Addendum no. 01

to the partnership agreement for the implementation of the project #R041 GoSmart BSR of Interreg Baltic Sea Region

between

Politechnika Białostocka, Bialystok University of Technology
with its official address at Wiejska 45A, 15-351 Bialystok
and represented by Mirosław Świercz - Vice Rector for Development

hereinafter referred to as **lead partner or LP**, meaning the lead beneficiary of the project as defined in Article 13 of Regulation (EU) No 1299/2013. The LP is listed in the project data as **project partner no° 1.**

and

Podlaska Fundacja Rozwoju Regionalnego, Podlaska Regional Development Foundation
with its official address at Starobojarska 15, 15-073 Białystok
represented by Vice-President of the Board, Adam Kowalczuk,
Vice-President of the Board, Beata Orzołek
and listed in the project data as **project partner no° 2**

Vidzemes plānošanas reģions, Vidzeme Planning Region
with its official address at Bērzaines street 5, LV-4101 Cēsis, Cēsu novads
represented by Head of Administration, Guna Kalniņa-Priede
and listed in the project data as **project partner no° 3**

Valga Vallavalitus, Valga Municipality Government
with its official address at Puiestee 8, 68203 Valga
represented by Head of Municipality Government, Ester Karuse
and listed in the project data as **project partner no° 4**

VSI Lietuvos inovaciju centras, Public Institution Lithuanian Innovation Centre
Mokslininku 6A, Vilnius Mokslininku 6A, Vilnius LT-08412
represented by Direktor, Mantas Vilys
and listed in the project data as **project partner no° 5**

Kouvola Innovation Oy, Kouvola Innovation Ltd.
with its official address at Kouvola Innovation Oy, Paraatikenttä 4, 45100 Kouvola
represented by Director of Administration and Development, Pasi Miettinen
and listed in the project data as **project partner no° 6**

Specjalista ds. Administracyjnych
mgr inż. Mariola Łukaszuk

Hamburgisches WeltWirtschaftsInstitut gemeinnützige GmbH (HWWI), Hamburg Institute of International Economics (HWWI)
with its official address at Oberhafenstraße 1, 20097 Hamburg
represented by Chief Executive Officer, Prof. Dr. Henning Vöpel
and listed in the project data as **project partner no° 8**

Business Aabenraa S/I Erhvervenes Hus Aabenraa, Business Aabenraa
with its official address at Storegade 30, DK-6200 Aabenraa
represented by Chief Executive Officer, Helle Malene Kjølsen Olsen
and listed in the project data as **project partner no° 9**

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Article 1
Subject of the Addendum

Based on the signed on 27.07.2020 annex to the subsidy contract extending the implementation of the project due to Covid-19, the above-mentioned parties under the Partnership Agreement for the implementation of the project No. R041 GoSmart BSR in the Baltic Sea Region Interreg of 12.02.2018 (hereinafter referred to as the partner contract) contain Annex 1.

Article 2
Amendment of the partnership agreement

The contractual parties termed above hereby agree to amend by the partnership agreement which is attached to this Addendum no. 01 (hereinafter referred to as new Partnership Agreement). The new partnership agreement is based on a new version of the project data available in the electronic Monitoring System (hereinafter referred to as project data) and new Subsidy Contract and shall supersede the partnership agreement and any prior Addendum to it.

Article 3
Concluding provisions

This Addendum no. 01 shall enter into force on the date the last of its eight parties, PP's or LP, signs. In case project activities are carried out in the phase after the date of Addendum no 1 to Subsidy Contract but before the entry into force of this Addendum, the provisions of this Addendum shall already apply to this phase of project implementation.

If any provision in this Addendum to the partnership agreement should be wholly or partly ineffective, the parties to the Addendum undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.

