

Annex II
Partnership Agreement



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Hungary-Romania
Cross-Border Co-operation
Programme 2007-2013

European Union
European Regional Development Fund



Model Partnership Agreement

**Project title: LINKing businesses with
environment friendly technologies and products**

Acronym: LINK

Project code: HURO/1001/189/2.1.2



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Hungary-Romania Cross-border Cooperation Programme 2007-2013

Partnership Agreement

Having regard to

- COUNCIL REGULATION (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;
- REGULATION (EC) No 1080/2006 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 5 July 2006 on the European Regional Development Fund and repealing Regulation (EC) No 1783/1999;
- COMMISSION REGULATION (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund;
- Hungary-Romania Cross-border Co-operation Programme 2007-2013 approved by the European Commission on 21 December 2007, Decision No. C/2007/6602
- The Call for Proposals within the Cross-border Co-operation Programme Hungary-Romania 2007-2013, issued under <CfP Number>;
- The project LINK; as approved by the Joint Steering Committee of the Programme;
- The HURO Project Implementation Handbook laying down specific rules for the implementation of projects financed under the Programme.

the following has been agreed between

TIMIS CHAMBER OF COMMERCE, INDUSTRY AND AGRICULTURE, having its head office at PIATA VICTORIEI NR.3, 300030 TIMISOARA, TIMIS, ROMANIA, VAT no or Fiscal code number 4248972, represented by GEORGICA CORNU as Lead Partner (furthermore referred to as LP) of the Project called LINK

and

CHAMBER OF COMMERCE AND INDUSTRY CSONGRÁD COUNTY having its head office at Szeged in (address) 6721 Szeged, Párizsi krt. 8-12, Hungary, VAT no or Fiscal code number 18453616-2-06 represented by DR. TRÁSERNÉ OLÁH ZSUZSANNA, as Project Partner n. 2;

hereinafter jointly referred to as Parties

for the implementation of the project LINKing businesses with environment friendly technologies and products, with acronym LINK, approved by the Joint Steering Committee of the Hungary-Romania Cross-border Co-operation Programme 2007 – 2013.

The Parties convene and sign the followings,



Article 1 Project Objectives

1. The project LINK; shall contribute to the objectives set out in the Operational Programme. The project objectives are set out in the Application Form as approved by the Joint Steering Committee, Annex I of the Subsidy Contract

Article 2 Scope of the Partnership Agreement

1. The parties, through the present Partnership Agreement, define the rules of procedure for the work to be carried out and the relations that shall govern them in the partnership set up in order to implement the above-mentioned project. This Agreement shall also define their mutual responsibilities concerning the administrative and financial management of the Project.
2. The responsibilities are based on and refer to the Subsidy Contract, with all its provisions, forming an integral part of this Partnership Agreement. The Project Partners (furthermore referred to as PPs) have to fully respect the content and obligations set by the abovementioned documents.

Article 3 Duration of the Partnership Agreement

1. This Agreement is valid from the date of signature by all parties and enters into force from the day of the entry into force of the Subsidy Contract between the Managing Authority and the LP. It shall remain in force until the LP has discharged in full his obligations towards the Managing Authority, including the period of availability of documents for financial controls, or if the Subsidy Contract terminates.
2. As indicated in the Subsidy Contract, the LP and its PPs must undertake to retain all documents and receipts pertaining to the project and the financing thereof in a safe and orderly fashion for three years following the closure of the Programme. Other possibly longer statutory retention periods, as might be stated by national law, remain unaffected. As a general rule, it is also possible to use suitable image and data media, if the reproduction thereof is complete, orderly, identical in terms of content, in complete conformity with the original and capable of auditing, and access thereto is assured at any time until the expiry of the retention period.
3. This Agreement shall also remain in force if there is any non-resolved dispute among the PPs at an out-of-court arbitration body.
4. The breach of the obligations of this Partnership Agreement by one of the PPs may lead to an early termination of his participation in the project. This termination has to be decided by consensus by all the other PPs in a documented manner, provided that the eligibility rules of the call for proposals are kept with the remaining PPs and the consequently initiated amendment of the Subsidy Contract is successful at the Managing Authority. However, the PP will be obliged by this Agreement for its whole duration with regard to the activities carried out and expenditure incurred until that moment.

