ANNEX I

GENERAL CONDITIONS FOR SERVICE CONTRACTS FOR EXTERNAL ACTIONS FINANCED BY THE EUROPEAN UNION OR BY THE EUROPEAN DEVELOPMENT FUND

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PRELIMINARY PROVISIONS

ARTICLE 1 DEFINITIONS

1.1 The headings and titles in these general conditions shall not be taken as part thereof or be taken into consideration in the interpretation of the contract.

1.2 Where the context so permits, words in the singular shall be deemed to include the plural and vice versa, and words in the masculine shall be deemed to include the feminine and vice versa.

1.3 The word "country" shall be deemed to include State or Territory.

1.4 Words designating persons or parties shall include firms, companies, and any organisation having legal capacity.

1.5 The definitions of the terms used throughout these general conditions are laid down in the "Glossary of terms", Annex A1a to the practical guide, which forms an integral part of the contract.

ARTICLE 2 COMMUNICATIONS

2.1 Any written communication relating to this contract between the contracting authority or the project manager, and the contractor must be in the language of the contract and shall state the contract title and identification number.

Communication between the parties can take place:

- by electronic means, via electronic exchange system, in accordance with the provisions of Article 2.4 ,
- by electronic means, via email, in accordance with the provisions of Article 2.5
- on paper, via mail - by courier service with proof of delivery or by registered post with proof of delivery, in accordance with the provisions of Article 2.6.

The specific rules when formal notifications are considered to have been received are provided in Articles 2.4.2, 2.5.2 and 2.6.2. below.

Communication details to be used for all communication between the parties are indicated in Article 2 of the special conditions.

2.2 Wherever the contract provides for the giving or issue of any notice, consent, approval, certificate or decision, unless otherwise specified such notice, consent, approval, certificate or decision shall be in writing and the words "notify", "consent", "certify", "approve" or "decide" shall be construed accordingly. Any such consent, approval, certificate or decision shall not unreasonably be withheld or delayed.

2.3 Any oral instructions shall be confirmed in writing.

2.4 Communication via electronic exchange system (EES)

The contracting authority may use an EES for all exchanges with the contractor during the implementation of the contract.

If communication via the EES is hindered by factors beyond the control of one party, including technical problems, the party who first discovers the hinderance must notify the other party immediately and the parties must take the necessary measures to restore this communication via the EES. Upon such notification, the parties shall use alternative means

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of communication until communication via electronic exchange system is restored. The provisions applicable to alternative means of communication are described in Articles 2.5 and 2.6 below.

If the EES is temporarily unavailable, the sending party cannot be considered in breach of its obligation to send a communication within a specified deadline. In any event, for reasons linked to business continuity, the contracting authority reserves the right to use alternative means of communication at any moment.

2.4.1 Date of communication via electronic exchange system for other than formal notifications

Notifications through the EES are generally considered to have been made when they are sent by the sending party (i.e. on the date and time they are sent through the EES) as indicated by the time logs.

2.4.2 Date of communication via electronic exchange system for formal notifications

The receiving date for formal notifications made through the EES will be the date and time the communication is accessed, as indicated by the time logs. Formal notifications that have not been accessed within 10 days after sending, will be considered to have been accessed.

2.5 Communication via email

When communicating via e-mail, the parties shall send their messages to the email addresses indicated in Article 2 of the special conditions.

2.5.1 Date of communications via email for other than formal notifications

Without prejudice to Article 2.5.2. below and Point 31.3 of Annex I to the FR, notifications via email are considered to have been made and the email is deemed to have been received by the receiving party on the date of dispatch of that e-mail, if it is sent to the email address indicated in Article 2 of the special conditions and does not have characteristics that could reasonably prevent its proper delivery (such as sending extremely voluminous e-mails that can be blocked for their size or emails containing elements that the majority of the spam filers would block). The sending party must be able to prove the date of dispatch. If the sending party sends the email to the email address indicated in Article 2 of the special conditions and receives a non-delivery report, it must make every reasonable effort to ensure that the other party receives the communication.

2.5.2 Date of communications via email for formal notifications

Formal notifications by email are considered to have been received on the date of dispatch of a return email expressly or impliedly acknowledging receipt. In case no such email is received by the party who sent the formal notification within 10 days, the formal notification should be re-sent via courier service with proof of delivery or registered post (see Article 2.6.2 below).

2.6 Communication via mail

As a rule, mail is used by way of exception for formal notifications and as alternative means of communication when the other means are not available.

When communicating via mail, the parties shall send their letters to the postal addresses indicated in Article 2 of the special conditions.

2.6.1 Date of communications via mail for other than formal notifications

Without prejudice to Article 116 of the Financial Regulation, notifications via mail are generally considered to have been made at the date of receipt by the receiving party.

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A receiving party cannot make use of its own refusal to be informed of the communication in order to render it ineffective.

Invoices sent to the contracting authority via mail are deemed to be received on the date when they are registered by the authorised department of the authorizing officer responsible.

2.6.2 Date of communications via mail for formal notifications

Formal notifications by courier service with proof of delivery are considered to have been received on the date indicated in the proof of delivery. Formal notifications by registered post with proof of delivery are considered to have been received either on the delivery date registered by the postal service or the deadline for collection at the post office.

ARTICLE 3 ASSIGNMENT

3.1 An assignment shall be valid only if it is a written agreement by which the contractor transfers its contract or part thereof to a third party.

3.2 The contractor shall not, without the prior consent of the contracting authority, assign the contract or any part thereof, or any benefit or interest thereunder, except in the following cases:

(a) a charge, in favour of the contractor's bankers, of any monies due or to become due under the contract; or

(b) the assignment to the contractor's insurers of the contractor's right to obtain relief against any other person liable in cases where the insurers have discharged the contractor's loss or liability.

3.3 For the purpose of Article 3.2, the approval of an assignment by the contracting authority shall not relieve the contractor of its obligations for the part of the contract already performed or the part not assigned.

3.4 If the contractor has assigned the contract without authorisation, the contracting authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36. Accordingly, the assignor will remain jointly and severally bound with the assignee vis-à-vis the contracting authority.

3.5 Assignees shall satisfy the eligibility criteria applicable for the award of the contract and they shall not fall under the exclusion criteria described in the tender dossier.

ARTICLE 4 SUBCONTRACTING

4.1 A subcontract shall be valid only if it is a written agreement by which the contractor entrusts performance of a part of the contract to a third party.

4.2 The contractor shall request to the contracting authority the authorisation to subcontract. The request must indicate the elements of the contract to be subcontracted and the identity of the subcontractors. For the avoidance of doubt, where experts are not directly contracted or employed by the contractor but through a third party, the latter is a subcontractor. The contracting authority shall notify the contractor of its decision, within 30 days of receipt of the request, stating reasons should it withhold such authorisation.

4.3 No subcontract creates contractual relations between any subcontractor and the contracting authority.

4.4 The contractor shall be responsible for the acts, defaults and negligence of any subcontractor and any member of their personnel (experts, agents or employees), as if they were the acts, defaults or negligence of the contractor. The approval by the contracting authority of the subcontracting of any part of the contract or of the subcontractor to perform any part of the

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services shall not relieve the contractor of any of its obligations under the contract. If a subcontractor is found by the contracting authority or the project manager to be incompetent in discharging its duties, the contracting authority or the project manager may request the contractor forthwith, either to provide a subcontractor with qualifications and experience acceptable to the contracting authority as a replacement, or to resume the implementation of the tasks itself. The contractor bears the costs of such replacement.

4.5 Subcontractors shall satisfy the eligibility criteria applicable to the award of the contract. They shall not fall under the exclusion criteria described in the tender dossier and the contractor shall ensure that they are not subject to EU restrictive measures.

4.6 Those services entrusted to a subcontractor by the contractor shall not be entrusted to third parties by the subcontractor, unless otherwise agreed by the contracting authority.

4.7 If the contractor enters into a subcontract without approval, the contracting authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

OBLIGATIONS OF THE CONTRACTING AUTHORITY

ARTICLE 5 SUPPLY OF INFORMATION

5.1 The contracting authority shall supply the contractor promptly with any information and/or documentation at its disposal, which may be relevant to the performance of the contract. Such documents shall be returned to the contracting authority at the end of the period of implementation of the tasks.

5.2 The contracting authority shall co-operate with the contractor to provide information that the latter may reasonably request in order to perform the contract.

5.3 The contracting authority shall give notification to the contractor of the name and address of the project manager.

ARTICLE 6 ASSISTANCE WITH LOCAL REGULATIONS

6.1 The contractor may request the assistance of the contracting authority in obtaining copies of laws, regulations, and information on local customs, orders or by-laws of the country in which the services are to be performed, which may affect the contractor in the performance of its obligations under the contract. The contracting authority may provide the assistance requested to the contractor at the contractor's cost.

6.2 Subject to the provisions of the laws and regulations on foreign labour of the country in which the services have to be rendered, the contracting authority provides reasonable assistance to the contractor, at its request, for its application for any visas and permits required by the law of the country in which the services are rendered, including work and residence permits, for the personnel whose services the contractor and the contracting authority consider necessary, as well as residence permits for their families.

OBLIGATIONS OF THE CONTRACTOR

ARTICLE 7 GENERAL OBLIGATIONS

7.1 The contractor shall execute the contract with due care, efficiency and diligence in accordance with the best professional practice, the highest quality standards, the state of the art in the industry and the provisions of the contract (in particular the tender documents/specifications and the terms of its tender).

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7.2 The contractor shall comply with any administrative orders given by the project manager. Where the contractor considers that the requirements of an administrative order go beyond the authority of the project manager or of the scope of the contract he shall give notice, with reasons, to the project manager. If the contractor fails to notify within the 30-day period after receipt thereof, he shall be barred from so doing. Execution of administrative order should not be suspended because of this notice.

7.3 The contractor shall supply, without delay, any information and documents to the contracting authority and the European Commission upon request, regarding the conditions in which the contract is being executed.

7.4 The contractor shall respect and abide by all laws and regulations in force in the partner country and shall ensure that its personnel, their dependents, and its local employees also respect and abide by all such laws and regulations. The contractor shall indemnify the contracting authority against any claims and proceedings arising from any infringement by the contractor, its employees and their dependents of such laws and regulations.

Contractors must ensure that the subcontractors and all natural persons linked to the contract, including participants to workshops and/or trainings, do not include entities/persons included in the lists of EU restrictive measures.

7.4 bis The contractor must ensure the application of any relevant measure pursuant to Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget, including when sub-contracting any part of the services under the present contract.

