



BLOCK START

Annex 7: Sub-grant Agreement Template for DLT Developers

March 2021



BlockStart Consortium			
Participant Number	Participant Organisation Name	Short Name	Country
1	Bright Development Studio, S.A.	BRPX	PT
2	UAB CIVITTA	CIVT	LT
3	F6S Network Limited	F6S	UK

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Funding Scheme: Coordination and Support Action (CSA) ● Theme: H2020-INNOSUP-03-2018
Start date of project: 01 September 2019 ● Duration: 30 months

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Contracting parties

Bright Development Studio, S.A. (BRPX), established in LUGAR DO ESPIDO VIA NORTE, MAIA 4470 177, Portugal, VAT number: PT513885013, represented for the purposes of signing the Agreement by Carlos Silva and Cristina Novais, legal representatives of BRPX.

Hereinafter referred as the “Contractor”

Of the one part,

[COMPANY_NAME], an SME organized under the laws of **[COUNTRY]**, established in **[LEGAL_ADDRESS]**, with VAT number **[VAT_NUMBER]**, duly represented by **[LEGAL_REPRESENTATIVE]**, **[LEGAL_REPRESENTATIVE_POSITION]**,

Hereinafter referred as the “Beneficiary”

Hereinafter collectively referred as the “Contracting Parties”

HAVE AGREED to the following terms and conditions including those in all Annexes of the applicable BlockStart Open Call, which form an integral part of this BLOCKSTART Open Call #3 Beneficiary Agreement (hereinafter referred as the “Contract”):

General Provisions

The Executive Agency for Small and Medium-sized Enterprises (EASME) (hereinafter referred as the “Agency”), under the powers delegated by the European Commission (hereinafter referred as the “EC”) and the Contractor, as a member of the BlockStart consortium, have signed the Grant Agreement No 828853 for the implementation of the project BLOCKSTART within the framework of the Programme H2020-INNOSUP-2018-2020/H2020-INNOSUP-2018-03.

The Beneficiary has received the favourable resolution by the external evaluators and therefore is entitled to receive funding and services according to the terms and conditions set out under this Beneficiary Agreement and in accordance with the Annex 2: Guidelines for Applicants.

This Contract aims at defining the framework of rights and obligations of the Contracting Parties. The Funding received by the Beneficiary is property of the EC. The Contractor is mere holder and managers of the funds.

Article 1 – Entry into force & Termination of the Contract

1.1. Entry into force

This Contract shall enter into force on the day of its signature by the last Contracting Party. However, late signature of the contract by any of the contracting parties will not affect the execution schedule of the sub-project. The Contractor shall sign this Contract, only after all the following documents have been received from the Beneficiary:

- Signed Declaration of Honour (as given in Annex 4 of this Contract);
- Signed SME Declaration form (as given in Annex 5 of this Contract);
- Copy of ID-card or Passport of legal representative(s) of the SME;
- Copy of the original Extract of SME registration;
- Proof of VAT registration;
- Bank Account Information (as given in Annex 6 of this Contract).

All documents shall be sent to the Contractor first via email to the following address: hello@blockstart.eu.

The Beneficiary is solely responsible for the accuracy of all data provided to the Contractor.

1.1 Contract Termination

This Contract covers all three phases of BlockStart acceleration programme, namely IDEATION KICK-OFF, PROTOTYPE and PILOT.

At the end of each of the aforementioned phases IDEATION KICK-OFF, PROTOTYPE and PILOT, an evaluation of the Beneficiary projects' progress will take place as fully described in Annex 2: Guidelines for Applicants.

In case the Beneficiary is not selected to enter the next phase, this Contract is automatically terminated, and the Beneficiary fully accepts that no additional payments due to said next phases will be made by the Contractor.

This Contract also terminates in the event of unjustified withdraw by the Beneficiary of the current fulfilment of its Contract obligations or breach of its contractual obligations under this Contract, including the corresponding Annexes of the relevant Open Call, in accordance with Article 3 of this Contract. "Unjustified withdraw" covers any situation out of "Force Majeure" qualification which determines the absence of performance of the Beneficiary contractual obligations. In this particular case, it entitles the Contractor the right to claim the Beneficiary the full refund of all payments made to the Beneficiary up to date.