Article 4
Rights and duties of the parties

LP:

1. As a **general obligation** the LP shall:

- a) be responsible for the overall coordination, management and implementation of the project. The LP is the lead beneficiary of the ERDF contribution and shall manage the funds in accordance with the details of this Partnership Agreement and the Subsidy Contract. The LP assumes responsibilities for the entire project vis-à-vis the JTS and Managing Authority as defined in the Subsidy Contract. The LP will sign the subsidy contract and its possible modifications on behalf of the partnership;
- b) inform all PPs on the signature of the Subsidy Contract, and provides a copy of it for all PPs;
- c) appoint a project manager who has the operational responsibility for the coordination and documentation of the overall project;
- d) guarantee the timely performance of the entire Project for its whole duration according to the work plan;
- e) represent PPs towards the Programme Management Bodies;
- f) inform PPs on the progress of the overall Project, in particular with reference to its objectives and results as set in the Subsidy Contract or any later modifications;
- g) inform PPs about any variation of the conditions at the basis of the present agreement or about any modification that could influence the performance of the Project, the information activity or the payment of financing;
- h) support PPs in implementing their obligations by giving them the correct information, indications and clarifications on the procedures, the forms and other relevant documents, ensures that the PPs receive every relevant information;
- i) ensures that PPs are involved in the decision making regarding to the project, and especially, agrees with all PPs beforehand on any request to the Joint Technical Secretariat for amendment of the Subsidy Contract;
- j) react promptly to any request made by the Managing Authority and Joint Technical Secretariat within the deadline stipulated in the respective request;
- k) inform the PPs on all important communication with the Managing Authority and/or JTS in due time;
- l) notify the PPs and the Joint Technical Secretariat immediately of any event that could lead to a temporary or final discontinuation of the project or any other deviation of the implementation of the project;
- m) implement his individual component of the project accordingly;
- n) be liable towards the Managing Authority for the total amount of the subsidy. In case of a request for repayment by the MA of the ERDF contribution unduly paid, the LP will launch the claim for reimbursement of unduly paid amounts towards the PP in order to ensure repayment to the MA. When amounts unduly paid to a PP cannot be recovered, the LP shall inform the JTS;
- o) comply with EU and national legislation;
- p) inform the Joint Technical Secretariat regarding any change or amendment of the present agreement;



- q) request any information and additional documents from the PPs, necessary for drafting the documents requested by the MA/JTS; the LP has the obligation to mention in the request the deadline for the PPs;
- r) collect all documents from the PPs in order to complete the Application for Reimbursement and Progress Reports and notify the PPs the deadlines for submitting them;
- s) communicate with all the PPs within 3 days in order to make the necessary measures for eliminating or diminishing the consequences on the implementation of the project after receiving the information that an irregularity has been committed by any of the PPs;
- t) coordinate the setting up of the Project Steering Committee of the Project and the drafting of its rules of procedure.

2. As a **financial obligation** the LP shall:

- a) guarantee the sound financial management of the ERDF contribution allocated for the implementation of the Project, including the separate set-up of the project accounting and the supporting documents storage system;
- b) claim the ERDF contribution by submitting Applications for Reimbursements supported by Progress Reports to the JTS;
- c) transfer the ERDF contribution to the bank accounts of the PPs, based on the approved Application for Reimbursement without any delay (but at the latest within 10 working days after receipt); and in full; no specific charge or other charge with equivalent effect shall be levied which would reduce these amounts for the PPs;
- d) verify that expenditure incurred by PPs have been validated by national control bodies prior they are forwarded to the Joint Technical Secretariat;
- e) carry out project level accounting;
- f) guarantee that the allocations of the expenditure incurred by PPs are in line with those foreseen in the Project budget;
- g) submit the Application for Reimbursement together with the Progress Report to the JTS within the deadline given in the Subsidy Contract;
- h) request the Managing Authority authorization for any variation of the budget in time with previous agreement of the PPs;
- i) ensure that no double funding or double reporting of shared costs takes place;
- j) keep track of project activities, the ERDF amounts received and their transfer to PPs.

3. As a **reporting and monitoring obligation**, the LP, shall:

- a) prepare and submit to the JTS the Progress Reports, Applications for Reimbursement, yearly Project Follow-up Reports and any other documentation upon request;
- b) guarantee to the EU and national bodies in charge the access to the place where the Project has been implemented and to the headquarters of all PPs in order to implement the foreseen on-the-spot checks with the right of inspection;
- c) guarantee to the EU and national bodies in charge of audit and controls the access to the databases and documents as well as to the bodies authorized to monitor the Project. All the documents will have to be kept during the Partnership Agreement



duration in their original format or in a certified copy, faithful to the original in a commonly-used format.