7.5 Should any unforeseen event, action or omission directly or indirectly hamper performance of the contract, either partially or totally, the contractor shall immediately and at its own initiative record it and report it to the contracting authority. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the contractor to ensure full compliance with its obligations under the contract. In such event the contractor shall give priority to solving the problem rather than determining liability.

7.6 Subject to Article 7.8, the contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to the performance of the contract without the prior consent of the contracting authority. The contractor shall continue to be bound by this undertaking after completion of the tasks and shall obtain from each member of its personnel the same undertaking. However, use of the contract's reference for marketing or tendering purposes does not require prior approval of the contracting authority, except where the contracting authority declares the contract to be confidential.

7.7 If the contractor is a joint venture or a consortium of two or more persons, all such persons shall be jointly and severally bound in respect of the obligations under the contract, including any recoverable amount. The person designated by the consortium to act on its behalf for the purposes of the contract shall have the authority to bind the consortium and is the sole interlocutor for all contractual and financial aspects. The composition or the constitution of the joint venture or consortium shall not be altered without the prior consent of the contracting authority. Any alteration of the composition of the consortium without the prior consent of the contracting authority may result in the termination of the contract.

7.8 Save where the European Commission requests or agrees otherwise, the contractor shall take all relevant measures to ensure the highest visibility to the financial contribution of the European Union. Additional communication activities required by the European Commission are described in the special conditions. All visibility and, if applicable, communication activities must comply with the latest Communication and Visibility Requirements for EU-funded external action, laid down and published by the European Commission.

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The Parties will consult immediately and endeavor to remedy any detected shortcomings in implementing the visibility and, if applicable, communication requirements set out in this Article and in the special conditions. Failure to perform the obligations set out in this article and in the special conditions can constitute a breach of contract in the sense of Article 34 of these general conditions, and can lead to corresponding measures taken by the Contracting Authority, including suspension of payment and/or a reduction of the price in direct proportion to the difference, upon the time of the signature of the contract, between the value of the unperformed obligations or low quality delivery. and the value of the agreed services.

7.9 Any records shall be kept for a five-year period after the final payment made under the contract as laid down in Article 24. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips or invoices for the remuneration paid to the experts and invoices or receipts for incidental expenditure. In case of failure to maintain such records the contracting authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

7.10 The Contractor shall inform the Contracting Authority of any change in their postal and electronic addresses. This obligation shall continue to apply in the period of five years following the payment of the balance or, in the absence of such payment, the transaction. This period shall be three years where the funding is of an amount lower than or equal to EUR 60 000.

ARTICLE 8 CODE OF CONDUCT

8.1 The contractor shall at all-time act impartially and as a faithful adviser in accordance with the code of conduct of its profession as well as with appropriate discretion. It shall refrain from making any public statements concerning the project or the services without the prior approval of the contracting authority. It shall not commit the contracting authority in any way whatsoever without its prior consent, and shall make this obligation clear to third parties.

8.2 Physical abuse or punishment, or threats of physical abuse, sexual abuse or exploitation, harassment and verbal abuse, as well as other form of intimidation shall be prohibited. The contractor shall also provide to inform the contracting authority of any breach of ethical standards or code of conduct as set in the present Article. In case the contractor is aware of any violations of the abovementioned standards, he shall report it in writing within 30 days to the contracting authority.

8.3 The contractor and its personnel shall respect human rights, applicable data protection rules and the environmental legislation applicable in the country where the services have to be rendered and internationally agreed core labour standards, e.g. the ILO core labour standards, conventions on freedom of association and collective bargaining, elimination of forced and compulsory labour, elimination of discrimination in respect of employment and occupation, and the abolition of child labour.

8.4 The contractor or any of its subcontractors, agents or personnel shall not abuse of its entrusted power for private gain. The contractor or any of its subcontractors, agents or personnel shall not receive or agree to receive from any person or offer or agree to give to any person or procure for any person, gift, gratuity, commission or consideration of any kind as an inducement or reward for performing or refraining from any act relating to the performance of the contract or for showing favour or disfavour to any person in relation to the contract. The contractor shall comply with all applicable laws, regulations and codes relating to anti-bribery and anti-corruption.

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8.5 The payments to the contractor under the contract shall constitute the only income or benefit it may derive in connection with the contract. The contractor and its personnel must not exercise any activity or receive any advantage inconsistent with their obligations under the contract.

8.6 The execution of the contract shall not give rise to unusual commercial expenses. Unusual commercial expenses are commissions not mentioned in the contract or not stemming from a properly concluded contract referring to the contract, commissions not paid in return for any actual and legitimate service, commissions remitted to a tax haven, commissions paid to a recipient who is not clearly identified or commission paid to a company which has every appearance of being a front company. The contracting authority and the European Commission may carry out documentary or on-the-spot checks they deems necessary to find evidence in case of suspected unusual commercial expenses.

8.7 The contractor or any of its subcontractors must commit to and ensure the respect of basic EU values, such as a respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of the minorities.

8.8 The respect of the code of conduct set out in the present article constitutes a contractual obligation.

Failure to comply with the code of conduct is always deemed to be a breach of the contract under Article 34 of the General Conditions. In addition, failure to comply with the provisions set out in the present Article can be qualified as grave professional misconduct that may lead to either suspension or termination of the contract, without prejudice to the application of administrative sanctions including exclusion from participation in future contract award procedures.

ARTICLE 9 CONFLICT OF INTEREST AND PROFESSIONAL CONFLICTING INTEREST

9.1 The contractor shall take all necessary measures to prevent or end any situation of conflict of interest or professional conflicting interest that could compromise the impartial and objective performance of the contract. A conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. A professional conflicting interest could arise when the contractor's previous or ongoing professional activities affect its capacity to perform the contract to an appropriate quality standard. Any conflict of interests or professional conflicting interest, which may arise during performance of the contract, shall be notified in writing to the contracting authority without delay. In the event of such conflict, the contractor shall immediately take all necessary steps to resolve it.

9.2 The contracting authority reserves the right to verify that such measures are adequate and may require additional measures to be taken by the contractor to rectify the situation within a specified deadline, if necessary. The contractor shall ensure, by means of written instructions that all the relevant obligations are passed on its personnel, including its management, which must not be placed in a situation which could give rise to conflict of interests or professional conflicting interests. Without prejudice to its obligations under the contract, the contractor shall replace, immediately and without compensation from the contracting authority, any member of its personnel exposed to such a situation.

9.3 The contractor shall refrain from any contact which would compromise its independence or that of its personnel.

9.4 The contractor shall limit its role in connection with the project to the provision of the services described in the contract.

9.5 The contractor and anyone working under its authority or control in the performance of the contract or on any other activity may be excluded from access to other EU budget/EDF funds available under the same project. However, if the contractor is able to prove that his

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involvement in previous stages of the project does not constitute unfair competition, he may participate, subject to the prior approval of the contracting authority.

9.6 Civil servants and other personnel of the public administration of the country where the services have to be rendered, regardless of their administrative situation, shall not be contracted or employed as experts unless the prior approval has been granted by the European Commission.

ARTICLE 10 ADMINISTRATIVE DECISIONS

10.1 Without prejudice to the application of other remedies laid down in the contract, a decision of exclusion from all contracts and grants financed by the EU may be adopted, after an adversarial procedure in line with the applicable Financial Regulation, upon the contractor who, in particular,

a) is guilty of grave professional misconduct, has committed irregularities or has shown significant deficiencies in complying with the main obligations in the performance of the contract or has been circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, three years;

b) is guilty of fraud, corruption, participation in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings or has resisted an investigation, check or audit. The duration of the exclusion shall not exceed the duration set by final judgement or final administrative decision or, in the absence thereof, five years.

10.2 In the situations mentioned in Article 10.1, in addition or in alternative to the decision of exclusion, the contractor may also be subject to financial penalties up to 10% of the total value of the contract.

10.3 Where the contracting authority is entitled to impose financial penalties, it may deduct such financial penalties from any sums due to the contractor or call on the appropriate guarantee.

10.4 The decision to impose these administrative decisions may be published on a dedicated internet-site, explicitly naming the contractor.

ARTICLE 11 SPECIFICATIONS AND DESIGNS

11.1 The contractor shall prepare all specifications and designs using accepted and generally recognised systems acceptable to the contracting authority and taking into account the latest design criteria.

11.2 The contractor shall ensure that the specifications and designs and all documentation relating to procurement of goods and services for the project are prepared on an impartial basis so as to promote competitive tendering.

ARTICLE 12 LIABILITIES

12.1 Liability for damage to services

Without prejudice to Article 30 (financial guarantee) and Article 38 (force majeure), the contractor shall assume (i) full responsibility for maintaining the integrity of services and (ii) the risk of loss and damage, whatever their cause, until the completion of the implementation of the tasks and approval of reports and documents under Articles 26 and 27.

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After the completion of the implementation of the tasks, the contractor shall be responsible for and shall indemnify the contracting authority for any damage caused to the services by the contractor, its personnel, its subcontractors and any person for which the contractor is answerable, during any operation performed to complete any work left, as the case may be, pending or to comply with its obligations under Articles 26 and 27, particularly if the contract is performed in phases.

Compensation for damage to the services resulting from the contractor's liability in respect of the contracting authority is capped at the contract value.

However, compensation for loss or damage resulting from fraud or gross negligence of the contractor, its personnel, its subcontractors and any person for which the contractor is answerable, can in no case be capped.

The contractor shall remain responsible for any breach of its obligations under the contract for such period after the services have been performed as may be determined by the law governing the contract, even after approval of the reports and documents, or by default for a period of 10 years.

12.2 Contractor's liability in respect of the contracting authority

At any time, the contractor shall be responsible for and shall indemnify the contracting authority for any damage caused during the performance of the services, to the contracting authority by the contractor, its personnel, its subcontractors and any person for which the contractor is answerable.

Compensation for damage resulting from the contractor's liability in respect of the contracting authority is capped at an amount equal to one million euros if the contract value is less than or equal to one million euros. If the contract value is greater than one million euros, compensation for damages resulting from the contractor's liability shall be capped to the contract value.

However, compensation for loss or damage resulting from the contractor's liability in case of bodily injury, including death, can in no case be capped. The same applies to compensation for any damages of any kind resulting from fraud or gross negligence of the contractor, its personnel, its subcontractors and any person for which the contractor is answerable.