Without prejudice of other termination situations, the Contractor may terminate the Contract, if:

- a) a change to the legal, financial, technical, organisational or ownership situation of the Beneficiary is likely to substantially affect or delay the implementation of the action or calls into question the decision to award the grant;
- b) implementation of the action is prevented by force majeure (as defined below) or suspended by the Contractor and either:
 - i. resumption is impossible, or
 - ii. the necessary changes to the Contract would call into question the decision awarding the grant or breach the principle of equal treatment of applicants;
- c) the Beneficiary is declared bankrupt, being wound up, having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, or is subject to any other similar proceedings or procedures under national law;
- d) the Beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has been found guilty of professional misconduct, proven by any means;
- e) the Beneficiary does not comply with the applicable national law on taxes and social security;
- f) the action has lost scientific or technological relevance;
- g) the Beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed fraud, corruption, or is involved in a criminal organisation, money laundering or any other illegal activity;
- h) the Beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed:
 - i. substantial errors, irregularities or fraud or
 - ii. serious breach of obligations under the Contract or during the award procedure (including improper implementation of the action, submission of false information, failure to provide required information, breach of ethical principles);

- i) the Beneficiary (or a natural person who has the power to represent or take decisions on its behalf) has committed — in other EU or Euratom grants awarded to it under similar conditions — systemic or recurrent errors, irregularities, fraud or serious breach of obligations that have a material impact on this grant.

Before terminating the Contract, the Contractor will formally notify the Beneficiary:

- informing it of its intention to terminate and the reasons why and
- inviting it, within 30 days of receiving notification, to submit observations and — in case of Point (h.ii) above — to inform the Contractor of the measures to ensure compliance with the obligations under the Contract.

If the Contractor does not receive observations or decides to pursue the procedure despite the observations it has received, it will formally notify to the Beneficiary concerned confirmation of the termination and the date it will take effect, without prejudice of the right of the Contractor to claim the Beneficiary the full refund of all payments made to the Beneficiary up to date.

Otherwise, it will formally notify that the procedure is not continued.

Article 2 – Obligations and Responsibilities of the Beneficiary

The obligations and responsibilities of the Beneficiary are defined in detail in the Annex 2 - Guidelines for Applicants. In particular, the Beneficiary is obliged to conduct its activities and actions hereunder in a responsible manner and complying with applicable legislation and European Union's Horizon 2020 rules and guidelines.

Additionally, the Beneficiary must take all measures to prevent any situation where the impartial and objective implementation of the actions under this Contract is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ('conflict of interests').

In case the Beneficiary is involved in a situation constituting or likely to lead to a conflict of interest, the Beneficiary must formally notify this situation to the Contractor without delay and immediately take all the necessary steps to rectify this situation, without prejudice of the right of the Contractor to terminate this Contract with the right to claim the Beneficiary the full refund of all payments made to the Beneficiary up to date.

Article 3 – Breach of Contractual obligations

In the event of a breach of the contractual obligations by the Beneficiary, the Contractor reserves the right to claim the Beneficiary the full refund of all payments made to the Beneficiary up to date and/or terminate this Contract in accordance, namely, with Article 1.2 above. The breach of the contractual obligations by the Beneficiary shall be determined by the BLOCKSTART Consortium or BLOCKSTART Project Coordinator.

Not attending the Event (unless in the case of Force Majeure as defined in Article 7 below) or attending the Event in a manner which intentionally disrupts the Event, shall be deemed as breach of the contractual obligations by the Beneficiary.

The provision of false or misleading declarations by the Beneficiary or any unsolved situation of conflict of interest also constitute examples of breach of contractual obligations by the Beneficiary.

For British applicants: British applicants are eligible to all BlockStart Open Calls. Please be aware that this means that the rules of H2020 grants will apply for the entire duration of the grant.

Article 4 – Financial contribution and financial provisions

4.1 Maximum financial contribution

The maximum financial contribution to be granted by the Contractor to the Beneficiary shall not exceed the total amount of Twenty Thousand Euros (€20,000).