- d) report in accordance with the existing legislation and national guidelines if the project activities contain elements of State aid;
- e) keep a copy of all project documents prepared by the PPs or other bodies;
- f) guarantee the systematic collection and the safe storage of all the documentation regarding Project expenditure and activities;
- g) keep track and review the appropriate spending of the ERDF contribution by the PPs, the condition of the PPs' project part according and the preparation of the required documents and records for the project closure;

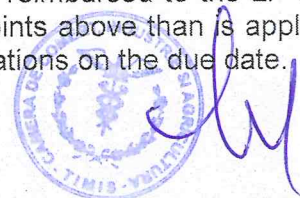
Article 5 Obligations of the PPs

1. PPs are responsible for carrying out specific project activities to deliver outputs in the manner and scope as indicated in the Subsidy Contract, which form an integral part of this Partnership Agreement.
2. According to the present Agreement the PPs are obliged to support the LP to fulfil its tasks according to the Subsidy Contract, in particular to:
 - a) appoint a contact person for the implementation of the parts of the Project under their responsibility and authorise the contact person to represent the PP;
 - b) assure the implementation of the part of the Project they are responsible for in accordance with the Subsidy Contract and the project work plan or otherwise agreed;
 - c) guarantee a sound financial management of funds, including the separate accounting and the documents storage system;
 - d) contribute to overall project aims according to their part undertaken with due care and motivation, completing their activities foreseen for each reporting period;
 - e) guarantee that reported costs have incurred for the performance of the project and correspond to the activities agreed upon among PPs, so as to assure the correspondence between the activities and the financed project. Also the PP is responsible for its budget up to the amount it participates in the project with;
 - f) cooperate with the LP for the effective implementation of the project, actively take part in decision making during the project;
 - g) ensure the validation of reported costs by the designated national control bodies, prior to their forwarding to the LP;
 - h) present to the LP, using the forms provided the technical-financial Partner Progress Reports certified by his national control bodies as well as the Declarations on Validation of Expenditure issued by the national control body, including a copy (in paper or electronic version) of all supporting documents for expenditure and activities according to the deadlines set in Article 10.3 in order to enable the LP to submit the Applications for Reimbursement and the Progress Reports;
 - i) guarantee the timely performance of the respective Project part according to the timeframes and deadlines of the Subsidy Contract and in particular that expected outputs are actually delivered; to notify the LP immediately of any event that could



lead to a temporary or final discontinuation of the project or any other deviation of the implementation of the project, including any variations to his part of Project budget or his Project work plan in maximum 3 days;

- j) respect the national and Community legislation, with particular regard to the State aid rules, public procurement, and horizontal EU policies, i.e. environmental protection and improvement, sustainable development and the promotion of equal opportunities between men and women;
- k) guarantee the systematic and safe collection of all the documentation regarding his part of Project expenditure and its transmission to the LP, as well as to guarantee the access to documents to all the representatives of the institutions in charge of controls and to the bodies authorized to monitor the Project. All the documents will have to be kept in their original format or in a certified copy, faithful to the original and in a commonly-used format; in a safe and orderly manner for a period of three years following the closure of the Programme; other possibly longer statutory retention periods, as might be stated by national law, shall remain unaffected;
- l) guarantee to the EU and national responsible audit bodies the access to the places where the Project has been carried out and to his legal head office in order to allow the inspections necessary within the Project activity of control, make copies of original documents;
- m) guarantee to the independent evaluators in charge the access to every document or information regarding the part of Project he is in charge of deemed to be necessary for their activity;
- n) repay the LP the amounts unduly paid (ERDF);
- o) inform the LP of all changes about its details including bank details;
- p) respond immediately to any request of the JTS/ Managing Authority transmitted by the LP;
- q) report in accordance with the existing legislation and national/regional guidelines if the project activities contain elements of State aid;
- r) report payment of national co-financing to the LP;
- s) not to subcontract 100% of the activities from their part of the project;
- t) submit copies of the state co-financing contracts (maximum 10 days from the signature) to the LP;
- u) submit to the LP any documents necessary for drafting specific documents requested by the MA/JTS or other implementing bodies of the programme within the deadline mentioned in the request;
- v) reimburse the ERDF contribution unduly paid to the LP within 30 days from request of the notification sent by the MA. In case the unduly paid amount is not reimbursed to the LP in due time, the PP has to pay interest on late payment starting on the due date and ending on the date of actual payment. The rate of such interest is one and a half percentage points above the rate that is applied by the Central European Bank in its main refinancing operations on the due date.
- w) repay the respective amounts in 30 days from the receiving date of the notification from the LP if any extra payment is done by the LP to a PP and considered an unduly paid amount.
- x) pay interest on late payment starting on the due date and ending on the date of actual payment in case the unduly paid amount is not reimbursed to the LP in due time. The interest rate is one and a half percentage points above than is applied by the Central European Bank in its main refinancing operations on the due date.