12.3 Contractor's liability in respect of third parties

Without prejudice to Article 14.9, the contractor shall, at its own expense, indemnify, protect and defend, the contracting authority, its agents and employees, from and against all actions, claims, losses or damage, direct or indirect, of whatever nature (hereinafter ‘claim(s)’) arising from any act or omission by the contractor, its personnel, its subcontractors and/or any person for which the contractor is answerable, in the performance of the services, including any violation of any legal provisions, or rights of third parties, in respect of patents, trademarks and other forms of intellectual property such as copyrights.

The contracting authority must notify any third-party claim to the contractor as soon as possible after the contracting authority becomes aware of them.

If the contracting authority chooses to challenge and defend itself against the claim(s), the contractor shall bear the reasonable costs of defense incurred by the contracting authority, its agents and employees.

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Under these general conditions, the agents and employees of the contracting authority, as well as the contractor's personnel, its subcontractors and any person for which the contractor is answerable are considered to be third parties.

12.4 The contractor shall treat all claims in close consultation with the contracting authority.

12.5 Any settlement or agreement settling a claim requires the prior express written consent of the contracting authority and the contractor.

ARTICLE 13 MEDICAL, INSURANCE AND SECURITY ARRANGEMENTS

13.1 Medical arrangement

The contracting authority may condition the performance of the services to the production, by the contractor, of a recent medical certificate attesting that the contractor itself, its personnel, its subcontractors and/or any person for which the contractor is answerable, are fit to implement the services required under this contract.

13.2 Insurance – general issues

a) At the latest when the countersigned contract is returned, and for the period of implementation of the tasks, the contractor shall ensure that itself, its personnel, its subcontractors and any person for which the contractor is answerable, are adequately insured with insurance companies recognized on the international insurance market, unless the contracting authority has given its express written consent on a specific insurance company.

b) At the latest when the countersigned contract is returned, the contractor shall ensure that all cover notes and/or certificates of insurance showing that the contractor's obligations relating to insurance are fully respected can be swiftly provided to the contracting authority upon its request. The contractor shall submit without delay, whenever the contracting authority or the project manager so requests, an updated version of the cover notes and/or certificates of insurance.

The contractor shall obtain from the insurers that they commit to personally and directly inform the contracting authority of any event likely to reduce, cancel or alter in any manner whatsoever, that coverage. The insurers shall deliver this information as quickly as possible, and in any event at least thirty (30) days before the reduction, cancellation or alteration of the cover is effective. The contracting authority reserves the right to indemnify the insurer in case the contractor fails to pay the premium, without prejudice to the contracting authority's right to recover the amount of the premium it paid, and to subsequently seek compensation for its possible resulting damage.

c) Whenever possible, the contractor shall ensure that the subscribed insurance contracts contain a waiver of recourse in favour of the contracting authority, its agents and employees.

d) The purchase of adequate insurances by the contractor shall in no case exempt it from its statutory and/or contractual liabilities.

e) The contractor shall fully bear the consequences of a total or partial lack of coverage, and to the full discharge of the contracting authority.

f) The contractor shall ensure that its personnel, its subcontractors and any person for whom the contractor is answerable comply with the same insurance requirements imposed to it under this contract. In case of default of insurance or inadequate insurance of its personnel, its subcontractors or any person for which the contractor is answerable,

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the contractor shall indemnify the contracting authority from all consequences resulting therefrom.

g) Under its own responsibility and without prejudice to the obligation to take out all insurance covering its obligations under this contract, the contractor shall ensure that all compulsory insurances are subscribed in compliance with the laws and regulations in force in the country in which the services are to be performed. It shall also ensure that all possible statutory obligations applying to the coverage are complied with.

h) The contracting authority shall not bear any liability for the assessment and adequacy of insurance policies taken out by the contractor with its contractual and/or statutory obligations.

i) In any event, the contractor shall take out the insurance referred to below.

13.3 Insurance – Specific issues

a) The contractor shall take out all insurance necessary to cover its liability, both with regard to its professional liability and its liability as provided under Article 12.

b) The contractor shall ensure that itself, its personnel, its subcontractors and any person for which the contractor is answerable, are covered by an insurance policy covering, in addition to the possible intervention of any statutory insurance:

i. all medical expenses, including hospital expenses;

ii. the full cost of repatriation in case of illness, accident, or in the event of death by disease or accident;

iii. accidental death or permanent disability resulting from bodily injury incurred in connection with the contract.

In the absence of adequate insurance, the contracting authority may bear such costs to the benefit of the contractor itself, its personnel, its subcontractors and any person for which the contractor is answerable. This bearing of the costs by the contracting authority shall be subsidiary and may be claimed against the contractor, its subcontractors and any person who should have taken out this insurance, without prejudice to the compensation of the contracting authority's possibly resulting damage.

c) The contractor shall take out insurance policies providing coverage of the contractor itself, its personnel, its subcontractors and any person for which the contractor is answerable, in case of an accident at work or on the way to work. It shall ensure that its subcontractors do the same. It indemnifies the contracting authority against any claims that its employees or those of its subcontractors could have in this regard. For its permanent expatriate personnel, where appropriate, the contractor shall in addition comply with the laws and regulations applicable in the country of origin.

d) The contractor shall also insure the personal effects of its employees, experts and their families located in the partner country against loss or damage.

13.4 Security arrangements

The contractor shall put in place security measures for its employees, experts and their families located in the partner country, commensurate with the physical danger (possibly) facing them.

The contractor shall also be responsible for monitoring the level of physical risk to which its employees, experts and their families located in the partner country are exposed and for keeping the contracting authority informed of the situation. If the contracting authority or

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the contractor becomes aware of an imminent threat to the life or health of any of its employees, experts or their families, the contractor must take immediate emergency action to remove the individuals concerned to safety. If the contractor takes such action, he must communicate this immediately to the project manager and this may lead to suspension of the contract in accordance with Article 35.

ARTICLE 14 INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

14.1 A 'result' shall be any outcome of the implementation of the contract and provided as such by the contractor.

14.2 The ownership of all the results or rights thereon as listed in the tender specification and the tender attached to the contract, including copyright and other intellectual or industrial property rights, and all technological solutions and information embodied therein, obtained in performance of the contract, shall be irrevocably and fully vested to the contracting authority from the moment these results or rights are delivered to it and accepted by it. The contracting authority may use them as it sees fit and in particular may store, modify, translate, display, reproduce, publish or communicate by any medium, as well as, assign, transfer them as it sees fit. Where the contract implements a financing agreement and relates to any study, the partner country(ies) with whom this financing agreement was signed also enjoys all the rights conferred by this article on the contracting authority.

14.3 For the avoidance of doubt and where applicable, any such vesting of rights is also deemed to constitute an effective transfer of the rights from the contractor to the contracting authority.

14.4 The above vesting of rights in the contracting authority under this contract covers all territories worldwide and is valid for the whole duration of intellectual or industrial property rights protection, unless stipulated otherwise by the contracting authority and the contractor.

14.5 The contractor shall ensure that delivered results are free of rights or claims from third parties including in relation to pre-existing rights, for any use envisaged by the contracting authority. If the contracting authority so requires, the contractor shall provide exhaustive proof of ownership or rights to use all necessary rights, as well as, of all relevant agreements of the creator(s). The contracting authority may request this evidence even after the end of the contract execution period.

14.6 All reports and data such as maps, diagrams, drawings, specifications, plans, statistics, computations, databases format and data, software and any supporting records or materials acquired, compiled or prepared by the contractor in the performance of the contract, as well as, any outcome of the implementation of the contract, shall be the absolute property of the contracting authority unless otherwise specified. The contractor shall, upon completion of the contract, deliver all such documents and data to the contracting authority. The contractor must not retain copies of such documents and data and must not use them for purposes unrelated to the contract without the prior consent of the contracting authority.

14.7 The contractor shall not publish articles relating to the services or refer to them when carrying out any services for others, or divulge information obtained by the contractor in the course of the contract for purposes other than its performance, without the prior consent of the contracting authority.

14.8 By delivering the results, the contractor warrants that the above transfer of rights does not violate any law or infringe any rights of others and that it possesses the relevant rights or powers to execute the transfer. It also warrants that it has paid or has verified payment of all fees including fees to collecting societies, related to the final results.

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Moral rights of creators

By delivering the results, the contractor warrants that the creators will not object to the following on the basis of their moral rights under copyright:

a) that their names be mentioned or not mentioned when the results are presented to the public;

b) that the results be divulged or not after they have been delivered in their final version to the contracting authority;

c) that the results be adapted, provided that this is done in a manner which is not prejudicial to the creator's honour or reputation.

If moral rights on parts of the results protected by copyright may exist, the contractor must obtain the consent of creators regarding the granting or waiver of the relevant moral rights in accordance with the applicable legal provisions and be ready to provide documentary evidence upon request.

Copyright notice for pre-existing rights

When the contractor retains pre-existing rights on parts of the results, reference must be inserted to that effect when the result is used as set out in Article 14.2, with the following disclaimer: '© — year — European Union. All rights reserved. Certain parts are licensed under conditions to the EU', or with any other equivalent disclaimer as the contracting authority may consider best appropriate, or as the parties may agree on a case-by-case basis. This does not apply where inserting such reference would be impossible, notably for practical reasons.

14.9 The contractor shall indemnify and hold the contracting authority harmless for all damages and cost incurred due to any claim brought by any third party including creators and intermediaries for any alleged breach of any intellectual, industrial or other property right based on the contracting authority's use as specified in the contract of patents, licenses, drawings, designs, models, or brand or trade-marks, except where such infringement results from compliance with the design or specification provided by the contracting authority.

NATURE OF THE SERVICES

ARTICLE 15 THE SCOPE OF THE SERVICES

15.1 The scope of the services is specified in Annex II and Annex III.

15.2 Where the contract is for an advisory function for the benefit of the contracting authority and/or project manager in respect of all the technical aspects of the project, which may arise out of its implementation, the contractor shall not have decision-making responsibility.

15.3 Where the contract is for management of the implementation of the project, the contractor shall assume all the duties of management inherent in supervising the implementation of a project, subject to the project manager's authority.

15.4 If the contractor is required to prepare a tender dossier, the dossier shall contain all documents necessary for consulting suitable contractors, manufacturers and suppliers, and for preparing tender procedures with a view to carrying out the works or providing the supplies or services covered by an invitation to tender. The contracting authority shall provide the contractor with the information necessary for drawing up the administrative part of the tender dossier.