4.2. Distribution of the financial contribution

The financial contribution to be granted to the Beneficiary shall be calculated and distributed in accordance with the provisions of the Annex 2: Guidelines for Applicants.

In any case, the financial grant to be paid will always be subject to:

- A favourable resolution by the external evaluators and BlockStart project responsible for assessing the Project in each of the phases;
- Reception and acceptance of the relevant Financial Statements of the beneficiary;
- The Beneficiary Bank Account (Annex 6) matches the Financial Statement Bank Account;
- The availability of funds in CONTRACTOR bank account during the relevant payment period;
- Full compliance by Beneficiary of its obligations under this Contract;
- The Grant Agreement identified above being in place and applicable;
- Payments to the Beneficiary will be made by the Contractor. In particular:
 - The Contractor reserves the right to withhold the payments in case the Beneficiary does not fulfil with its obligations and tasks as per Annex 2 - Guidelines for Applicants and this Contract;
 - Banking and transaction costs charged by any of the banks related to the handling of any financial resources made available to the Beneficiary by the Treasurer shall be covered by the holder of the bank account which originated the cost. This means that the Contractor bears the cost of transfers charged by its bank and the Beneficiary bears the cost of transfers charged by its bank;
- Payments will be released no later than thirty (30) natural days after the notification by the Contractor;
- The Beneficiary is responsible for complying with any tax and legal obligations that might be attached to this financial contribution.

4.3. Payments schedule

The payment schedule is directly linked to the relevant phase of the Project as per the Guidelines for Applicants (Annex 2).

<i>Expected date of payment</i>	<i>Amount (in EURO)</i>	<i>Condition / Event</i>	<i>Linked Phase</i>
August 2021	1,000	Subject to participating at the BlockStart IDEATION KICK-OFF event, submitting project presentation slides and pitching proposal idea	Phase 1: IDEATION KICK-OFF
December 2021	15,000	Subject to successful review of Deliverable D1: Report (implementation, describing the system prototype that they have implemented and the results of the tests) & Business and Exploitation Plan	Phase 2: PROTOTYPE
March 2022	4,000	Subject to successful review of Deliverable D2, project presentation slides, participation at	Phase 3: PILOT

		the Pilot of the product (TRL 7-8) & pitching of the solution at Demo Day event	
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The Beneficiary is entitled to receive exclusively those payments allocated to each specific stage of the Project provided that the conditions under Article 4.2 are met.

Article 5 – Liability of the Beneficiary

The Contractor, the Agency and/or the EC cannot be held liable for any damage caused to the Beneficiary as a consequence of implementing the Contract, including for gross negligence.

The Contractor, the Agency and/or the EC cannot be held liable for any damage caused by the Beneficiary, as a consequence of implementing the Contract.

Neither the Contractor nor the Agency and/or the EC can be held liable for any acts or omissions of the Beneficiary in relation to this Contract. At the same time, the Beneficiary is responsible for any act or omission that causes damage to the Contractor and/or the Agency and/or the EC in relation to this Contract.

Except in case of force majeure (as defined below under Article 7 of this Contract), the Beneficiary must compensate the Contractor, the Agency and/or the EC for any damage it sustains as a result of the implementation of the action or because the action was not implemented in full compliance with the Contract and its Annexes.

The Beneficiary shall bear sole responsibility for ensuring that their acts within the framework of this Contract do not infringe third parties' rights. There is no joint liability between the Contracting Parties.

Article 6 – Confidentiality

With respect to all information of whatever nature or form as is disclosed between the Contracting Parties in connection with the Project, this Contract and corresponding actions and execution, identified in writing as confidential, the terms of this Article shall apply.

During implementation of the action under this Contract and for four years after the period set out in this Contract for the duration of the grant hereunder, the Contracting Parties must keep confidential any data, documents or other material (in any form) that is identified as confidential at the time it is disclosed ('**confidential information**').

If the Beneficiary requests, the Contractor may agree to keep such information confidential for an additional period beyond the initial four years.

If information has been identified as confidential only orally, it will be considered to be confidential only if this is confirmed in writing within 15 days of the oral disclosure.

Unless otherwise agreed between the Contracting Parties, they may use confidential information only to implement the Contract.