- y) participate at the setting up of the Joint Steering Committee of the Project and at drafting its rules of procedure.
4. PPs agree to take all necessary steps enabling the LP to comply with its responsibilities as set out in the Subsidy Contract.
 5. PPs agree to implement all activities as presented in the Subsidy Contract and contribute to the financial implementation of the project as planned.

Article 6
(Organizational structure of the Partnership - Project Steering Committee)

1. The PPs decide to set up a Project Steering Committee in order to guarantee an effective management of the Project. The Project Steering Committee is set up, composed of a representative of the LP and a representative of each PP. This Committee will be responsible for monitoring the implementation of the project on behalf of the partnership. The Project Steering Committee meets periodically (at least twice per year) following the convening by the LP. The LP must initiate the project meeting upon request of any PP.
2. As defined by the partnership, for example:
 - The Project Steering Committee shall settle disputes between the PPs
 - The Project Steering Committee shall be involved in project level decisions
 - May amend the Partnership Agreement

Article 7
Relationships with third parties

1. In the case in which PPs sign cooperation agreements with third parties (including subcontractors) for a partial execution of their part of Project, PPs will continue to be responsible towards the LP for all the obligations arising from the present Agreement. Any contracts with third parties will have to be concluded in accordance with EU and national legislation. No PP shall have the right to transfer its rights and obligations to third parties. The LP shall be informed by the PP about the subject and party of any contract concluded with a third party.

Article 8
Communication, publicity and dissemination of results

1. The LP and the PPs must respect the provisions of the HURO Visual Guide for Projects.
2. The LP and the PPs shall jointly implement the communication and publicity activities in accordance with the Subsidy Contract to ensure adequate promotion of the project both towards potential beneficiaries and towards the general public. The information and publicity rules as specified in the Regulation (EC) No 1828/2006 and the HURO Visual Guide for Projects shall be observed by all parties.
3. Each PP shall point out in the framework of any publicity and information measures, including public procurement procedures, that the project is implemented with the financial assistance from the European Union through ERDF under the Romania Cross-border Co-operation Programme 2007-2013 and to ensure an adequate promotion of the project.



4. The PPs agree that the results of the project will be available to any interested third party and to the general public free of charge. The PPs commit themselves to play an active role in any actions organized to capitalize on, disseminate and valorise these results.
5. The PPs agree that the LP may provide the JTS/Managing Authority or other programme body to publish, in whatever form, unrestricted as far as data protection is concerned, and on or by whatever medium, including the internet, with the following information:
 - the name of the LP and its PPs,
 - the amount granted and the ERDF Co-financing rate;
 - the purpose of the ERDF contribution (i.e. the overall objective of the Project),
 - the geographical location of the project,
 - results of the project,
 - any other information about the Project, if considered relevant.

Article 9 Ownership – Use of Results

1. The parties undertake to enforce the applicable law on intellectual property rights, regarding any outcome that might be produced during the implementation of the project.
2. Unless formally stipulated otherwise by the parties, ownership of the results of the project, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested to the PPs.
3. Without prejudice to the previous paragraph, the beneficiary grants the JTS and the Managing Authority the right to make free use of the results of the project, provided it does not thereby breach its confidentiality obligations or existing industrial and intellectual property rights.
4. The LP and its PPs agree that owners of the investments are the following:
 - LP is the owner of the LINK data base and dedicated server
 - LP is the owner of the web page
 - PP1 is the owner of the content related equipment (promotional equipments, technical equipments, notebook)
 - PP1 is the owner of the office equipment PC
 -
5. The LP and its PPs agree that owners of the project outputs/deliverables are the following:
 - LP, PP1 is the owner of the promotional materials
6. The LP and its PPs commit to establish and maintain an inventory of all fixed assets acquired, built or improved under the ERDF contribution;
7. In case of purchase costs co-financed, the owners shall not substantially modify their respective project parts affecting its nature or its implementation conditions or giving to a firm or a public body an undue advantage; and resulting either from a change in the nature of ownership of an item of infrastructure or the cessation of a productive activity. at least within five years from the end date of the project.
8. The goods, investments or any project deliverables, the ownership of which is not agreed upon in paragraph 4 and 5 will be the property of the LP after project closure.

Article 10
Reporting, monitoring and evaluation

1. The LP has overall responsibility for monitoring the actions undertaken by the PPs on an on-going basis.
2. The LP is responsible for drawing up and submitting the Progress Reports and the yearly Project Follow-up Reports to the JTS.
3. Each PP commits to providing the LP with the information needed to draw up the Progress Reports and other specific documents required by the JTS. The reporting periods for the entire project are laid down in Article 4.13. of the Subsidy Contract. Each PP has to submit the Declaration on the Validation of Expenditure for the reporting period by the deadlines specified in the table below. The JTS may require or agree on additional reporting.

