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NordForsk

NordForsk's Standard Terms and Conditions of Contract

NordForsk's Standard Terms and Conditions of Contract form an integrated part of all contracts and agreements entered into by NordForsk concerning the financing of research and development projects.

DEFINITIONS

THE AGREEMENT: The document signed and executed by and on behalf of NordForsk and by and on behalf of the Project Manager, providing the detailed regulations and further definitions of the Project.

THE CONTRACT: The Agreement with any and all Attachments thereto, together with these Standard Terms and Conditions of Contract constitute the Contract.

PROJECT MANAGER: The institution/enterprise that is responsible in respect of NordForsk for ensuring that the Project is completed in accordance with the Contract. Under certain circumstances, the Project Manager may be a private person and/or a private enterprise.

ADMINISTRATIVE MANAGER: The individual holding the Power of Attorney to represent the Project Manager vis-à-vis NordForsk, and that signs the Agreement on behalf of the Project Manager.

PROJECT LEADER: The individual who is responsible for the professional progress, implementation and completion of the Project on behalf of the Project Manager.

PROJECT: The total sum of activities detailed in the funding application to which the Grant relates, as further described in the Contract.

PROJECT PERIOD: Shall be defined in the Agreement. Unless otherwise specifically agreed, the Project Period shall correspond to the period indicated in the application to which the Grant relates.

CO-OPERATING PARTNERS: Participants in the Project that are not responsible for the Project towards NordForsk, but have committed themselves contractually to the Project Manager to contribute with resources for the implementation of the Project.

GRANT: A commitment made by NordForsk regarding financing of the Project, binding in accordance with its terms.

PLEDGE: Planned, but not binding commitment to provide financing.

JOINT FINANCING BODY/BODIES: The/those body/bodies, institution(s)/company/companies that is/are financing the Project together with NordForsk.

BUDGET: The Financial plan for the implementation of the Project, also detailing the Grants and Pledges during the Project Period.

PROGRESS PLAN: The schedule for implementing and completion of the Project's main activities/milestones as further described in the Contract.

PROJECT ACCOUNTS: Accounts kept by the Project Manager to record the Project's actual income and expenses.

PROJECT RESULTS: All results produced or achieved in connection with the Project, including intellectual property rights, regardless of whether or not the results are protected by law.

1 THE PROJECT

1.1 Project implementation

The Project shall be implemented and carried out in accordance with the Contract, including the Project description, Progress Plan and Budget agreed in writing between the Parties.

The Project Manager shall promptly notify NordForsk in writing in the event of the occurrence of any substantial deviations of any kind from the provisions of the Contract and/or from the grant application. Notification of such deviations shall not be postponed until a Progress- and/or Final Report is submitted.

NordForsk shall at its discretion assess the impact of such substantial deviations on the contractual relationship, cf. clause 2.5 and 10.4. If so decided, NordForsk may approve the deviation in writing, in which case the deviation(s) shall be treated as a contractual amendment, cf. clause 11.

The Project Manager is responsible for ensuring that all applicable laws, regulations, ethical guidelines as well as recognised quality standards and norms and other legislation are followed throughout the implementation of the Project.

1.2 Co-operation with Co-operating Partners

The Project Manager shall enter into agreement(s) with relevant Co-operating Partner(s) that provide the regulations of the respective rights and obligations of the Project Manager and the Co-operating Partner(s). The Project Manager shall ensure that the said agreement(s) of Co-operation conforms to the terms, conditions and premises of the Contract.

The said agreement shall be entered into as soon as possible after the Contract between the Project Manager and NordForsk has been signed.

The Project Manager shall send a copy of the agreement of Co-operation to NordForsk as soon as the said agreement has been entered into.

2 GRANTS

2.1 General

NordForsk's Grants are stipulated and paid out in NOK. NordForsk is not liable for any losses incurred in connection with fluctuation in currency exchange rates as a result of the Grant being paid out in NOK.

For Projects with a Project Period of one year or less, Grants are disbursed as a one-time payment.

For Projects with a Project Period of more than one year, the Grants are disbursed for one calendar year at a time, unless otherwise agreed in writing between the Parties, and any Pledges made for the following years are not binding on NordForsk unless this is specifically stated in the Agreement.

Grant for the first calendar year and any Pledges for subsequent years are described in the Agreement.

2.2 Disbursement

Grants shall be disbursed as soon as possible after the Contract has been signed.