The Beneficiary may disclose confidential information to their personnel or third parties involved in the action only if they:

- a) need to know to implement the Contract and
- b) are bound by an obligation of confidentiality.

The Contractor may disclose confidential information to its staff other Consortium member, the Agency, the EC, and other EU institutions and bodies. It may disclose confidential information to third parties, if:

- a) this is necessary to implement the Contract or safeguard the EU's financial interests and
- b) the recipients of the information are bound by an obligation of confidentiality.

The confidentiality obligations no longer apply if:

- a) the disclosing party agrees to release the other party;
- b) the information was already known by the recipient or is given to him without obligation of confidentiality by a third party that was not bound by any obligation of confidentiality;
- c) the recipient proves that the information was developed without the use of confidential information;
- d) the information becomes generally and publicly available, without breaching any confidentiality obligation, or
- e) the disclosure of the information is required by EU or national law.

If the Beneficiary breaches any of its obligations under this Article, the grant may be reduced and the Contract or participation of the Beneficiary may be terminated, with the right of the Contractor to claim the Beneficiary the full refund of all payments made to the Beneficiary up to date.

Article 7 – Force Majeure

“Force Majeure” shall mean any unforeseeable exceptional situation or event beyond the Contracting Parties control, which prevents either of them from fulfilling any of their obligations under the Agreement, which was not attributable to error or negligence on their part and which proves to be inevitable in spite of exercising all due diligence.

Any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties cannot be invoked as force majeure.

The Contracting Parties shall take the necessary measures to limit any damage due to force majeure. They shall do their best to resume the implementation of the action as soon as possible.

No Contracting Party shall be considered to be in breach of its obligations and tasks if such breach is caused by Force Majeure. A Contracting Party will notify the other Contracting Party of any Force Majeure as soon as possible. In case the Beneficiary is not able to overcome the consequences of Force Majeure within 10 (ten) days after such notification, the Contractor will decide accordingly including the termination of the Contract.

Article 8 – Information and Communication – Promotion

Any publicity made by the Beneficiary in respect of the project, in whatever form and on or by whatever medium, must specify that it reflects only the author's views and that the Contractor, BLOCKSTART consortium or EC are not liable for any use that may be made of the information contained therein.

The Contractor, BLOCKSTART consortium and EC shall be authorized to publish, in whatever form and on or by whatever medium, the following information:

- the name of the Beneficiary;
- contact address of the Beneficiary;
- the general purpose of the project;

- the amount of the financial contribution of the EC.

The Beneficiary shall ensure that all necessary authorizations for such publication have been obtained and that the publication of the information by the Contractor, BLOCKSTART Consortium or EC does not infringe any rights of third parties.

Upon a duly substantiated request by the Contractor on behalf of the Beneficiary, the EC may agree to forego such publicity if disclosure of the information indicated above would risk compromising the beneficiary's security, academic or commercial interests.

The Beneficiary must promote the action and its results under this Contract, by providing targeted information to multiple audiences (including the media and the public) in a strategic and effective manner.

This does not change the confidentiality obligations under this Contract, all of which still apply.

Before engaging in a communication activity expected to have a major media impact, the Beneficiary must inform the Contractor.

Unless the Contractor requests or agrees otherwise or unless it is impossible, any communication activity related to the action (including in electronic form, via social media, etc.) and any infrastructure, equipment and major results funded by the grant must:

- a) display the EU emblem and
- b) include the following text:

For communication activities:

"This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 828853".

For infrastructure, equipment and major results:

"This [infrastructure][equipment][insert type of result] is part of a project that has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 828853".

When displayed together with another logo, the EU emblem must have appropriate prominence. For the purposes of their obligations under this Article, the Beneficiary may use the EU emblem without first obtaining approval from the Contractor. This does not, however, give them the right to exclusive use.

Moreover, they may not appropriate the EU emblem or any similar trademark or logo, either by registration or by any other means.

The Contractor, Agency and the Commission may use, for its communication and publicising activities, information relating to the action, documents notably summaries for publication and public deliverables as well as any other material, such as pictures or audio-visual material received from any beneficiary (including in electronic form).