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ARTICLE 16 PERSONNEL

16.1 For fee-based contracts, without prejudice to paragraph 4 of this Article, the contractor must inform the contracting authority of all personnel which the contractor intends to use for the implementation of the tasks, other than the key experts whose profiles are included in Annex IV. Annex II and/or Annex III shall specify the minimum level of training, qualifications and experience of the personnel and, where appropriate, the specialisation required. The contracting authority shall have the right to oppose the contractor's choice of personnel.

16.2 All those working on the project with the approval of the contracting authority shall commence their duties on the date or within the period laid down in Annex II and/or Annex III, or, failing this, on the date or within the periods notified to the contractor by the contracting authority or the project manager.

16.3 Save as otherwise provided in the contract, those working on the contract shall reside close to their normal place of posting. Where part of the services is to be performed outside the partner country, the contractor shall keep the project manager informed of the names and qualifications of personnel assigned to that part of the services.

16.4 The contractor shall:

a) forward to the project manager within 30 days of the signature of the contract by both parties, the timetable proposed for placement of the personnel;

b) inform the project manager of the date of arrival and departure of each member of personnel;

c) submit to the project manager for its approval a timely request for the appointment of any non-key experts.

16.5 The contractor shall provide its personnel with all financial and technical means needed to enable them to carry out their tasks described under this contract efficiently.

16.6 Experts employed or contracted, directly or indirectly, by the contractor do not have any contractual relations with the contracting authority.

ARTICLE 17 REPLACEMENT OR REMOVAL OF EXPERTS

17.1 No changes in the experts shall be made without the prior approval of the contracting authority.

17.2 Notwithstanding the above, the substitution of experts during contract execution may be considered only based on the contractor's written request and due to circumstances outside the reasonable control of the contractor, including but not limited to death or medical incapacity. In such case, the contractor shall propose a replacement in accordance with Article 17.3. In the course of performance, the contracting authority can order an expert to be removed. This shall be done on the basis of a written and justified request to which the contractor and the expert have had the opportunity to provide observations.

17.3 Where an expert must be removed or replaced, the replacement must possess equivalent or better qualifications and experience, meet the specific requirements of the terms of reference and the selection must follow, where applicable, the rules specified in the terms of reference. The remuneration to be paid to the replacement cannot exceed that received by the expert who has been replaced or removed. Qualifications and relevant experience of the proposed replacement must be substantiated with copies of diplomas and references of previous assignments and must comply with the requirements of the Terms of Reference for that position. For key experts listed in Annex IV of the contract the contractor shall also provide a duly signed statement of exclusivity and availability. Where the contractor is unable to provide a replacement with equivalent or better qualifications and experience, the contracting authority may either decide to terminate the contract, if the proper performance

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of it is jeopardised, or, if it considers that this is not the case, accept the replacement, provided that the fees of the proposed replacement are renegotiated to reflect the appropriate remuneration level.

17.4 Except as the contracting authority may otherwise agree, additional costs incurred by the removal or replacement of an expert are the responsibility of the contractor. No payment is made for the period of absence of the expert to be removed or replaced.

In all cases mentioned in article 17.2, the replacement of any key expert listed in Annex IV of the contract must be proposed by the contractor within 15 calendar days from the first day of the expert's absence. If the contractor fails to propose a replacement within that period, the contracting authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to apply liquidated damages from the sixteenth day of absence of the expert and until the day a suitable replacement is accepted by the contracting authority, up to 10% of the remaining fees of the expert to be replaced. The contracting authority must approve or reject the proposed replacement within 30 calendar days.

Notwithstanding the above, the contracting authority shall, without formal notice and without prejudice to its other remedies under the contract, also be entitled to apply liquidated damages when a request for the replacement of a key expert is submitted by the contractor during the last year of contract implementation. The liquidated damages shall not exceed a maximum amount that corresponds to 90 working days of the key expert and shall be due from the first day of absence of the key expert.

The daily rate for liquidated damages referred to in the second and third subparagraph of this article is calculated by dividing the remaining amount of fees of the key expert to be replaced by the remaining number of working days provided for that expert position in the budget of the contract.

The parties expressly acknowledge and agree that any amount payable under this article is not a penalty and represents a reasonable estimate of fair compensation for the damage that may be incurred by the contracting authority due to failure to provide the services according to the conditions set out in this contract.

The contractor shall propose a replacement of any non-key expert (i.e. not listed in Annex IV of the contract) within the time limit set by the contracting authority.

17.5 The contractor acknowledges that the partner country may be notified of the identity of the proposed key expert[s] to obtain its approval.

ARTICLE 18 TRAINEES

18.1 If required in the terms of reference, the contractor shall provide training for the period of implementation of the tasks for trainees assigned to it by the contracting authority under the terms of the contract.

18.2 Instruction by the contractor of such trainees shall not confer on them the status of employees of the contractor. However, they must comply with the contractor's instructions, and with the provisions of article 8, as if they were employees of the contractor. The contractor may on reasoned request in writing obtain the replacement of any trainee whose work or conduct is unsatisfactory.

18.3 Unless otherwise provided in the contract, allowance for trainees covering notably travel, accommodation and all other expenses incurred by the trainees shall be borne by the contracting authority.

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18.4 The contractor shall report at quarterly intervals to the contracting authority on the training assignment. Immediately prior to the end of the period of implementation of the tasks, the contractor shall draw up a report on the result of the training and an assessment of the qualifications obtained by the trainees with a view to their future employment. The form of such reports and the procedure for presenting them shall be as laid down in the terms of reference.

PERFORMANCE OF THE CONTRACT

ARTICLE 19 IMPLEMENTATION OF THE TASKS AND DELAYS

19.1 The starting date and maximum duration of the performance of the contract are indicated in article 3 of the Main conditions. The implementation of the contract cannot start before its entry into force.

19.2 The maximum duration of the performance of the contract is equal to the period of implementation of tasks, which shall commence on the date fixed in accordance with article 19.1, without prejudice to extensions of the period which may be granted.

19.3 If the contractor fails to perform the services within the period of implementation of the tasks specified in the contract, the contracting authority shall, without formal notice and without prejudice to its other remedies under the contract, be entitled to liquidated damages for every day which shall elapse between the end of the period of implementation of the tasks specified in the contract and the actual date of completion of these tasks.

19.4 Any claim for liquidated damages does not affect (a) the contractor's liability for damages that liquidated damages would not cover, (b) the contracting authority's rights under the contract, nor (c) any other remedy that the contracting authority may have under the contract. The parties expressly acknowledge and agree that any amount payable under this article is not a penalty and represents a reasonable estimate of fair compensation for the damage that may be incurred by the contracting authority due to failure to provide the services according to the conditions set out in this contract.

19.5 The daily rate for liquidated damages is calculated by dividing the contract value by the number of days of the period of implementation of the tasks, up to a maximum of 15% of the total value of the contract.

19.6 If the contracting authority has become entitled to claim 15% of the contract value, it may, after giving formal notice to the contractor:

a) terminate the contract, and;

b) enter into a contract with a third party to complete the services, at the contractor's cost.

ARTICLE 20 AMENDMENT TO THE CONTRACT

20.1 Any amendment to the contract affecting its object or scope, such as amendment to the total contract amount, an increase of the sum of the amounts allocated to fees and to lump sums, removal or replacement of an expert listed in Annex IV of the contract, change of the period of implementation and change of the bank account, shall be formalised by means of an addendum. Both parties may request an addendum for amendment to the contract according to the following principles:

a) An addendum for amendment may be requested only during the period of execution of the contract;

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b) Any request for an addendum shall be submitted in writing to the other party at least thirty days before the date on which the intended addendum is required to enter into force. In case of special circumstances duly substantiated by the contractor, the contracting authority may accept a different notice period.

c) Any change of the bank account shall be notified using the identification form in Annex VI. The contracting authority shall have the right to oppose the contractor's change of bank account.

The requested party shall notify the requesting party of its decision concerning the request within 30 days from its receipt. There is no automatic amendment without written confirmation by the requested party.

20.2 Additionally, the project manager has the power to issue administrative orders requesting an amendment to the contract not affecting its object or scope, including on request of the contractor, according to the following principles:

a) The requested contract amendment may take the form of additions, omissions, substitutions, changes in quality, quantity, specified sequence, method or timetable of implementation of the services;

b) Prior to the issuance of any administrative order, the parties may review the nature and the form of the proposed amendment.

The contractor shall then submit to the project manager a written proposal for an administrative order which will include:

i. all measures required to comply with the amendment,

ii. an updated timetable for implementation of the tasks, and,

iii. if necessary, a proposed financial adjustment to the contract, using the contractual fee rates when the tasks are similar. When the tasks are not similar, the contractual fee rates shall be applied when reasonable.

Following receipt of the contractor's proposal, the project manager shall decide as soon as possible whether or not the amendment shall be carried out.

If the project manager decides that the proposed amendment shall be carried out, it shall notify the contractor to carry out the administrative order at the prices and under the conditions given in the contractor's proposal or as modified by the project manager in agreement with the contractor.

c) On receipt of the administrative order, the contractor shall carry out the amendments detailed in that administrative order as if such amendments were stated in the contract.

d) For fee-based contracts, within the limits of Article 20.3, administrative orders that have an impact on the contractual budget are limited to transfers within the fees, within the lump sums, between the fees and the lump sums, within the incidental expenditure, or from the fees and/or the lump sums to the incidental expenditure.

e) For global price contracts, administrative orders cannot have an impact on the contractual budget.

20.3 No amendment either by means of addendum or through administrative order shall lead to decreasing the amount within the contractual budget allocated to expenditure verification, or change the award conditions prevailing at the time the contract was awarded.

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20.4 Any amendment carried out by the contractor without an administrative order or without an addendum to the contract is not allowed and made at the contractor's own financial risk.

20.5 Where an amendment is required by a default or breach of contract by the contractor, any additional cost attributable to such amendment shall be borne by the contractor.

20.6 The contractor shall notify the contracting authority of any change of address. The contractor shall notify the contracting authority of any change of auditor, which the contracting authority needs to approve.

20.7 Change of circumstances

Without prejudice to Article 175 of the Financial Regulation, the contract is not subject to modification or termination in case of a change of circumstances rendering performance of the contract excessively more onerous for one of the parties. Each party assumes the risk of such change of circumstances and its financial consequences for themselves.

ARTICLE 21 WORKING HOURS

21.1 The days and hours of work of the contractor or the contractor's personnel shall respect the laws, regulations and customs of the country where the services have to be rendered and the requirements of the services.