Specjalista ds. Administracyjnych
mgr inż. Maciej Łukaszuk

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc Prof DSc, PhD, Eng	Vice-Rector for Development
Title	*Title*
VICE-RECTOR for Development M. Świercz Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020 -12- 14	
Place, date	*Place, date*

For the project partner no° 2:

BEATA ORZOŁEK	ADAM KOWALCZUK
Name	*Name*
VICE PRESIDENT	VICE PRESIDENT
Title	*Title*
WICEPREZES Podlaskiej Fundacji Rozwoju Regionalnego Beata Orzołek	WICEPREZES Podlaskiej Fundacji Rozwoju Regionalnego Adam Kowalczuk
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 28.10.2020	BIAŁYSTOK 28.10.2020
Place, date	*Place, date*

Specjalista ds. Administracyjnych
mgr inż. Marcin Łukaszuk

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. DSc, PhD, Eng.	Vice-Rector for Development
Title	*Title*
VICE-RECTOR for Development M. Świerc Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020 -12- 14	
Place, date	*Place, date*

For the project partner no° 3:

G. Kalniņa - Priede	
Name 200_.g.	*Name*
Head of administration	
Title	*Title*
Signature and stamp (if available)	*Signature and stamp (if available)*
Cēsis 06.10.2020.	
Place, date	*Place, date*

Specjalista ds. Administracyjnych
mgr inż. Marcin Łukaszuk

KIEROWNIK
Biura ds. Rozwoju
i Programów Międzynarodowych
mgr Daniel Łukasz Puch

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. DSc, PhD, Eng.	Vice-Rector for Development
Title	*Title*
VICE-RECTOR for Development Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020 -12- 14	
Place, date	*Place, date*

For the project partner no° 4:

Ester Karuse	
Name	*Name*
Mayor	
Title	*Title*
VALGA VALLAVALITSUS	
Signature and stamp (if available)	*Signature and stamp (if available)*
Valga, 14.10.2020	
Place, date	*Place, date*

Specjalista ds. Administracyjnych
mgr inż. Maciej Łukaszuk

For the lead partner = project partner n° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. DSc, PhD, Eng.	Vice-Rector for Development
Title	*Title*
VICE-RECTOR for Development M. Świercz Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020-12-14	
Place, date	*Place, date*

For the project partner n° 4: 5

Name Direktorius Mantas Vilys	*Name* Direktorius Mantas Vilys
Title	*Title*
Signature and stamp (if available) LIETUVOS RESPUBLIKA Viešoji įstaiga INOVACIJŲ CENTRAS VILNIUS	*Signature and stamp (if available)* LIETUVOS RESPUBLIKA Viešoji įstaiga INOVACIJŲ CENTRAS VILNIUS
Place, date	*Place, date*
2020 10 08	2020 10 08

Specjalista ds. Administracyjnych mgr inż. Maciej Łukaszuk

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. DSc, PhD, Eng.	Vice-Rector for Development
Title	*Title*
VICE-RECTOR for Development Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020 -12- 14	
Place, date	*Place, date*

For the project partner no° 6:

Pasi Miettinen	
Name	*Name*
Director of Administration	
Title	*Title*
Signature and stamp (if available)	*Signature and stamp (if available)*
Kemi/a 10.11.2020	
Place, date	*Place, date*

Specjalista ds. Administracyjnych
mgr inż. Paweł Łukaszuk

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. Dsc, PhD, Eng. Vice-Rector for Development	
Title	*Title*
VICE-RECTOR for Development Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
BIAŁYSTOK 2020 -12- 14	
Place, date	*Place, date*

For the project partner no° 8:

Prof. Dr. Henning Vöpel	
Name	*Name*
CEO	
Title	*Title*
Signature and stamp (if available)	*Signature and stamp (if available)*
Hamburg, 12.10.2020	
Place, date	*Place, date*

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Specjalista ds. Administracyjnych
mgr inż. Marcin Łukaszuk

For the lead partner = project partner no° 1:

MIROSŁAW ŚWIERCZ	
Name	*Name*
Assoc. Prof. DSc, PhD, Eng.	Vice Rector for Development
Title	*Title*
VICE-RECTOR for Development Assoc. Prof. Mirosław Świercz, DSc, PhD, Eng. BIALYSTOK UNIVERSITY OF TECHNOLOGY	
Signature and stamp	*Signature and stamp*
2020 -12- 14	
BIAŁYSTOK	
Place, date	*Place, date*

For the project partner no° 9:

Helle Malene Kjølsen Olsen	
Name	*Name*
CEO	
Title	*Title*
BUSINESS AABENRAA Selvejende institution CVR-nr. 29756309 Tlf. 73 52 2020 www.businessaabenraa.com	
Signature and stamp (if available)	*Signature and stamp (if available)*
Aabenraa, 2020.10.06	
Place, date	*Place, date*