This does not change the confidentiality obligations hereunder, all of which still apply.

If the said use of these materials, documents or information would risk compromising legitimate interests, the Beneficiary concerned may request the Contractor not to use it.

The right to use the Beneficiary's materials, documents and information includes:

- a) use for its own purposes (in particular, making them available to persons working for the Contractor, Agency, the EC or any other EU institution, body, office or agency or body or institutions in EU Member States; and copying or reproducing them in whole or in part, in unlimited numbers);
- b) distribution to the public (in particular, publication as hard copies and in electronic or digital format, publication on the internet, as a downloadable or non-downloadable file, broadcasting by any channel, public display or presentation, communicating through press information services, or inclusion in widely accessible databases or indexes);
- c) editing or redrafting for communication and publicising activities (including shortening, summarising, inserting other elements (such as meta-data, legends, other graphic, visual, audio or text elements), extracting parts (e.g. audio or video files), dividing into parts, use in a compilation);
- d) translation;
- e) giving access in response to individual requests under Regulation No 1049/200127, without the right to reproduce or exploit;
- f) storage in paper, electronic or other form;
- g) archiving, in line with applicable document-management rules, and
- h) the right to authorise third parties to act on its behalf or sub-license the modes of use set out in Points (b), (c), (d) and (f) to third parties if needed for the communication and publicising activities of the Contractor, Agency or the Commission.

If the right of use is subject to rights of a third party (including personnel of the Beneficiary), the Beneficiary must ensure that it complies with its obligations under this Contract (in particular, by obtaining the necessary approval from the third parties concerned).

Where applicable (and if provided by the Beneficiary), the Contractor, Agency or the Commission will insert the following information:

“© – [year] – [name of the copyright owner]. All rights reserved. Licensed to the Executive Agency for Small and Medium-sized Enterprises (EASME) and the European Union (EU) under conditions.”

If the Beneficiary breaches any of its obligations under this Article, the grant may be reduced, and this Contract may be terminated in accordance with Article 1.2 above.

Article 9 – Data protection

9.1. Data protection obligations

The Contracting Parties have the obligation to abide by the Regulation (EU) 2016/679 (General Data Protection Regulation – GDPR) of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.

The processing of personal data shall be carried out lawfully, fairly and in a transparent manner, collected for specified purposes and adequate, relevant and limited to what is necessary in relation to the purposes for which it is processed.

The Beneficiary will use and process the data only for the purposes of this Contract and during the length of the Contract. Any unauthorised use is forbidden. In any event, neither the Contractor nor the Data Provider will be held responsible for any abusive use of data incurred into by the Beneficiary.

The Beneficiary shall not to try to re-identify anonymised data. In the event that re-identification occurs due to reasons not attributable to the Beneficiary, the Beneficiary commits not to use such data.

The Beneficiary shall delete, at the end of this Contract, the data (including personal data) to which the Beneficiary has been granted access during the incubation process, except where an agreement is entered into with the Data Provider.

9.2. New data produced

The Beneficiary acknowledges that he/she will be the “data controller” of any new dataset or piece of personal information that the Beneficiary may produce in the course of the BlockStart project, except if otherwise agreed between the Contracting Parties or resulting from the applicable laws on this matter.

Article 10 – Financial audits and controls

The Agency and/or the EC may, at any time during the implementation of the Project and the activities under this Contract, and up to five years after the end of the BlockStart project (foreseen for 28 February 2022), arrange for financial audits to be carried out, by external auditors, or by the EC services themselves including the European Anti-Fraud office (OLAF), on the Beneficiary. The audit procedure shall be deemed to be initiated on the date of receipt of the relevant letter sent by the EC. Such audits may cover financial, systemic and other aspects (such as accounting and management principles) relating to the proper execution of the Grant Agreement. They shall be carried out on a confidential basis.

The Beneficiary shall make available directly to the EC all detailed information and data that may be requested by the EC or any representative authorised by it, with a view to verifying that the Grant Agreement is properly managed and performed in accordance with its provisions and that costs have been charged in compliance with it. This information and data must be precise, complete and effective.