Reporting period	Validated expenditure to be submitted to the LP by
<i>reporting period1</i>	28569.31
<i>reporting period2</i>	22909.32
<i>last reporting period</i>	30652.37

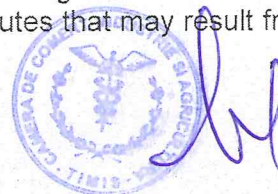
4. The LP must send each PP copies of the reports submitted to the Joint Technical Secretariat.

Article 11
Confidentiality

1. The parties agree that any information that they obtain during the implementation of the project is confidential, provided that one PP or the Project Steering Committee explicitly requests such in case there is an acknowledgeable interest on behalf of the requesting party and it is compatible to the transparency principle. The same applies, without the explicit request of one of the PPs, to all documentation classified as "confidential".

Article 12
Modifications, withdrawals, disputes and legal succession

1. Any modification to the present agreement shall be attached to it as an addendum and signed by all parties. It has to be previously agreed by all parties or the Project Steering Committee.
2. The PPs agree not to withdraw from the project unless there are unavoidable reasons for it. If this were nonetheless to happen, the other PPs shall cover the contribution of the withdrawing PP either by assuming its tasks and budget or by asking one or more third parties to join the partnership, with the previous authorization of the Managing Authority. The PP withdrawing from the project will continue being obliged by the present Partnership Agreement until its termination for the activities and expenses carried out while participating in the project.
3. In case of any dispute between PPs, the PPs are obliged to work towards an amicable settlement. When agreement cannot be reached, the PPs are obliged to seek an out-of-court arbitration procedure. Failing this, each and any legal disputes that may result from or



in connection with this present Partnership Agreement, including such over the validity of this present Partnership Agreement itself and this arbitration clause, will be finally decided in accordance with the jurisdiction of the country where the LP is located. The disputes will be settled at the competent court from the country where the LP is located.

4. In case of legal succession, e.g. when the PP changes its legal form, all duties under this contract are transferred to the legal successor. The PP shall notify beforehand the JTS through the LP, should a legal succession occur.

Article 13

Recovery of unjustified expenditure

1. In the event of unduly received ERDF funds, either due by the breach of any obligation or due to the declaration of ineligibility or irregularity after a financial control by an authorized body, each cosignatory of the present agreement undertakes to reimburse to the LP the amount unduly received within 30 days following the notification.
2. The LP has the right of termination of the Partnership Agreement if termination of the Subsidy Contract is put into force by the Managing Authority. The PPs shall repay the funds as defined in the LP's request, based on the repayment request of the MA.

Article 14

Liability and Force Majeure

1. This Partnership Agreement is governed by the law of the country of the LP. Each PP, including the LP, shall be liable to the other PPs and shall indemnify for any damages or costs resulting from the non-compliance of its contractual duties as set forth in this contract.
2. No party shall be held liable for not complying with the obligations ensuring from this agreement should the non-compliance be caused by force majeure. In such a case, the PP involved must announce this immediately in writing to the other PPs of the project.

Article 15

Working Language

1. The working language of the partnership governed by this agreement will be ENGLISH. In case of the translation of any document into another language, the English version shall be the binding one.

Article 16

Concluding provisions

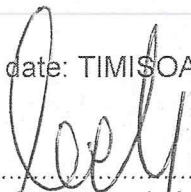
1. This Partnership Agreement is done in 2 originals, of which 1 is received by each of the contracting parties.
2. In case of discrepancies between the Subsidy Contract and this Partnership Agreement, the Subsidy Contract shall prevail.
3. This Partnership Agreement can only be changed by means of a written amendment that is signed by all PPs. Modifications to the project (work plan, budget-etc.) that are approved by



the Joint Steering Committee or by the Managing Authority shall be effective as alterations of this Partnership Agreement, also without adherence to this formal requirement.

- The PPs signing this agreement have fully understood and accepted the contents of the subsidy contract and undertake the activities and responsibilities in the meaning as included therein.

Place and date: TIMISOARA, 17th January, 2012


Stamp and signature
GEORGICA CORNU
TIMIS CHAMBER OF COMMERCE,
INDUSTRY AND AGRICULTURE
as Lead Partner


Stamp and signature
DR. TRÁSERNÉ OLÁH ZSUZSANNA
CHAMBER OF COMMERCE AND
INDUSTRY CSONGRÁD COUNTY
as Project Partner 1¹



¹ Add as many signature cases, as necessary.