Disbursement of possible Grants for subsequent years are detailed in the Agreement.

2.3 Repayment

In the event the Final Report and the corresponding Project Accounts demonstrate that the actual costs of the Project are below the amounts disbursed by NordForsk, such unused funds shall be repaid to NordForsk in NOK as directed by NordForsk. In case of such reimbursement, the currency exchange rate in force at the time when the Grant was paid to the Project Manager shall be used.

2.4 Transfer of unused funds between calendar years

If, at the end of a calendar year, there are unused funds, the Project Manager may apply in writing to NordForsk for permission to transfer the unused funds to the next calendar year. Such applications shall be sent to NordForsk together with the Annual Report prior to the end of the calendar year for which the funds were granted.

If NordForsk does not respond to the said application by the end of January the following year, approval shall be considered given.

If NordForsk does not agree to such a transfer, the unused funds shall be repaid to NordForsk, and/or be deducted from any subsequent Grant(s) from NordForsk.

2.5 Reservations

Notwithstanding any provision contained in the Contract, disbursement of the Grant or of any Pledges for subsequent years of support are based inter alia on the assumption that:

- There are no significant deviations reported in the Progress Report cfr. subsection 4.1 and accounting report or in connection with other matters regulated by the Contract.
- There are no changes in public regulations (rules, standards, legislation etc.) and no other unforeseen circumstances have arisen that will have a major impact on the implementation of the Project or NordForsk' ability to contribute to it.
- The Project receives a satisfactory evaluation in the case of any interim evaluation.
- NordForsk receives the agreed joint financing for the Project from the Joint Financing Body/Bodies.

In the event one or more of these conditions are not satisfied, NordForsk may at its discretion withdraw or change

the Grant and/or any Pledge for subsequent years, or dependent on the circumstances, decide to terminate the agreement pursuant to subsection 10.4 below.

3 ACCOUNTING AND INSPECTION

The Project Manager shall keep Project Accounts of the actual costs. The accounts may only be debited for costs that are directly related to the implementation of the Project.

NordForsk is entitled at any time to verify that the funds granted are being applied in accordance with the Contract. Upon a request from NordForsk, the Project Manager shall produce receipts, time sheets, calculations and other relevant documentary evidence required for verification as mentioned above. If the verification reveals that funds are not being applied pursuant to the terms and conditions of the Contract, the disbursements shall be stopped and the funds shall be repaid to the extent required by NordForsk.

The Grant shall be included in the statutory audit executed by the Project Manager.

4 REPORTING

4.1 Annual reporting

For Projects with a Project Period of one year or less, the Project Manager shall prepare and send to NordForsk a final report (referred to as the Final Report), cf. clause 4.3 below.

For Projects with a Project Period of more than one year, the Project Manager shall, prior to the end of the calendar year, prepare and send to NordForsk an annual progress report (referred to as the Progress Report).

The Progress Report shall include information concerning the status and progress of the Project and explain any deviations relating to the Progress Plan and the Budget that have occurred.

The Progress Report shall comprise any revision to the Progress Plan and Budget that the Project Manager deems appropriate to propose.

An approved Progress Report is required for the disbursement of Grant for the following year.

Significant deviations shall be reported by the Project Manager to NordForsk without undue delay, cf. Subsection 1.1.

4.2 Other reporting

None of the provisions in this article 4 may be construed as a waiver by NordForsk from duly receiving any reporting otherwise agreed in the Contract.

4.3 Final Report

The Project Manager shall prepare a Final Report with Project Accounts, duly verified by a charted accountant. Unless otherwise agreed in writing between the Parties, the Final Report shall be received by NordForsk at the latest three months after the date of the Project Period completion.

NordForsk shall respond to the Final Report no later than two months after it has been received.

All reports are to be written on NordForsk's standard report forms, unless otherwise stipulated in the Agreement.

5 PROJECT RESULTS AND EQUIPMENT

For the purpose of the Contract, the Project Manager shall become the owner of the Project Results and any intellectual or other rights connected thereto unless otherwise agreed in writing. However, NordForsk shall at its discretion be granted royalty-free access rights (license and user rights) to the Projects Results.

The Project Manager shall own any equipment purchased with funds from NordForsk's Grants unless otherwise agreed in writing.

The Project Manager may share the Project Results and any intellectual or other rights connected thereto and the equipment with its Co-operating Partners, employees and others involved in the Project, and is obliged to enter into agreements with the mentioned parties that regulate rights and ownership to the Project Results and equipment, including commercialisation of the Project Results.