The Beneficiary shall keep the originals or, in exceptional cases, duly authenticated copies – including electronic copies - of all documents relating to the Contract until 2026. These shall be made available to the EC where requested during any audit under the Grant Agreement.

In order to carry out these audits, the Beneficiary shall ensure that the EC’s services and any external body(ies) authorised by it have on-the-spot access at all reasonable times, notably to the Beneficiary’s offices, to its computer data, to its accounting data and to all the information needed to carry out those audits, including information on individual salaries of persons involved in the project. They shall ensure that the information is readily available on the spot at the moment of the audit and, if so requested, that data be handed over in an appropriate form.

On the basis of the findings made during the financial audit, a provisional report shall be drawn up. It shall be sent by the EC or its authorised representative to the beneficiary concerned, which may make observations thereon within 1 month of receiving it. The EC may decide not to take into account observations conveyed or documents sent after that deadline. The final report shall be sent to the beneficiary concerned within 2 months of expiry of the aforesaid deadline.

On the basis of the conclusions of the audit, the EC shall take all appropriate measures which it considers necessary, including the issuing of recovery orders regarding all or part of the payments made by it and the application of any applicable sanction.

The European Court of Auditors shall have the same rights as the EC, notably right of access, for the purpose of checks and audits, without prejudice to its own rules. In addition, the EC may carry out on-the-spot checks and inspections in accordance with Council Regulation (Euratom, EC) No 2185/96 of

11 November 1996 concerning on-the-spot checks and inspections carried out by the EC in order to protect the European Communities' financial interests against fraud and other irregularities.

Right to carry out checks

The Agency or the EC will — during the implementation of the action or afterwards — check the proper implementation of the action and compliance with the obligations under the Contract, including assessing deliverables and reports.

For this purpose the Agency or the Commission may be assisted by external persons or bodies.

The Agency or the Commission may also request additional information in accordance with Article 17 of the above identified Grant Agreement.

The Agency or the Commission may request the Beneficiary to provide such information to it directly. Information provided must be accurate, precise and complete and in the format requested, including electronic format.

Right to carry out reviews

The Agency or the Commission may — during the implementation of the action or afterwards — carry out reviews on the proper implementation of the action (including assessment of deliverables and reports), compliance with the obligations under the Contract and continued scientific or technological relevance of the action.

Reviews may be started up to two years after the payment of the balance. They will be formally notified to the Beneficiary concerned and will be considered to have started on the date of the formal notification.

If the review is carried out on a third party, the Beneficiary concerned must inform the third party.

The Agency or the Commission may carry out reviews directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the coordinator or beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The Beneficiary concerned must provide — within the deadline requested — any information and data in addition to deliverables and reports already submitted (including information on the use of resources). The Agency or the Commission may request beneficiaries to provide such information to it directly.

The Beneficiary concerned may be requested to participate in meetings, including with external experts.

For on-the-spot reviews, the Beneficiary must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available. Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the review findings, a 'review report' will be drawn up.

The Agency or the Commission will formally notify the review report to the Beneficiary concerned, which has 30 days to formally notify observations ('contradictory review procedure'). Reviews (including review reports) are in the language of the Contract.

Right to carry out audits

The Agency or the Commission may — during the implementation of the action or afterwards — carry out audits on the proper implementation of the action and compliance with the obligations under the Contract.

Audits may be started up to two years after the payment of the balance. They will be formally notified to the Beneficiary concerned and will be considered to have started on the date of the formal notification.

If the audit is carried out on a third party, the Beneficiary concerned must inform the third party.

The Agency or the Commission may carry out audits directly (using its own staff) or indirectly (using external persons or bodies appointed to do so). It will inform the Beneficiary concerned of the identity of the external persons or bodies. They have the right to object to the appointment on grounds of commercial confidentiality.

The Beneficiary concerned must provide — within the deadline requested — any information (including complete accounts, individual salary statements or other personal data) to verify compliance with the Contract. The Agency or the Commission may request beneficiaries to provide such information to it directly.

For on-the-spot audits, the Beneficiary must allow access to their sites and premises, including to external persons or bodies, and must ensure that information requested is readily available.

Information provided must be accurate, precise and complete and in the format requested, including electronic format.