ARTICLE 22 LEAVE ENTITLEMENT

22.1 For fee-based contracts, the annual leave to be taken during the period of implementation of the tasks shall be at a time approved by the project manager.

22.2 For fee-based contracts, the fee rates are deemed to take into account the annual leave of up to 2 months for the contractor's personnel during the period of implementation of the tasks. Consequently, days taken as annual leave shall not be considered to be working days.

22.3 The contractor shall only be paid for the days actually worked. Any cost related to sick or casual leave shall be covered by the contractor. The contractor shall inform the project manager of any impact of such leave on the period of implementation of the tasks.

ARTICLE 23 INFORMATION

23.1 The contractor shall provide any information relating to the services and the project to the project manager, the European Commission, the European Court of Auditors or any person authorised by the contracting authority.

23.2 The contractor shall allow the project manager or any person authorised by the contracting authority or the contracting authority itself to inspect or audit the records and accounts relating to the services and to make copies thereof both during and after provision of the services.

ARTICLE 24 RECORDS

24.1 The contractor shall keep full accurate and systematic records and accounts in respect of the services in such form and detail as is sufficient to establish accurately that the number of working days and the actual incidental expenditure identified in the contractor's invoice(s) have been duly incurred for the performance of the services.

24.2 For fee-based contracts, timesheets recording the days or hours worked by the contractor's personnel shall be maintained by the contractor. The timesheets filled in and signed by the experts shall be approved on a monthly basis by any person authorised by the contractor. The timesheets shall also be approved by the project manager or any person authorised by the contracting authority or the contracting authority itself. The timesheets shall include at least the following information: the name and the position of the expert; the contract title

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and number; the month and the year; the days of the month and the days of the week of that month; the days worked; the per diems requested and a description of the activities performed.

The amounts invoiced by the contractor must correspond to these timesheets. Time spent travelling exclusively and necessarily for the purpose of the implementation of the contract, by the most direct route, may be included in the numbers of days or hours, as appropriate, recorded in these timesheets. Travel undertaken by the expert for mobilisation and demobilisation as well as for leave purposes shall not be considered as working days.

24.3 Any records must be kept for a five-year period after the final payment made under the contract. These documents comprise any documentation concerning income and expenditure and any inventory, necessary for the checking of supporting documents, including timesheets, plane and transport tickets, pay slips for the remuneration paid to the experts and invoices or receipts for incidental expenditure. The contractor must keep all original documents stored on any appropriate medium. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. In case of failure to maintain such records the contracting authority may, without formal notice thereof, apply as of right the sanction for breach of contract provided for in Articles 34 and 36.

ARTICLE 25 VERIFICATIONS, CHECKS AND AUDITS BY EUROPEAN UNION BODIES

25.1 The contractor shall allow the European Commission, the European Anti-Fraud Office, the European Public Prosecutor's Office and the European Court of Auditors to verify, by examining the documents and to make copies thereof or by means of on-the-spot checks, including checks of documents (original or copies), the implementation of the contract. In order to carry out these verifications and audits, European Union bodies mentioned above shall be allowed to conduct a full audit, if necessary, on the basis of supporting documents for the accounts, accounting documents and any other document relevant to the financing of the contract. The contractor shall ensure that on-the-spot accesses is available at all reasonable times, notably at the contractor's offices, to its computer data, to its accounting data and to all the information needed to carry out the audits, including information on individual salaries of persons involved in the contract. The contractor shall ensure that the information is readily available at the moment of the audit and, if so requested, that data be handed over in an appropriate form. These inspections may take place up to five years after the final payment.

25.2 Furthermore, the contractor shall allow the European Anti-Fraud Office to carry out checks and verification on the spot in accordance with the procedures set out in the European Union legislation for the protection of the financial interests of the European Union against fraud and other irregularities.

25.3 To this end, the contractor undertakes to give appropriate access to staff or agents of the European Commission, of the European Anti-Fraud Office, of the European Public Prosecutor's Office and of the European Court of Auditors to the sites and locations at which the contract is carried out, including its information systems, as well as all documents and databases concerning the technical and financial management of the project and to take all steps to facilitate their work. Access given to agents of the European Commission, European Anti-Fraud Office, the European Public Prosecutor's Office and the European Court of Auditors shall be on the basis of confidentiality with respect to third parties, without prejudice to the obligations of public law to which they are subject. Documents shall be easily accessible and filed so as to facilitate their examination. The contractor shall inform the contracting authority of their precise location.

25.4 The contractor guarantees that the rights of the European Commission, of the European Anti-Fraud Office, the European Public Prosecutor's Office and of the European Court of Auditors to carry out audits, checks and verification shall be equally applicable, under the

same conditions and according to the same rules as those set out in this Article, to any subcontractor or any other party benefiting from EU budget/EDF funds.

25.5 Failure to comply with the obligations set forth in Article 25.1 to 25.4 constitutes a case of serious breach of contract.

ARTICLE 26 INTERIM AND FINAL REPORTS

26.1 Unless otherwise provided in the terms of reference, the contractor shall draw up interim reports and a final report during the period of implementation of the tasks. These reports shall consist of a narrative section and a financial section. The format of such reports is as notified to the contractor by the project manager during the period of implementation of the tasks.

26.2 All invoices must be accompanied by an interim or final report. All invoices for fee¬based contracts must also be accompanied by an up to date financial report and an invoice for the actual costs of the expenditure verification. The structure of the interim or final financial report shall be the same as that of the contractually approved budget (Annex V). This financial report shall indicate, at a minimum, the expenditure of the reporting period, the cumulative expenditure and the balance available.

26.3 Immediately prior to the end of the period of implementation of the tasks, the contractor shall draw up a final progress report together which must include, if appropriate, a critical study of any major problems which may have arisen during the performance of the contract.

26.4 This final progress report shall be forwarded to the project manager not later than 60 days after the end of the period of implementation of the tasks. Such report shall not bind the contracting authority.

26.5 Where the contract is performed in phases, the implementation of each phase shall give rise to the preparation of a final progress report by the contractor.

26.6 Interim and final progress reports are covered by the provisions of Article 14.

ARTICLE 27 APPROVAL OF REPORTS AND DOCUMENTS

27.1 The approval by the contracting authority of reports and documents drawn up and forwarded by the contractor shall certify that they comply with the terms of the contract.

27.2 Where a report or document is approved by the contracting authority subject to amendments to be made by the contractor, the contracting authority shall prescribe a period for making the amendments requested.

27.3 Where the final progress report is not approved, the dispute settlement procedure is automatically invoked.

27.4 Where the contract is performed in phases, the implementation of each phase shall be subject to the approval, by the contracting authority, of the preceding phase except where the phases are carried out concurrently.

27.5 The contracting authority's time limit for accepting reports or documents shall be considered included in the time limit for payments indicated in Article 29, unless otherwise specified in the special conditions.

PAYMENTS & DEBT RECOVERY

ARTICLE 28 EXPENDITURE VERIFICATION

28.1 No expenditure verification report is required for global price contracts.

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28.2 Before payments are made for fee-based contracts and except if provided otherwise in the special conditions an external auditor must examine and verify the invoices and the financial reports sent by the contractor to the contracting authority. The auditor shall meet the requirements set out in the terms of reference for expenditure verification and shall be approved by the contracting authority. No payments under the contract will be made until an auditor has been approved by the contracting authority.

28.3 The auditor must satisfy itself that relevant, reliable and sufficient evidence exists that:

a) the experts employed by the contractor for the contract have been working as evidenced on the contract (as corroborated by independent, third-party evidence, where available) for the number of days claimed in the contractor's invoices and in the financial reporting spreadsheet submitted with the interim progress reports; and

b) the amounts claimed as incidental expenditure have actually and necessarily been incurred by the contractor in accordance with the requirements of the terms of reference of the contract.

On the basis of its verification, the auditor submits to the contractor an expenditure verification report in accordance with the model in Annex VII.

28.4 The contractor grants the auditor all access rights mentioned in Article 25.

28.5 The contracting authority reserves the right to require that the auditor be replaced if considerations, which were unknown when the contract was signed, cast doubt on the auditor's independence or professional standards.

ARTICLE 29 PAYMENT AND INTEREST ON LATE PAYMENT

29.1 Payments will be made in accordance with one of the options below, as identified in the special conditions.

Option 1: Fee-based contract

Payments to the contractor will be made in the following manner:

1. A first payment of pre-financing, if requested by the contractor, of an amount up to maximum 20% of the contract value stated in the main conditions of the contract, within 30 days of receipt by the contracting authority of an invoice, or, if no invoice is required, within 30 days of the signature of the contract signed by both parties. The payment of pre-financing is subject to the validation of a financial guarantee, if requested, and as defined in Article 30.

2. Six-monthly further interim payments, as indicated in the special conditions, within 60 days of the contracting authority receiving an invoice accompanied by an interim progress report and an expenditure verification report, subject to approval of those reports in accordance with Article 27 and, if applicable, Annex VI-VAT instructions indicating the group members' shares for VAT purposes. Such interim payments shall be of an amount equivalent to the costs incurred on the basis of the expenditure verification reports. When 80 % of the maximum contract value stated in the main conditions of the contract has been paid (pre-financing and interim payments) the amounts due to the contractor shall be deducted from the pre-financing payment until it is completely reimbursed before any additional payment is made.

3. The invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in the main conditions of the contract; the 10% being the minimum final payment.

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4. The balance of the final value of the contract after verification, subject to the maximum contract value stated in the main conditions of the contract, after deduction of the amounts already paid, within 90 days of the contracting authority receiving a final invoice accompanied by the final progress report and a final expenditure verification report, subject to approval of those reports in accordance with Article 27 and, if applicable, Annex VI-VAT instructions indicating the group members' shares for VAT purposes.

Option 2: Global price contract

If the contract is not divided between different outputs that the contracting authority can approve independently, payments to the contractor will be done in the following manner:

1. a pre-financing payment, if requested by the contractor, of an amount up to 40% of the maximum contract value stated in the main conditions of the contract, within 30 days of receipt by the contracting authority of an invoice, or, if no invoice is required, within 30 days of the signature of the contract by both parties. The payment of pre-financing is subject to the validation of a financial guarantee, if requested, and as defined in Article 30;

2. the balance of the contract value stated in the main conditions of the contract within 90 days of the contracting authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 27 and, if applicable, Annex VI-VAT instructions indicating the group members' shares for VAT purposes.