Specjalista ds. Administracyjnych
mgr inż. Maciej Łukaszuk

New partnership agreement as referred to in Article 2 of Addendum No 1

Partnership agreement between the lead partner and its project partners for the implementation of the project #R041 GoSmart BSR of Interreg Baltic Sea Region

Having regard to

- REGULATION (EU) No 1299/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on specific provisions for the support from the European Regional Development Fund to the European territorial cooperation goal, Article 13(2),
- The cooperation programme "Interreg Baltic Sea Region" (CCI 2014TC16M5TN001) - hereinafter referred to as **Programme**,
- The Interreg Baltic Sea Region Programme Manual, hereinafter referred to as **Programme Manual**,
- The Agreement on the Management, Financial and Control Systems of Interreg Baltic Sea Region (hereinafter referred to **MCS Agreement**) made between the countries participating in the Programme and the Investitionsbank Schleswig-Holstein, hereinafter referred to as **IB.SH**,
- The Agreement on Management, Control and Audit concerning beneficiaries located outside the Programme area of the Interreg Baltic Sea Region Programme 2014-2020 (Agreement according to Article 20(2)(c) of Regulation (EU) No 1299/2013) made between the partner countries to the Programme and the IB.SH (hereinafter referred to as **MCA Agreement**),
- The Agreement between the European Commission, the Russian Federation and the Federal Republic of Germany on the financial contribution of the European Union and the Russian Federation both provided for the implementation of the Transnational Cooperation Programme "Interreg Baltic Sea Region 2014-2020" in the Russian Federation, hereinafter referred to as **Financing Agreement**,
- The subsidy contract for the implementation of the project **# R041 GoSmart BSR** of Interreg Baltic Sea Region (hereinafter referred to as **subsidy contract**), in particular Article 5(4) thereof,
- The latest version of the project data available in the electronic Monitoring System (hereinafter referred to as **project data**). These data derive from the original application selected by the Monitoring Committee, and comprise subsequent changes to the original project setup approved by the IB.SH. All decisions on project selection and changes to the project setup including their enclosures form an integral part of the subsidy contract,

the following partnership agreement (hereinafter referred to as **agreement**) is concluded between

Politechnika Białostocka, Bialystok University of Technology
with its official address at Wiejska 45A, 15-351 Bialystok
and represented by Roman Kaczyński - Vice Rector for Development

hereinafter referred to as **lead partner or LP**, meaning the lead beneficiary of the project as defined in Article 13 of Regulation (EU) No 1299/2013. The LP is listed in the project data as project partner no° 1.

New partnership agreement as referred to in Article 2 of Addendum No 1

and

Podlaska Fundacja Rozwoju Regionalnego, Podlaska Regional Development Foundation
with its official address at Starobojarska 15, 15-073 Białystok
represented by Vice-President of the Board, Adam Kowalczuk, Vice-President of the Board, Beata Orzołek
and listed in the project data as **project partner no° 2**

Vidzemes plānošanas reģions, Vidzeme Planning Region
with its official address at Jāņa Poruka iela 8-108, LV-4101 Cēsis, Cēsu novads
represented by Head of Administration, Guna Kalniņa-Priede
and listed in the project data as **project partner no° 3**

Valga Vallavalitus, Valga Municipality Government
with its official address at Puiestee 8, 68203 Valga
represented by Head of Municipality Government, Ester Karuse
and listed in the project data as **project partner no° 4**

VSI Lietuvos inovaciju centras, Public Institution Lithuanian Innovation Centre
Moksliininku 6A, Vilnius Moksliininku 6A, Vilnius LT-08412
represented by Direktor, Mantas Vilys
and listed in the project data as **project partner no° 5**

Kouvola Innovation Oy, Kouvola Innovation Ltd.
with its official address at Kouvola Innovation Oy, Paraatikenttä 4, 45100 Kouvola
represented by Director of Administration and Development, Pasi Miettinen
and listed in the project data as **project partner no° 6**

Hamburgisches WeltWirtschaftsInstitut gemeinnützige GmbH (HWWI), Hamburg Institute of International Economics (HWWI)
with its official address at Baumwall 7, 20459 Hamburg
represented by Chief Executive Officer, Prof. Dr. Henning Vöpel
and listed in the project data as **project partner no° 8**