On the basis of the audit findings, a 'draft audit report' will be drawn up.

The Agency or the Commission will formally notify the draft audit report to the Beneficiary concerned, which has 30 days to formally notify observations ('contradictory audit procedure'). This period may be extended by the Agency or the Commission in justified cases.

The 'final audit report' will take into account observations by the Beneficiary concerned. The report will be formally notified to it. Audits (including audit reports) are in the language of the Agreement.

The Agency or the Commission may also access the beneficiaries' statutory records for the periodical assessment of unit costs or flat-rate amounts.

Investigations by the European Anti-Fraud Office (OLAF)

Under Regulations No 883/201316 and No 2185/9617 (and in accordance with their provisions and procedures), the European Anti-Fraud Office (OLAF) may — at any moment during implementation of the action or afterwards — carry out investigations, including on-the-spot checks and inspections, to establish whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the EU.

Checks and audits by the European Court of Auditors (ECA)

Under Article 287 of the Treaty on the Functioning of the European Union (TFEU) and Article 161 of the Financial Regulation No 966/2012/18, the European Court of Auditors (ECA) may — at any moment during implementation of the action or afterwards — carry out audits.

The ECA has the right of access for the purpose of checks and audits.

Consequences of findings in checks, reviews, audits and investigations — Extension of findings | Findings in this grant

Findings in checks, reviews, audits or investigations carried out in the context of this grant may lead to the rejection of ineligible costs, reduction of the grant, recovery of undue amounts or to any of the other measures described in Chapter 6 of the said Grant Agreement.

Rejection of costs or reduction of the grant after the payment of the balance will lead to a revised final grant amount.

Findings in checks, reviews, audits or investigations may lead to a request for amendment for the modification of relevant contractual documentation.

Checks, reviews, audits or investigations that find systemic or recurrent errors, irregularities, fraud or breach of obligations may also lead to consequences in other EU or Euratom grants awarded under similar conditions ('extension of findings from this grant to other grants').

Moreover, findings arising from an OLAF investigation may lead to criminal prosecution under national law.

Findings in other grants

The Agency or the Commission may extend findings from other grants to this grant ('extension of findings from other grants to this grant'), if:

- a) the Beneficiary concerned is found, in other EU or Euratom grants awarded under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant and
- b) those findings are formally notified to the Beneficiary concerned — together with the list of grants affected by the findings — no later than two years after the payment of the balance of this grant.

The extension of findings may lead to the rejection of costs, reduction of the grant, recovery of undue amounts, suspension of payments, suspension of the action implementation or termination.

Procedure

The Agency or the Commission will formally notify the Beneficiary concerned the systemic or recurrent errors and its intention to extend these audit findings, together with the list of grants affected.

If the findings concern eligibility of costs: the formal notification will include:

- a) an invitation to submit observations on the list of grants affected by the findings;
- b) the request to submit revised financial statements for all grants affected;
- c) the correction rate for extrapolation established by the Agency or the Commission on the basis of the systemic or recurrent errors, to calculate the amounts to be rejected if the Beneficiary concerned:

- i. considers that the submission of revised financial statements is not possible or practicable or
- ii. does not submit revised financial statements.

The Beneficiary concerned has 90 days from receiving notification to submit observations, revised financial statements or to propose a duly substantiated alternative correction method. This period may be extended by the Agency or the Commission in justified cases.

The Agency or the Commission may then start a rejection procedure in accordance with Article 42 of the Grant Agreement above, on the basis of:

- the revised financial statements, if approved;
 - the proposed alternative correction method, if accepted
- or
- the initially notified correction rate for extrapolation, if it does not receive any observations or revised financial statements, does not accept the observations or the proposed alternative correction method or does not approve the revised financial statements.

If the findings concern substantial errors, irregularities or fraud or serious breach of obligations: the formal notification will include:

- a) an invitation to submit observations on the list of grants affected by the findings and
- b) the flat-rate the Agency or the Commission intends to apply according to the principle of proportionality.

The Beneficiary concerned has 90 days from receiving notification to submit observations or to propose a duly substantiated alternative flat-rate.