If the contract has a duration of at least two years and/or if the budget is divided between different outputs that the contracting authority can approve independently, payments to the contractor will be done in the following manner:

1. a pre-financing payment if requested by the contractor, of an amount up to 40% of the maximum contract value stated in the main conditions of the contract within 30 days of receipt by the contracting authority of an invoice, of the contract signed by both parties, and of a financial guarantee if requested, as defined in Article 30;

2. one interim payment at the end of each 12 months of implementation of the contract, of an amount corresponding to the outputs delivered, within 60 days of the contracting authority receiving an invoice accompanied by an interim progress report, subject to approval of this report in accordance with Article 27 and, if applicable, Annex VI-VAT instructions indicating the group members' shares for VAT purposes;

3. The invoices must be paid such that the sum of payments does not exceed 90% of the maximum contract value stated in the main conditions of the contract; the 10% being the minimum final payment.

4. the balance of the contract value stated in the main conditions of the contract within 90 days of the contracting authority receiving a final invoice accompanied by the final progress report, subject to approval of that report in accordance with Article 27 and, if applicable, Annex VI-VAT instructions indicating the group members' shares for VAT purposes.

29.2 Invoices must contain the contractor's identification data, the amount, the currency, and the date, as well as the contract reference. Invoices must indicate the place of taxation of the contractor for value added tax (VAT) purposes and must specify separately the taxable amount per rate or exemption, the VAT rate applied and the VAT amount payable. The invoice shall not be admissible if one or more essential requirements are not met.

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When the contracting authority is the European Commission, it is exempt from all taxes and duties, including VAT, in accordance with Articles 3 and 4 of the Protocol 7 of the Treaty on the Functioning of the European Union on the privileges and immunities of the European Union and Article 151, §1 of the Directive 2006/112/CE. As referred to in Annex VI, the contractor must complete the necessary formalities with the relevant authorities to ensure that the supplies and services required for performance of the contract are exempt from taxes and duties, including VAT.

For invoices sent to the contracting authority via email, the reception date must be considered as the date on which the invoice is registered after reception in the functional mailbox of the contracting authority. The functional mailbox in which the invoices are to be sent, should be provided in the contract.

Without prejudice to Article 36.2, the contracting authority may halt the countdown towards this deadline for any part of the invoiced amount disputed by the project manager by notifying the contractor that part of the invoice is inadmissible, either because the amount in question is not due or because the relevant report cannot be approved and the contracting authority thinks it necessary to conduct further checks. In such cases, the contracting authority shall not unreasonably withhold any undisputed part of the invoiced amount but may request clarification, alteration or additional information, which shall be produced within 30 days of the request. The countdown towards the deadline shall resume on the date on which a correctly formulated invoice is received by the contracting authority. If part of the invoice is disputed, the undisputed amount of the invoice shall not be withheld and must be paid according to the payment schedule set in Article 29.1.

The date of payment shall be the date on which the paying account is debited.

29.3 Once the deadline referred to above has expired, the contractor - unless it is a government department or public body in an EU Member State - shall, within two months of receiving late payment, receive default interest:

- at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,
- at the rediscount rate applied by the central bank of the country of the contracting authority if payments are in the currency of that country,

on the first day of the month in which the time-limit expired, plus eight percentage points. The interest be payable for the time elapses between the expiry of the payment deadline (exclusive) and the date on which the contracting authority's account is debited (inclusive).

By way of exception, when the interest calculated in accordance with the first subparagraph is lower than or equal to EUR 200, it shall be paid to the creditor only upon a demand submitted within two months of receiving late payment.

29.4 Payments shall be made into the bank account mentioned in Article 4 of the main conditions. Any change of bank account shall be made in accordance with Article 20.1 of these general conditions.

29.5 Payments shall be made in euro or in the national currency as specified in the special conditions. The special conditions shall lay down the administrative or technical conditions governing payments of pre-financing, interim and/or final payments made in accordance with the general conditions. Where the Contractor is paid by the Contracting Authority in euro, fees and actual incidental expenditure incurred in a currency other than the euro shall be converted into euro at the rate published on the InforEuro website on the first working day of the month in which the invoice or receipt addressed to the Contractor is dated. Where

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the Contractor is paid by the Contracting Authority in the national currency, fees and actual incidental expenditure incurred in a currency other than the national currency shall be converted into the national currency at the rate published on the InforEuro website on the first working day of the month in which the invoice or receipt addressed to the Contractor is paid.

29.6 For fee-based contracts, invoices shall be accompanied by copies of, or extracts from, the corresponding approved timesheets referred to in Article 24.2 to verify the amount invoiced for the time input of the experts. A minimum of 7 hours worked are deemed to be equivalent to one day worked. If the expert works less than a day, the time shall be indicated as a fraction of a day worked.

29.7 Payment of the final balance shall be subject to performance by the contractor of all its obligations relating to the implementation of all phases or parts of the services and to the approval by the contracting authority of the final phase or part of the services. Final payment shall be made only after the final progress report and a final statement, identified as such, shall have been submitted by the contractor and approved as satisfactory by the contracting authority.

29.8 The payment obligations of the contracting authority or of the European Commission under the contract shall cease at most 18 months after the end of the period of implementation of the tasks, unless the contract is terminated in accordance with these general conditions.

29.9 Prior to, or instead of, terminating the contract as provided for in Article 36, the contracting authority may suspend payments as a precautionary measure without prior notice. A payment may be suspended for the duration of an audit or an OLAF investigation.

29.10 Where the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud attributable to the contractor, the contracting authority may in addition to the possibility to suspend the performance of the contract in accordance with Article 35.2 and terminate the contract as provided for in Article 36, suspend payments and/or recover amounts already paid, in proportion to the seriousness of the breach of obligations, irregularities or fraud. In addition to measures referred above, the contracting authority may reduce the contract value in proportion to the seriousness of the irregularities, fraud or of the breach of obligations, including where the activities concerned were not implemented or were implemented poorly, partially or late. The measures described in this paragraph may equally be adopted by the European Commission in pursuance of its administrative powers under the Financial Regulation (Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018, OJ-L 193/30.07.2018, p.1).

29.10 bis The contracting authority may suspend payments in application of Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget.

29.11 If the contract is terminated for any reason whatsoever, the guarantee securing the pre-financing may be invoked forthwith in order to repay the balance of the pre-financing still owed by the contractor, and the guarantor shall not delay payment or raise objection for any reason whatever.

ARTICLE 30 FINANCIAL GUARANTEE

30.1 Unless otherwise provided for in the special conditions, the contractor shall provide a financial guarantee for the full amount of the pre-financing payment. The financial guarantee shall be in the format provided for in the contract and may be provided in the form of a bank guarantee, a banker's draft, a certified cheque, a bond provided by an insurance and/or bonding company, an irrevocable letter of credit or a cash deposit made with the contracting authority. If the financial guarantee is to be provided in the form of a bank guarantee, a banker's draft, a certified cheque, a bond or an irrevocable letter of credit,

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it shall be issued by a bank or bonding and/or insurance company approved by the contracting authority. This financial guarantee shall remain valid until it is released by the contracting authority in accordance with Article 30.5 or Article 30.6, as appropriate. Where the contractor is a public body the obligation for a financial guarantee may be waived depending on a risk assessment made.

30.2 The financial guarantee shall be provided on the letterhead of the financial institution using the template provided in Annex VI.

30.3 During the execution of the contract, if the natural or legal person providing the guarantee (i) is not able or willing to abide by its commitments, (ii) is not authorised to issue guarantees to contracting authorities, or (iii) appears not to be financially reliable, or the financial guarantee ceases to be valid, and the contractor fails to replace it, either a deduction equal to the amount of the pre-financing may be made by the contracting authority from future payments due to the contractor under the contract, or the contracting authority shall give formal notice to the contractor to provide a new guarantee on the same terms as the previous one. Should the contractor fail to provide a new guarantee, the contracting authority may terminate the contract.

30.4 If the contract is terminated for any reason whatsoever, the financial guarantee may be invoked forthwith in order to repay any balance still owed to the contracting authority by the contractor, and the guarantor shall not delay payment or raise objection for any reason whatsoever.

30.5 For fee-based contracts, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 29.1.

30.6 For global price contracts, (i) if the contract is not divided between different outputs that the contracting authority can approve independently, or has a duration of less than two years, the financial guarantee shall remain in force until the final payment has been made, and (ii) if the contract has a duration of at least two years and if the budget is divided between different outputs that the contracting authority can approve independently, the financial guarantee shall be released when the pre-financing is reimbursed in accordance with Article 29.1.

ARTICLE 31 RECOVERY OF DEBTS FROM THE CONTRACTOR

31.1 The contractor undertakes to repay any amounts paid in excess of the final amount due to the contracting authority before the deadline indicated in the debit note which is 45 days from the issuing of that note.

31.2 Should the contractor fail to make repayment within the above deadline; the contracting authority may (unless the contractor is a government department or public body of an EU Member State) increase the amounts due by adding interest:

a) at the rediscount rate applied by the central bank of the country of the contracting authority if payments are in the currency of that country,

b) at the rate applied by the European Central Bank to its main refinancing transactions in euro, as published in the Official Journal of the European Union, C series, where payments are in euro,

on the first day of the month in which the time-limit expired, plus eight percentage points. The default interest shall be incurred over the time which elapses between the date of the payment deadline, and the date on which the payment is actually made. Any partial payments shall first cover the interest thus established.

31.3 Amounts to be repaid to the contracting authority may be offset against amounts of any kind due to the contractor. This shall not affect the party's right to agree on payment in instalments.

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31.4 Bank charges arising from the repayment of amounts due to the contracting authority shall be borne entirely by the contractor.

31.5 Without prejudice to the prerogative of the contracting authority, if necessary, the European Union may as a donor proceed itself to the recovery by any means.

ARTICLE 32 REVISION OF PRICES

32.1 The contract shall be at fixed prices, which shall not be revised.

ARTICLE 33 PAYMENT TO THIRD PARTIES

33.1 Orders for payments to third parties may be carried out only after an assignment made in accordance with Article 3. The assignment shall be notified to the contracting authority.

33.2 Notification of beneficiaries of the assignment shall be the sole responsibility of the contractor.

33.3 In the event of a legally binding attachment of the property of the contractor affecting payments due to it under the contract and without prejudice to the time limit laid down in Article 29, the contracting authority shall have 30 days, starting from the day when it receives notification of the definitive lifting of the obstacle to payment, to resume payments to the contractor.

BREACH OF CONTRACT, SUSPENSION AND TERMINATION

ARTICLE 34 BREACH OF CONTRACT

34.1 Either party commits a breach of contract where it fails to perform its obligations in accordance with the provisions of the contract.