Business Aabenraa S/I Erhvervenes Hus Aabenraa, Business Aabenraa
with its official address at Storegade 30, DK-6200 Aabenraa
represented by Chief Executive Officer, Helle Malene Kjølsen Olsen
and listed in the project data as **project partner no° 9**

- each hereinafter referred to as **project partner** or **PP**, meaning the other beneficiary as defined in Article 13 of Regulation (EU) No 1299/2013, in the Programme and in the Programme Manual, all project partners named above hereinafter referred to as **project partners** or **PPs**,

New partnership agreement as referred to in Article 2 of Addendum No 1

for the implementation of the project **# R041 GoSmart BSR** selected by the Monitoring Committee of Interreg Baltic Sea Region on 24/05/2017 (hereinafter referred to as **project**).

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New partnership agreement as referred to in Article 2 of Addendum No 1

Article 1
Subject of the agreement

1. Subject of this agreement is the organisation of a partnership and the stipulation of provisions in order to ensure a sound implementation of the project.

2. The subsidy contract between the IB.SH (acting as Managing Authority and Joint Secretariat of Interreg Baltic Sea Region) and the LP dated 01/11/2017 for the implementation of the project – including annexes, amendments, and supplements, as well as the body of rules and regulations it is based on and refers to – is considered to be an integral part of this agreement. The subsidy contract and any addendum to the subsidy contract shall be attached to this agreement as Annex I.

Article 2
Duration of the agreement

1. This agreement shall take effect retrospectively from the date the subsidy contract entered into force (cf. Article 13(1) of the subsidy contract), i.e. from 01/11/2017. In case project activities are carried out in the phase after the day of the selection decision by the Monitoring Committee (24/05/2017) but before the entry into force of the subsidy contract and this agreement, the provisions of this agreement shall already apply to this phase of project implementation.

2. It will remain in force until complete fulfilment of the LP and PPs' obligations under this agreement and the subsidy contract.

Article 3
Project objectives, project partnership

3. The LP and the PPs commit themselves in doing everything in their power to jointly implement the project in accordance with the project data and to support one another with the aim to reach the objectives of the project. This also includes the commitment to produce qualitative outputs and to achieve the results set in the project data.

4. The PPs entitle the LP to represent the PPs in the project. They commit themselves to undertake all steps necessary to support the LP in fulfilling its obligations specified in the subsidy contract and in this agreement.

Article 4
Obligations of the lead partner

1. The LP shall be responsible for the overall coordination, management and implementation of the project. It shall fulfil all obligations arising to the LP from Article 13(2) and (3) of the Regulation (EU) No 1299/2013, the subsidy contract including the body of rules and regulations it bases on and refers to, as well as the Programme Manual. That means in particular:

a) complying with the rules on eligibility of expenditure as stipulated in Article 3 of the subsidy contract,
b) providing progress reports to IB.SH, requesting and receiving payments from IB.SH in accordance with Article 4 of the subsidy contract,
c) complying with the obligations defined in Articles 5 and 6 of the subsidy contract,
d) carrying out publicity measures and maintaining the project's website, if part-financed by the Programme, in accordance with Article 7 of the subsidy contract,
e) ensuring that any repayment is made in accordance with Article 8(2) and (3) of the subsidy contract,
f) assisting any audit or evaluation and retaining all files, documents and data related to the project in accordance with Article 9 of the subsidy contract,
g) complying with the rules on assignment, liability, dispute settlement and communication as determined in Articles 10-13 of the subsidy contract.

2. In addition to the responsibilities of the LP stipulated in this article, specific obligations of the PPs (cf. Article 5 of this agreement) do also apply to the LP.

