed in Annex 3.]

#### 13.1.2. Information about events and circumstances which impact the Project

**[The Recipient]** shall immediately inform the KIC Legal Entity of any of the following:

- (a) **events** which are likely to affect or delay the implementation of the Project(s) or affect the EU's financial interests, in particular changes in **[the Recipient]**'s legal, financial, technical, organisational or ownership situation;
- (b) **circumstances** affecting:
  - (i) the decision to award financial support to the Project(s) or
  - (ii) compliance with requirements under the Agreement.

For notices under this Agreement, see article 17.2.

### 13.2 Recordkeeping

**[The Recipient]** shall keep records and other supporting documents to prove the proper implementation of the Project for the defined eligible costs as per the cost eligibility rules contained in Annex 3, and in line with accepted standards in the respective field (if any) for up to **[three years after final payment]** **[if financial support <60,000 euros OR [up to five years after final payment] [if financial support > 60,000 euros – keep the relevant term only].**

## ARTICLE 14: CHECKS, REVIEWS AND AUDITS

### 14.1 Checks

The KIC Legal Entity may — during the implementation of the Project or after its termination or finalization — conduct checks on the proper implementation of the Project and compliance with the obligations under the Agreement, including assessing costs and contributions, deliverables and reports.

For this purpose, the KIC Legal Entity may be assisted by external persons or bodies.

Pertaining to the above, information provided by **[the Recipient]** must be accurate, precise and complete, and in the format requested.

### 14.2 Reviews and audits

Reviews and audits may be started up to two years after the final payment.

If carried out during the implementation of the Project, a review may also recommend corrections to the Project.

Should EU institutions or bodies including the EIT, the European Commission, the European Court of Auditors, the European Public Prosecutor's Office, or the European Anti-Fraud Office, decide to carry out a check, review, audit, or investigation pertaining to the Project, **[the Recipient]** shall make available all required information, records, and other supporting documents relating to the implementation of this Agreement. The KIC Legal Entity shall formally notify **[the Recipient]** of such reviews or audits.

In case reviews and audits carried out in line with this Article 14 show ineligible costs, substantial errors, irregularities, fraud or serious breach of obligations, this may lead to suspension, termination, cost rejection, financial support reduction or cost recovery. In some cases, findings may result in the acceptance of additional costs (if **[the Recipient]** declared them).



## ARTICLE 16. FORCE MAJEURE

No Party shall be considered to be in breach of this Agreement if it is prevented from fulfilling its obligations under the Agreement by Force Majeure.

Each Party shall notify the other [Party/ Parties] of any Force Majeure without undue delay.

The Parties shall immediately take all the necessary steps to limit any damage due to Force Majeure and do their best to resume implementation of the Project as soon as possible.

If the consequences of Force Majeure are not overcome within 12 weeks after such notification, either Party shall have the right to terminate this Agreement upon notification.

## ARTICLE 17: MISCELLANEOUS

### 17.1 No representation, partnership or agency

No Party shall be entitled to act or to make legally binding declarations on behalf of the other [Party/ Parties].

Nothing in this Agreement shall be deemed to constitute a joint venture, agency, partnership, interest grouping or any other kind of formal business grouping or entity between the Parties.

### 17.2 Notices and other communication

Any notice to be given under this Agreement shall be addressed in writing to the persons listed in Annex 1. Any formal notice shall include the signature of the Authorised Representative of the notifying Party.

### 17.3 Assignment and amendments

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

Amendments to this Agreement including Annexes shall be made in writing and signed by Authorised Representatives of the Parties.

### 17.4 Language

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

### 17.5 Applicable law

This Agreement shall be construed in accordance with and governed by the laws of Belgium.

### 17.6 Settlement of disputes

The Parties shall endeavour to settle their disputes amicably.

All disputes arising out of or in connection with this Agreement, which cannot be solved amicably, shall be finally settled before the courts of Brussels.

## Signatures

The Parties have caused this Agreement to be duly signed by the undersigned Authorised Representatives.

The signature of a Party via a scanned or digital image of a handwritten signature (e.g., scan in PDF format) or an electronic signature (e.g., via DocuSign), shall have the same force and effect as an original handwritten signature for the purposes of validity, enforceability and admissibility. Each Party will receive a fully executed copy of the Agreement. Delivery of the fully executed copy via e-mail or via an electronic signature system shall have the same force and effect as delivery of an original hard copy.

### **For EIT Climate-KIC**

Name:

Title :

In :

Date :

Signature \_\_\_\_\_

### **For [Recipient's name – see page 3]:**

Name:

Title:

In:

Date:

Signature \_\_\_\_\_

## Annex 1 – Project and Budget Description

Make sure the below corresponds to the proposal approved in line with the relevant selection procedure (prize, call for proposals, direct award). The below is the minimum data required for the project and budget description. While formatting may differ, the data requirements must be met.