34.2 Where a breach of contract occurs, the party injured by the breach is entitled to the following remedies:

a) damages; and/or
b) termination of the contract.

34.3 Damages may be either:

a) general damages; or
b) liquidated damages.

34.4 Should the contractor fail to perform any of its obligations in accordance with the provisions of the contract or fail to provide the services in accordance with high quality standards, the state of the art in the industry and the provisions of the contract (in particular the tender specifications and the terms of its tender), the contracting authority is, even if this failure constitutes a breach that could trigger article 34.2, also entitled to the following remedies;

a) suspension of payments; and/or
b) reduction in price or recovery of payments in proportion to the failure's extent.

A reduction in price may be imposed together with liquidated damages for delay in delivery under the conditions of Article 19.

The reduction in price applies, in particular, to cases where the contracting authority cannot approve a result, report or deliverable, as defined in the contract, after the contractor has submitted the required additional information, correction or new version. The reduction in price is calculated in direct proportion to the difference, upon the time of the signature of

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the contract, between the value of the unperformed obligations or low quality delivery and the value of the agreed services.

The contracting authority must formally notify the contractor of its intention to reduce the price and the corresponding calculated amount. The contractor has 30 days following the date of receipt to submit observations. Failing that, the decision becomes enforceable the day after the time limit for submitting observations has elapsed. If the contractor submits observations, the contracting authority, taking into account the relevant observations, must notify the contractor (a) of the withdrawal of its intention to reduce the price; or (b) of its final decision to reduce the price and the corresponding amount.

Any reduction in price does not affect the contractor's liability or the contracting authority's rights under Article 36 for damages that the reduction in price would not cover or any other right or remedy that the contracting authority may have under the contract.

Should the contractor become subject to EU restrictive measures adopted under Article 29 of the Treaty on the European Union (TEU) or Article 215 of the Treaty on the Functioning of the EU (TFEU) that constitute a legal impediment to perform the contract, the contracting authority is without prejudice to its right under article 34.2, also entitled to suspension of payments.

34.5 Where the contracting authority is entitled to damages, it may deduct such damages from any sums due to the contractor or call on the appropriate guarantee.

34.6 The contracting authority shall be entitled to compensation for any damage which comes to light after the contract is completed in accordance with the law governing the contract.

ARTICLE 35 SUSPENSION OF THE CONTRACT

35.1 The contractor shall, on the order of the contracting authority, suspend the execution of the contract or any part thereof for such time or times and in such manner as the contracting authority may consider necessary. The suspension shall take effect on the day the contractor receives the order or at a later date when the order so provides.

35.2 The contracting authority may suspend the performance of the contract or any part of it in case of force majeure affecting the performance of the contract.

Suspension of the contract in the event of presumed breach of obligations or irregularities or fraud or in case the contractor becomes subject to EU restrictive measures adopted under Article 29 of the Treaty on the European Union (TEU) or Article 215 of the Treaty on the Functioning of the EU (TFEU) that constitute a legal impediment to perform the contract: the contract may be suspended in order to verify whether presumed breach of obligations or irregularities or fraud occurred during the award procedure or the performance of the contract, or whether the contractor is subject to EU restrictive measures. If these are not confirmed, performance of the contract shall resume as soon as possible.

35.2 bis The contracting authority may also suspend this contract in application of Regulation (EU, Euratom) 202/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget.

35.3 During the period of suspension, the contractor shall take such protective measures as may be necessary.

35.4 Additional expenses incurred in connection with such protective measures may be added to the contract price, unless:

a) otherwise provided for in the contract; or

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b) such suspension is necessary by reason of some breach or default of the contractor; or

c) the presumed breach of obligations or irregularities or fraud mentioned in Article 35.2 are confirmed and attributable to the contractor.

35.5 The contractor shall only be entitled to such additions to the contract price if it notifies the project manager, within 30 days after receipt of the order to suspend execution of the contract, of its intention to claim them.

35.6 The contracting authority, after consulting the contractor, shall determine such additions to the contract price and/or extension of the period of performance to be granted to the contractor in respect of such claim as shall, in the opinion of the contracting authority be fair and reasonable.

35.7 The contracting authority shall, as soon as possible, order the contractor to resume the contract suspended or inform the contractor that it terminates the contract. If the period of suspension exceeds 90 days and the suspension is not due to the contractor's breach or default, the contractor may, by notice to the contracting authority, request to proceed with the contract within 30 days, or terminate the contract. The contracting authority is not entitled to compensation for suspension of any part of the contract, in the event of force majeure.

ARTICLE 36 TERMINATION BY THE CONTRACTING AUTHORITY

36.1 The contracting authority may, at any time and with immediate effect, subject to Article 36.8, terminate the contract, except as provided for under Article 36.2.

36.2 Subject to any other provision of these general conditions the contracting authority may, by giving seven days' notice to the contractor, terminate the contract in any of the following cases where:

a) the contractor is in serious breach of contract for failure to perform its contractual obligations;

b) the contractor fails to comply within a reasonable time with the notice given by the project manager requiring it to make good the neglect or failure to perform its obligations under the contract which seriously affects the proper and timely performance of the services;

c) the contractor refuses or neglects to carry out any administrative orders given by the project manager;

d) the contractor assigns the contract or subcontracts without the authorisation of the contracting authority;

e) the contractor is bankrupt, subject to insolvency or winding up procedures, is having its assets administered by a liquidator or by the courts, has entered into an arrangement with creditors, has suspended business activities, or is in any analogous situation arising from a similar procedure provided for under any national law or regulations relevant to that contractor;

f) any organisational modification occurs involving a change in the legal personality, nature or control of the contractor, unless such modification is recorded in an addendum to the contract;

g) any other legal disability hindering performance of the contract occurs;

h) the contractor fails to provide the required guarantees or insurance, or the person providing the earlier guarantee or insurance is not able to abide by its commitments;

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i) the contractor has been guilty of grave professional misconduct, is subject to EU restrictive measures adopted under Article 29 of the Treaty on the European Union (TEU) or Article 215 of the Treaty on the Functioning of the EU (TFEU) that constitute a legal impediment to perform the contract, or has committed an irregularity proven by any means which the contracting authority can justify, within the meaning of Article 10.1 a) b);

j) it has been established by a final judgment or a final administrative decision or by proof in possession of the contracting authority that the contractor has been guilty of fraud, corruption, involvement in a criminal organisation, money laundering or terrorist financing, terrorist related offences, child labour or other forms of trafficking in human beings, circumventing fiscal, social or any other applicable legal obligations, including through the creation of an entity for this purpose.

k) the contractor, in the performance of another contract financed by the EU budget/EDF funds, has been declared to be in serious breach of contract, which has led to its early termination or the application of liquidated damages or other contractual penalties or which has been discovered following checks, audits or investigations by the European Commission, the contracting authority, OLAF, the EPPO or the Court of Auditors or has resisted an investigation, check or audit;

l) after the award of the contract, the award procedure or the performance of the contract proves to have been subject to breach of obligations, irregularities or fraud;

m) the award procedure or the performance of another contract financed by the EU budget/EDF funds proves to have been subject to breach of obligations, irregularities or fraud which are likely to affect the performance of the present contract;

n) the contractor fails to perform its obligation in accordance with Article 8 and Article 9;

o) the contractor is unable to provide a suitable replacement to an expert, the absence of which affects the proper performance of the contract.

p) the contractor is in a situation that could constitute a conflict of interest or a professional conflicting interest in accordance with as referred to in Article 9 of these general conditions and does not rectify the situation.

q) the contractor is in breach of the data protection obligations resulting from Article 42 of these general conditions.

r) the Regulation (EU, Euratom) 2020/2092 of the European Parliament and of the Council of 16 December 2020 on a general regime of conditionality for the protection of the Union budget applies.

s) if it is manifest that, at a later date and before such breach becomes effective, the contractor will materially fail to perform the contract in accordance with the tender documents or will be materially in breach of another contractual obligation, unless the contractor provides the contracting authority with sufficient assurances of its future performance.

The cases of termination under points e), i), j), k), l), m) and n) may refer also to persons who are members of the administrative, management or supervisory body of the contractor and/or to persons having powers of representation, decision or control with regard to the contractor.

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The cases of termination under points a), e), f), g), i), j), k), l), m) and n) may refer also to persons jointly and severally liable for the performance of the contract.

The cases under points e), i), j), k), l), m), n), p), q), r) and s) may refer also to subcontractors.

36.3 Termination shall be without prejudice to any other rights or powers under the contract of the contracting authority and the contractor. The contracting authority may, thereafter, complete the services itself, or conclude any other contract with a third party, at the contractor's own expense. The contracting authority shall formally notify the contractor of its decision to have the contractor substituted and the grounds for this substitution. Any such substitution does not affect the contractor's liability and is without prejudice to the contracting authority's other rights and remedies, including but not limited to its right to claim damages under Article 34 that the substitution would not cover.

The contractor's liability for delay in completion shall immediately cease when the contracting authority terminates the contract without prejudice to any liability thereunder that may already have arisen.

36.4 Upon termination of the contract or when it has received notice thereof, the contractor shall take immediate steps to bring the services to a close in a prompt and orderly manner and to reduce expenditure to a minimum.

36.5 The project manager shall, as soon as possible after termination, certify the value of the services and all sums due to the contractor as at the date of termination.

36.6 The contracting authority shall not be obliged to make any further payments to the contractor until the services are completed. After the services are completed, the contracting authority shall recover from the contractor the extra costs, if any, of completing the services, or shall pay any balance still due to the contractor.

36.7 If the contracting authority terminates the contract pursuant to Article 36.2, it shall, in addition to the extra costs for completion of the contract and without prejudice to its other remedies under the contract, be entitled to recover from the contractor any loss it has suffered up to the value of the services which have not been satisfactorily completed unless otherwise provided for in the special conditions.

36.8 Where the termination is not due to an act or omission of the contractor, force majeure or other circumstances beyond the control of the contracting authority, the contractor shall be entitled to claim in addition to sums owed to it for work already performed, an indemnity for loss suffered.

36.9 This contract shall be automatically terminated if it has not given rise to any payment in the two years following its signing by both parties.

ARTICLE 37 TERMINATION BY THE CONTRACTOR

37.1 The contractor may, after giving 14 days' notice to the contracting authority, terminate the contract if the contracting authority:

a) fails for more than 120 days to pay the contractor the amounts due after the expiry of the time limit stated in Article 29; or

b) consistently fails to meet its obligations after repeated reminders; or

c) suspends the progress of the services or any part thereof for more than 90 days for reasons not specified in the contract, or not attributable to the contractor's breach or default.