Article 5
Obligations of the project partners

1. Each PP undertakes to comply with the body of rules and regulations referred to in Article 1 of the subsidy contract (including any amendments made to these rules and regulations) as well as relevant national regulations and all other rules applicable to the PP. That means in particular:
   a) completing all activities, outputs and main outputs as foreseen in the detailed work plan (cf. Article 8 of this agreement),
   b) complying with the rules on eligibility of expenditure as provided for in the Programme Manual and in line with Article 3 of the subsidy contract,
   c) guaranteeing a sound financial management of its budget as indicated in the last approved version of the project data,
   d) in accordance with Article 11 of this agreement, providing proof of progress in the implementation of project activities and the achievement of outputs and submitting a validation on the eligibility of the project-related expenditure by a controller designated/approbated by the respective country (first level controller),
   e) upon request submitting to the LP the accounting reports or other documents, including copies of all pieces of evidence (receipts, invoices or accounting documents of equivalent probative value, documents related to tender, bank statements, etc.) (cf. Article 11 of this agreement),
   f) assuming responsibility in the event of any irregularity in the expenditure it has declared,
   g) repaying the LP any amounts unduly paid and complying with any request for repayment by the IB.SH and/or the LP based on Article 8(2) of the subsidy contract and Article 14 of this agreement,
   h) being responsible for information, communication and publicity measures for the public as referred to in Article 18 of this agreement,
   i) keeping the ownership of project outputs having the character of investments within 5 years as specified in Article 71 of Regulation (EU) No 1303/2013 of the European Parliament and of the Council and in the Programme Manual,

j) keeping available all its documents related to the project. In line with the requirements of the Programme Manual, each PP is obliged to retain for audit purposes all files, documents and data about the project, in particular the subsidy contract and partnership agreement, as well as all reports and supporting documents regarding expenditure co-financed by the Programme. The retention periods depend on the type of Programme co-financing awarded and are laid down in the Programme Manual. Other possibly longer statutory retention periods as might be stated by national law remain unaffected. These obligations shall persist even if the PP is excluded from the project or the PP has withdrawn from the project (cf. Article 13(1), 15(1) of this agreement).

2. By signing this agreement, each PP declares that it:
   a) is familiar with and adheres to the content of the subsidy contract and the provisions it bases on and refers to; this includes the rules defined in Article 8 of the subsidy contract, which entitle the IB.SH to terminate the subsidy contract and/or to demand repayment of the co-financing in full or in part,
   b) is familiar with and adheres to the latest approved version of the project data,
   c) undertakes to inform the LP immediately about all circumstances that delay, hinder or make impossible the realisation of the project as well as all circumstances that mean a change of the disbursement conditions or which would entitle the IB.SH to terminate the subsidy contract, to discontinue payments or to demand repayment of the co-financing in full or in part (cf. Article 8 of the subsidy contract).

Article 6
Project Steering Committee

1. In accordance with the description of the strategic project management in work package 1 'Management and administration' of the project data, the LP, in agreement with the PPs, shall set up a Project Steering Committee (hereinafter referred to as **PSC**) responsible for monitoring the implementation of the project. The PSC shall be set up within 12 months after the decision of the Monitoring Committee of Interreg Baltic Sea Region on project selection. The establishment of the PSC shall be without prejudice to the obligations of the LP and the PPs as determined in this agreement.

2. The PSC shall be chaired by the LP. Further matters regarding the set-up and proceedings of the PSC such as its composition, tasks, competencies, co-chairmanship, frequency of meetings, decision making procedures, etc. shall be regulated in rules of procedure of the PSC. The rules of procedure of the PSC shall be agreed by the LP and the PPs and approved by the PSC during its first meeting.

3. The PSC can decide to set up task forces in order to support the work of the PSC and facilitate the implementation of the project.

Article 7
Co-operation with third parties

1. In case a party to this agreement cooperates with third parties including external service providers to implement the project, it shall remain solely responsible concerning compliance

with its obligations as set out in this agreement. The LP shall be informed by any PP about the subject and party of any contract concluded with such third party.

2. No party to this agreement is entitled to assign its rights and obligations under this agreement without the prior consent of the other parties to this agreement and the approval of the IB.SH (cf. Article 10 of the subsidy contract).

3. Co-operation with third parties including external service providers shall be undertaken in accordance with the public procurement procedures and State aid rules determined in the Programme, the Programme Manual and in national and EU legislation.

Article 8
Detailed work plan and quality of main outputs

1. Based on the work plan included in the latest project data, the LP and the PPs have developed a detailed work plan, including the operational structure and responsibility for the different work packages and their administration, as well as containing a numbered list of specific activities with a detailed description and timeframe for each individual partner activity that shall be realised in the framework of the project. The detailed work plan shows how the planned activities lead to the production of outputs and to the achievement of results as listed in the latest version of the project data. The detailed work plan is contained in Full Project Application which is attached to this agreement as Annex II.