6 PUBLICATION

Unless special circumstances indicate otherwise, the Project Manager shall ensure that Project Results are made public as soon as possible.

Special circumstances shall include but not be limited to the protection of intellectual property rights, any breach of confidentiality and the risk that such publication may be detrimental to the activities of the Project Manager or that of the Co-operating Partners.

Research-generated data shall be considered available to the general public after the Project has been concluded, unless special circumstances indicate otherwise, or terms of contract or public regulations prevent it.

When the Project and/or Project Results are distributed/published, the contributions made by NordForsk and other Joint Financing Bodies shall always be mentioned. NordForsk may issue detailed instructions of how such contributions shall be mentioned.

NordForsk has the right to publish the Project title, its financial contribution, a project summary and Project Results achieved during the Project Period. Publication of Project Results shall take place in consultation with the Project Manager.

7 ORGANISATION

The Project Manager shall establish an organisation appropriate and suitable for the implementation of the Project, including but not limited to the appointment of a Project Leader.

8 TRANSFER OF THE CONTRACT

NordForsk may transfer its rights and obligations pursuant to the Contract providing the other Party consents in writing to this. Such consent cannot be withheld without due and valid reason.

The Project Manger may not transfer the Contract to others without the prior written consent of NordForsk.

9 DISCHARGE OF LIABILITY

NordForsk bears no legal or financial liability for damages or losses of any kind resulting from faults in, or incorrect use of, equipment, methods or programmes associated with the Project.

The Project Manager shall keep NordForsk indemnified from any and all claims of whatever nature that may arise in connection with the implementation of the Project, including but not limited to claims related to infringements of intellectual property rights.

10 TERMINATION

10.1 Introduction

Termination of the Contract does not cause termination of contractual clauses that by their nature are not limited to the Contract Period. This includes, but is not limited to, provisions regarding accounting, reporting and publication.

10.2 Ordinary termination of the Contract

The Contract is terminated without further notice when the Project Period is ended and NordForsk has approved the Project Manager's Final Report.

The Contract may be terminated prior to this date if both Parties agree on such termination.

10.3 Termination by written notice

Either Party may terminate the Contract by giving three months written notice if the contractual assumptions for the Project are substantially changed and this makes it impossible and/or unreasonable to continue the Project.

In the event of termination, each Party shall cover its respective shares of the winding up costs.

The Project Manager shall prepare a Final Report and an audited final Projects Account cf. clause 4.3.

Any unused funds shall be reimbursed to NordForsk cf. clause 2.3.

NordForsk is under no circumstances liable for more than the sum of the disbursed Grant.

10.4 Termination with immediate effect

NordForsk may terminate the Contract in writing with immediate effect if the Project Manager is in material breach of his obligations pursuant to the Contract, including but not limited to, the following situations:

- The Project Manager cannot/will not complete the Project.
- Significant deviations have arisen in relation to the Progress Plan and/or to other circumstances and factors regulated by the Contract.
- The Project Manager, and/or the group of companies to which he belongs, is engaged in activities that do not conform to current applicable legislation and/or the general aims and objectives of NordForsk.
- The Project Manager has entered a petition for bankruptcy, or a petition for bankruptcy or debt settlement negotiations have been raised by others against the Project Manager.

NordForsk may also terminate the Contract in writing with immediate effect if vital conditions for the contractual relationship are no longer viable, including, but not limited to

- NordForsk looses, or there is a major reduction in, the basic funding from the Nordic Council of Ministers.
- NordForsk does not receive the agreed joint financing for the Project from the Joint Financing Body/Bodies.

If NordForsk terminates the Contract with immediate effect the Project Manager shall, if requested by NordForsk, repay any Grants received. Any remaining Pledges will become null and void.

The Project Manager may terminate the Contract in writing with immediate effect if NordForsk is in material breach of its obligations pursuant to the Contract.

11 AMENDMENTS

Either Party may propose amendments to the Contract. Any such amendment shall be made in writing and shall be approved by both Parties.

NordForsk has the right to change these Standard Terms and Conditions of Contract without the approval of the Project Manager.

12 DISPUTES

Disputes arising in connection with this Contract shall, unless otherwise agreed between the parties, be settled by arbitration in accordance with current applicable Norwegian legislation on arbitration, cf. The Arbitration Act of 14th May 2005.