37.2 Such termination shall be without prejudice to any other rights of the contracting authority or the contractor acquired under the contract.

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37.3 In the event of such termination, the contracting authority shall pay the contractor for any loss or damage the contractor may have suffered. Such additional payment must not be such that the total payments exceed the amount specified in Article 2 of the contract.

ARTICLE 38 FORCE MAJEURE

38.1 Neither party shall be considered to be in default or in breach of its obligations under the contract if the performance of such obligations is prevented by any circumstances of force majeure, which arise after the date of notification of award or the date when the contract becomes effective.

38.2 The term force majeure, as used herein covers any unforeseeable events, not within the control of either party and which by the exercise of due diligence neither party is able to overcome such as acts of God, strikes, lock-outs or other industrial disturbances, acts of the public enemy, wars whether declared or not, blockades, insurrection, riots, epidemics, landslides, earthquakes, storms, lightning, floods, washouts, civil disturbances, explosions, etc. A decision of the European Union to suspend the cooperation with the partner country is considered to be a case of force majeure when it implies suspension of funding the contract.

38.3 Force majeure either suspends the performance of the contract as provided for in Article 35 or leads to the termination of the contract as provided for in Article 36. Notwithstanding the provisions of Article 19 and Article 36, the contractor shall not be liable for liquidated damages or termination for breach or default if, and to the extent that, its delay in performance or other failure to perform its obligations under the contract is the result of an event of force majeure. The contracting authority shall similarly not be liable, notwithstanding the provisions of Article 29 and Article 37, for payment of interest on delayed payments, for non-performance or for termination by the contractor for breach or default, if, and to the extent that, the contracting authority's delay or other failure to perform its obligations is the result of force majeure.

38.4 If either party considers that any circumstances of force majeure have occurred which may affect performance of its obligations it shall promptly notify the other party and the project manager giving details of the nature, the probable duration and the likely effect of the circumstances. Unless otherwise directed by the project manager in writing, the contractor shall continue to perform its obligations under the contract as far as is reasonably practicable, and shall seek all reasonable alternative means for performance of its obligations, which are not prevented by the force majeure event. The contractor shall not put into effect such alternative means unless directed so to do by the project manager.

38.5 For a fee-based contract, if the contractor incurs additional costs in complying with the project manager's directions or using alternative means under Article 38.4 the amount thereof shall be certified by the project manager.

38.6 If circumstances of force majeure have occurred and continue for a period of 180 days then, notwithstanding any extension of time for completion of the contract that the contractor may by reason thereof have been granted, either party shall be entitled to serve upon the other 30 days' notice to terminate the contract. If at the expiry of the period of 30 days the situation of force majeure persists, the contract shall be terminated and, in consequence, thereof under the law governing the contract, the parties shall be released from further performance of the contract.

ARTICLE 39 DECEASE

39.1 If the contractor is a natural person, the contract shall be automatically terminated if that person dies. However, the contracting authority shall examine any proposal made by its heirs or beneficiaries if they have notified their wish to continue the contract.

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39.2 Where the contractor consists of a number of natural persons and one or more of them die, a report shall be agreed between the parties on the progress of the contract and the contracting authority shall decide whether to terminate or continue the contract in accordance with the undertaking given by the survivors and by the heirs or beneficiaries, as the case may be.

39.3 In the cases provided for in Articles 39.1 and 39.2, persons offering to continue to implement the contract shall notify the contracting authority thereof within 15 days of the date of decease. The decision of the contracting authority shall be notified to those concerned within 30 days of receipt of such a proposal.

39.4 Such persons shall be jointly and severally liable for the proper implementation of the contract to the same extent as the deceased contractor. Continuation of the contract shall be subject to the rules relating to establishment of any guarantee provided for in the contract.

SETTLEMENT OF DISPUTES AND APPLICABLE LAW

ARTICLE 40 SETTLEMENT OF DISPUTES

40.1 The parties shall make every effort to settle amicably any dispute relating to the contract, which may arise between them.

40.2 Once a dispute has arisen, a party shall notify the other party of the dispute, stating its position on the dispute and requesting an amicable settlement. The other party shall respond to this request for amicable settlement within 30 days, stating its position on the dispute. Unless the parties agree otherwise, the maximum time period laid down for reaching an amicable settlement shall be 120 days from the date of the notification requesting such a procedure. Should a party not agree to the other party's request for amicable settlement, should a party not respond in time to that request or should no amicable settlement be reached within the maximum time period, the amicable settlement procedure is considered to have failed.

40.3 In the absence of an amicable settlement, a party may notify the other party requesting a settlement through conciliation by a third person. If the European Commission is not a party to the contract, it may accept to intervene as conciliator. The other party shall respond to the request for conciliation within 30 days. Unless the parties agree otherwise, the maximum time period laid down for reaching a settlement through conciliation shall be 120 days from the notification requesting such a procedure. Should a party not agree to the other party's request for conciliation, should a party not respond in time to that request or should no settlement be reached within the maximum time period, the conciliation procedure is considered to have failed.

40.4 If the amicable settlement procedure and, if so requested, the conciliation procedure fails, each party may refer the dispute to either the decision of a national jurisdiction or arbitration, as specified in the special conditions.

ARTICLE 41 APPLICABLE LAW

41.1 This contract shall be governed by the law of the country of the contracting authority or, where the contracting authority is the European Commission, by the applicable European Union law complemented where necessary by the law of Belgium.

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DATA PROTECTION

ARTICLE 42 DATA PROTECTION

42.1 Processing of personal data by the contracting authority

Any personal data included in or relating to the contract, including its implementation, shall be processed in accordance with Regulation (EU) 2018/1725. Such data shall be processed solely for the purposes of the implementation, management and monitoring of the contract by the data controller.

The contractor or any other person whose personal data is processed by the data controller in relation to this contract has specific rights as a data subject under Chapter III (Articles 14-25) of Regulation (EU) 2018/1725, in particular the right to access, rectify or erase their personal data and the right to restrict the processing of their personal data or, where applicable, the right to object to processing or the right to data portability.

Should the contractor or any other person whose personal data is processed in relation to this contract have any queries concerning the processing of its personal data, it shall address itself to the data controller. They may also address themselves to the Data Protection Officer of the data controller. They have the right to lodge a complaint at any time to the European Data Protection Supervisor.

Details concerning the processing of personal data are available in the data protection notice referred to in the special conditions.

42.2 Processing of personal data by the contractor

The processing of personal data by the contractor shall meet the requirements of the general conditions and be processed solely for the purposes set out by the controller.

The contractor shall assist the controller for the fulfilment of the controller's obligation to respond to requests for exercising rights of person whose personal data is processed in relation to this contract as laid down in Chapter III (Articles 14-25) of Regulation (EU) 2018/1725. The contractor shall inform without delay the controller about such requests.

The contractor may act only on documented written instructions and under the supervision of the controller, in particular with regard to the purposes of the processing, the categories of data that may be processed, the recipients of the data and the means by which the data subject may exercise its rights.

The contractor shall grant personnel access to the data to the extent strictly necessary for the implementation, management and monitoring of the contract. The contractor must ensure that personnel authorised to process personal data has committed itself to confidentiality or is under appropriate statutory obligation of confidentiality in accordance with the provisions of Article 7.6 of these general conditions.

The contractor shall adopt appropriate technical and organisational security measures, giving due regard to the risks inherent in the processing and to the nature, scope, context and purposes of processing, in order to ensure, in particular, as appropriate:

a) the pseudonymisation and encryption of personal data;

b) the ability to ensure the ongoing confidentiality, integrity, availability and resilience of processing systems and services;

c) the ability to restore the availability and access to personal data in a timely manner in the event of a physical or technical incident;

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d) a process for regularly testing, assessing and evaluating the effectiveness of technical and organisational measures for ensuring the security of the processing;

e) measures to protect personal data from accidental or unlawful destruction, loss, alteration, unauthorised disclosure of or access to personal data transmitted, stored or otherwise processed.

The contractor shall notify relevant personal data breaches to the controller without undue delay and at the latest within 48 hours after the contractor becomes aware of the breach. In such cases, the contractor shall provide the controller with at least the following information:

a) nature of the personal data breach including where possible, the categories and approximate number of data subjects concerned and the categories and approximate number of personal data records concerned;

b) likely consequences of the breach;

c) measures taken or proposed to be taken to address the breach, including, where appropriate, measures to mitigate its possible adverse effects.

The contractor shall immediately inform the data controller if, in its opinion, an instruction infringes Regulation (EU) 2018/1725, Regulation (EU) 2016/679, or other Union or Member State or third country applicable data protection provisions as referred to in the tender specifications.

The contractor shall assist the controller for the fulfilment of its obligations pursuant to Article 33 to 41 under Regulation (EU) 2018/1725 to:

a) ensure compliance with its data protection obligations regarding the security of the processing, and the confidentiality of electronic communications and directories of users;

b) notify a personal data breach to the European Data Protection Supervisor;

c) communicate a personal data breach without undue delay to the data subject, where applicable;

d) carry out data protection impact assessments and prior consultations as necessary.

The contractor shall maintain a record of all data processing operations carried on behalf of the controller, transfers of personal data, security breaches, responses to requests for exercising rights of people whose personal data is processed and requests for access to personal data by third parties.

The contracting authority is subject to Protocol 7 of the Treaty on the Functioning of the European Union on the privileges and immunities of the European Union, particularly as regards the inviolability of archives (including the physical location of data and services) and data security, which includes personal data held on behalf of the contracting authority in the premises of the contractor or subcontractor.

The contractor shall notify the contracting authority without delay of any legally binding request for disclosure of the personal data processed on behalf of the contracting authority made by any national public authority, including an authority from a third country. The contractor may not give such access without the prior written authorisation of the contracting authority.

The duration of processing of personal data by the contractor will not exceed the period referred to in Article 7.9 of these general conditions. Upon expiry of this period, the

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contractor shall, at the choice of the controller, return, without any undue delay in a commonly agreed format, all personal data processed on behalf of the controller and the copies thereof or shall effectively delete all personal data unless Union or national law requires a longer storage of personal data.

For the purpose of Article 4 of these general conditions, if part or all of the processing of personal data is subcontracted to a third party, the contractor shall pass on the obligations referred to in the present article in writing to those parties, including subcontractors. At the request of the contracting authority, the contractor shall provide a document providing evidence of this commitment.

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