2. By the attached detailed work plan, each activity to be realised in the framework of the project is assigned either to the LP or to one of the PPs. The LP and the PPs adhere to this plan.

3. The LP and all PPs are aware that the IB.SH will check whether the quality of main outputs delivered is in line with the quality of main outputs described in the project data. In case the main outputs are not produced in the described quality the IB.SH is entitled to terminate the subsidy contract and demand repayment in accordance with Article 8(1)(c) of the subsidy contract.

4. Any request for an amendment of the detailed work plan shall be agreed by the LP and the PPs. The PPs shall inform the LP immediately in case any need for an amendment occurs. The rules on changes in the approved project set-up as determined in the Programme Manual and in the subsidy contract will be observed by the partnership.

5. Each PP shall inform the LP immediately about any factors that could lead to any deviation in the detailed work plan, especially those that could cause temporary or final discontinuation of the project.

Article 9
Detailed project budget, LPs and PPs contributions

1. The PPs accept the detailed project budget determined in the latest project data, as well as the amount and composition of the earmarked co-financing (approved grant) awarded to the LP as defined in the subsidy contract (cf. Article 2(1) and (2) thereof). Each PP commits itself to providing its individual contribution to the total project budget.

2. The detailed project budget in the latest project data provides detailed financial data for the LP and each PP per budget line (hereinafter referred to as BL). Furthermore, it specifies the LP's and each PP's co-financing rates and their detailed budgets for BL4 'External expertise and services', BL5 'Equipment', BL6 'Infrastructure and works' and BL7 'Expenditure for project specific activities'.

3. The amounts of co-financing defined in the project data are considered as maximum provisional amounts. The Programme co-financing will be paid by the LP to the PPs on the basis of the reported eligible expenditure only.

4. Disbursement of co-financing shall be made by the LP subject to the condition that the IB.SH makes the funds available to the extent specified in the project data. If the IB.SH does not make the funds available to the extent specified in the project data, any claim by a PP against the LP for whatever reason is excluded.

5. The PPs shall inform the LP immediately when any need for an amendment of the project budget occurs. Any request for amendment of the project budget as laid down in the project data submitted by the LP to the IB.SH, shall be authorised by the PPs beforehand. The rules on changes in the approved project set-up as determined in the Programme Manual and in the subsidy contract will be observed by the partnership.

Article 10
Detailed spending plan

1. Based on the spending plan for project expenditure included in the latest project data and corresponding to the detailed work plan referred to in Article 8 of this agreement, the LP and the PPs have agreed on a detailed spending plan contained in Full Project Application which is which is attached to this agreement as Annex II. It provides six-monthly spending targets at the level of all parties to this agreement.

2. All PPs declare that they will request payments according to the timeframe established in Article 11 of this agreement and at least to the extent defined in the spending plan (Annex II). Payments not requested in time and in full as indicated in the spending plan may be lost. Moreover the maximum amount of ERDF co-financing and/or ENI/Russian co-financing approved (cf. Article 2(1) of the subsidy contract) might be reduced, if the amounts of actual payment requests are less than the expected payment requests. Further details on financial planning and de-commitment are provided in the Programme Manual.

Article 11
Request for payments, reporting

1. The PP is aware, that expenditures incurred as a result of implementation of project activities are reimbursed retrospectively. Only for the ENI/Russian co-financing advance payments will be made by the IB.SH to the account of the LP. Therefore each PP shall apply relevant measures to maintain sufficient level of financial liquidity to cover the project related expenditures.

New partnership agreement as referred to in Article 2 of Addendum No 1

2. The PPs are entitled to request payments by providing proof of progress in the implementation of their activities as described in the latest approved version of the detailed work plan (Annex II). The PP shall present to the LP partner progress reports by using special forms provided by the LP consisting of an activity report and a validated financial report.

3. Partner progress reports must be validated by the first level controller of the PP as defined in the Programme Manual before their submission to the LP.