The Agency or the Commission may then start a reduction procedure in accordance with Article 43 of the said Grant Agreement, on the basis of:

- the proposed alternative flat-rate, if accepted
- or
- the initially notified flat-rate, if it does not receive any observations or does not accept the observations or the proposed alternative flat-rate.

Consequences of non-compliance

If the Beneficiary breaches any of its obligations under this Article, any insufficiently substantiated costs will be ineligible and will be rejected. Such breaches may also lead to any of the other measures described in Chapter 6 of the Grant Agreement and under this Contract.

Evaluation of the impact of the action | Right to evaluate the impact of the action

The Agency or the Commission may carry out interim and final evaluations of the impact of the action measured against the objective of the EU programme.

Evaluations may be started during implementation of the action and up to five years after the payment of the balance. The evaluation is considered to start on the date of the formal notification to the Beneficiary.

The Agency or the Commission may make these evaluations directly (using its own staff) or indirectly (using external bodies or persons it has authorised to do so).

The Beneficiaries must provide any information relevant to evaluate the impact of the action, including information in electronic format.

Consequences of non-compliance

If the Beneficiary breaches any of its obligations under this Evaluation obligations, the Agency may apply the measures described in Chapter 6 of the said Grant Agreement and the Contractor the ones stated hereunder.

Article 11 – Amendments

Amendments or changes to this Contract shall be made in writing and signed by the duly authorized representative of the Contracting Parties. Nevertheless, In the event the EC modifies the conditions, the Contractor will amend the Contract accordingly.

Article 12 – Language

This contract is drawn up in English, language which shall govern all documents, notices, meetings and processes relative thereto.

Article 13 – Applicable Law

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

Article 14 – Settlement of disputes

If the Contracting Parties are unable to resolve a dispute amicably, such dispute will be finally settled under the Rules of Arbitration of the International Chamber of Commerce by three (3) arbitrators in Brussels.

Each of the Contracting Parties to the dispute shall appoint one (1) arbitrator and the three (3) arbitrators so appointed shall elect the presiding arbitrator. Should a Party to the dispute which should appoint an arbitrator fails to do so within fourteen (14) days of the delivery of the written notice to do so from the other Party to the dispute or should the appointed arbitrators fail to reach agreement on the presiding arbitrator within fourteen (14) days after their appointment, such arbitrator shall be appointed in accordance with the Rules upon request of any of the Parties to the dispute.

The seat of arbitration shall be Brussels.

The Contracting Parties agree that the language of the arbitration, including oral hearings, written evidence and correspondence, shall be English.

A duly rendered arbitration award shall be final and binding on the Contracting Parties to the dispute. Each Contracting Party to the arbitration conducted in accordance with this section hereof shall bear its own expenses incurred in connection with such arbitration, including fees of its legal counsels. All other costs and expenses shall be apportioned between the Contracting Parties to the arbitration in accordance with the decision of the arbitrators.

Nothing in this Contract shall limit the Contracting Parties right to seek injunctive relief or to enforce an arbitration award in any applicable competent court of law.

Article 15 – No double funding

By signing this sub-grant agreement, the beneficiary declares to be aware of the fundamental principle underpinning the rules for public expenditure in the EU that no costs for the same activity be funded twice from the EU budget, as defined in the Article 111 of Council Regulation (EC, Euratom) No. 1605/2002 of 25 June 2002 on the Financial Regulation, and confirms that all the work performed under BlockStart (Grant Agreement No. 828853) will be done exclusively in the scope of this programme, not being supported or funded by any other European Commission programme.

AS WITNESS:

The Contracting Parties have caused this Contract to be duly signed by the undersigned authorized representatives in three (3) copies:

For BRPX (the Contractor)

Mr. Carlos Silva

Director

Signature,

Done at _____ (City, Country) on _____ (Day/Month/Year)

Ms. Cristina Novais

Director

Signature,

Done at _____ (City, Country) on _____ (Day/Month/Year)

For [SME/Individual Entrepreneur_NAME] (the Beneficiary)

Mr./Ms. [NAME SURNAME]

[POSITION_IN_COMPANY]

Signature,

Done at _____ (City, Country) on _____ (Day/Month/Year)