Programme & Call name	[I.e. Horizon Europe, EIT programme]
Project Number & Name/ Acronym	
Project Start and End date (start date is the effective date)	
List of Recipients, if more than one – delete if not relevant	
Project Description	[Provide concise description of key activities/ tasks, relevant deliverables and/ or milestones. Whenever possible, include a work plan on a timeline. If more than one Recipient, specify the role of each Recipient for the Project implementation.]
Financial support requested from KIC Legal Entity	[EUR XXXX]
Allocation of financial support per Recipient – delete if not relevant	
Own contribution, if relevant	specify own contribution for each Recipient
Project Budget	Total budget = financial support + own contribution
Breakdown of Project budget per cost category indicating financial supported vs. own contribution	
Primary contact person at Recipient	[Insert name] [Insert title] <a href="#">[Insert email address]</a>
Contact person for day-to-day implementation of the Project at Recipient	[Insert name] [Insert title] <a href="#">[Insert email address]</a>
Primary contact person at KIC Legal Entity	[Insert name] [Insert title] <a href="#">[Insert email address]</a>
Contact person for day-to-day implementation of the Project at KIC Legal Entity	[Insert name] [Insert title] <a href="#">[Insert email address]</a>  Compliance queries to be addressed to: <a href="mailto:grants@climate-kic.org">grants@climate-kic.org</a>

## Annex 2 – Reporting and Payment Conditions and Schedule

Check the GA for specific reporting requirements and add below when needed.

Add additional provisions if this is a consortium with a Primary Recipient as main contact point for this agreement.

### 1. Obligation to submit reports

[The Recipient] must submit to the KIC Legal Entity technical and financial reports as set out in this Annex including requests for payment. The relevant forms and templates shall be provided by the KIC Legal Entity [three months] prior to the report submission deadline.

### 2. Reporting periods

The Project is divided into the following 'reporting periods':

Indicate the start and end date of each reporting period.

### 3. Periodic reports

[The Recipient] must submit a periodic report [within 60 days] following the end of each reporting period.

The periodic report must include the following:

#### a. *Technical report* – add requirements if needed

- (i) an overview of the progress [towards objectives/ Impact Framework] of the Project, including milestones and deliverables defined in Annex 1;
- (ii) when available, a description of the exploitation and dissemination of the results;
- (iii) if required by Annex 1, an updated 'plan for the exploitation and dissemination of the results' and relevant communication activities.
- (iv) justification for any deviations from the agreed Project.

#### b. *Financial report*

- (i) an overview of the spend-to-date based on the budget defined in Annex 1;
- (ii) the report shall cover actual costs and unit costs calculated on the basis of [Recipient's/ Recipients'] usual cost accounting practices.
- (iii) Final financial report shall be accompanied by a report by an independent auditor ('Certificate on Financial Statements' or 'CFS'). The costs for producing the CFS are eligible costs.

### 4. Currency for financial statements

Financial statements must be drafted in Euro and using the daily exchange rates published in the C series of the Official Journal of the European Union, calculated over the corresponding reporting period.

### 5. Language of reports

All reports (technical and financial reports, including financial statements) must be submitted in the language of the Agreement.

### 6. Payments and payment schedule

Specify if two or more payments, payment % of total Project budget and payment schedule. Verify with Finance to confirm cash flow.

#### **7. Bank payment details**

[*The Recipient*] shall provide their payment details upon execution of the agreement – in line with article 17.2 – and with every report indicating the bank account holder, bank name and IBAN.

### **Annex 3 – Eligibility of costs**

The rules on the eligibility of costs and contributions for grant recipients, contained in Article 6 of the 2021 Grant Agreement are hereby transposed into this Agreement,

<https://www.climate-kic.org/wp-content/uploads/2023/02/Rules-on-the-eligibility-of-costs-and-contributions-for-EIT-grant-recipients.pdf>

#### **Annex 4 – Transposition of General provisions of the Grant Agreement**

The General provisions of the Grant Agreement lay down rules relating to crucial aspects of the Project such as 1) intellectual property rights, 2) communication, dissemination and visibility, 3) record keeping, 4) checks, reviews, audits and investigations, and 5) ethics and values. These General provisions are hereby incorporated into the Financial Support Agreement,

<https://www.climate-kic.org/wp-content/uploads/2023/02/General-provisions-of-the-Grant-Agreement-%E2%80%93-Annex-3-to-the-Financial-Support-Agreement.pdf>