4. The PPs must observe detailed instructions for submission of the partner progress reports as laid down in the partner reporting forms and the Programme Manual. In order to enable the LP to meet the deadlines for submission of progress reports according to Article 4 of the subsidy contract, the following dates of submission apply for each PP:

Partner progress report	Reporting period		Deadline for submission
	Start date	End date	
1 Podlaska Regional Development Foundation	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021
2 Vidzeme Planning Region	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021
3 Valga Town Government	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021
4 Public Institution Lithuanian Innovation Centre	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021
5 Kouvola Innovation Ltd.	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021

New partnership agreement as referred to in Article 2 of Addendum No 1

6 Hamburg Institute of International Economics (HWWI)	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021
7 Business Aabenraa	25/05/2017	31/03/2018	01/06/2018
	01/04/2018	30/09/2018	01/12/2018
	01/10/2018	31/03/2019	01/06/2019
	01/04/2019	30/09/2019	01/12/2019
	01/10/2019	31/03/2020	01/06/2020
	01/04/2020	30/09/2020	01/12/2020
	01/10/2020	31/03/2021	30/06/2021

The PPs are also aware of the time limits concerning a request for postponement of a deadline for submission of a progress report and the right of the IB.SH to consider consequences in case a progress report is delayed (cf. Article 4 of the subsidy contract).
Any postponement of a deadline for submission of a partner progress report must be approved by the LP beforehand.

5. In case a PP ascertains that it will be behind schedule with its contribution to the progress report as defined in Article 4 of the subsidy contract, the PP shall immediately inform the LP; such an information must not be submitted later than the 14 days before submitting of the given partner progress report. The PP concerned and the LP, supported by the other parties to this agreement, shall make any effort to jointly sort out the problem causative for the default. If necessary, the LP shall submit a request for postponement of the deadline for submission of the progress report to the IB.SH in accordance with Article 4 of the subsidy contract.

6. In case a PP does not comply with the requirement to inform the LP, does not sort out any problem causative for the default, is responsible for not meeting a deadline for a request for postponement according to Article 4 of the subsidy contract, or such a request is not approved by the IB.SH, the LP shall be entitled to exclude the partner progress report (activity report and financial report) in the relevant reporting period from the progress report the LP is obliged to submit to the IB.SH according the subsidy contract.

7. In order to proceed with the analysis of progress and final reports, each PP must provide additional information if the LP or the IB.SH deem that necessary. Additional information requested by the IB.SH shall be collected and sent by the LP within the time frame demanded by the IB.SH.

8. Similar to the right of the IB.SH as laid down in Article 4(5) of the subsidy contract, the LP reserves the right not to accept – in part or in full – expenditure validated by PPs' first level controllers if – due to the results of the LP's own checks and/or controls or audits performed by another authority (e.g. the first level controller of the LP) – the validation or the facts stated therein prove to be incorrect or if the underlying activities are not in line with the legal framework as set out in Article 1 of the subsidy contract. In such a case, the LP will either reduce the requested payment, demand repayment of funds already paid out unduly or set them off against the next payment request submitted by the PP, if possible and in accordance with Article 132 of Regulation (EU) No 1303/2013.

9. Subject to fulfilment of the conditions laid down in Articles 2(4) and 2(5) of the subsidy contract, Russian project partners are entitled to receive advance payment of ENI/Russian co-financing after signature of the subsidy contract. After the IB.SH transferred the advance payment to the account of the LP, the LP will forward the individual advance payments to the Russian PPs. In accordance with the procedure described in the Programme Manual, the advance payment will be calculated and offset against regular payments of ENI/Russian co-financing made by the IB.SH on the basis of reported eligible expenditure.

10. The co-financing awarded by the subsidy contract and paid to the account of the LP either in the form of an advance payment of ENI/Russian co-financing or following its request for payment according to Article 4 of the subsidy contract, shall be redistributed between the relevant PPs to accounts indicated by the PPs. No deduction, retention or further specific charges which would reduce the amount of a share claimed by a PP in accordance with these rules shall be made by the LP. Any exchange rate risk shall be borne by the respective PP.

Article 12
Liability

1. Within the partnership, each party to this agreement shall hold harmless the other parties and indemnify them from liabilities, damages and costs resulting from the non-compliance of its individual duties and obligations as set forth in this agreement and its annexes.

2. The LP and each PP is solely liable for the statements/commitments made in its partner declaration which is attached to the latest project data.

3. No party to this agreement shall be held liable for not complying with obligations ensuing from this agreement and its annexes in case of force majeure. In such a case, the party concerned must announce this immediately in writing to the other parties to this agreement.

Article 13
Non-fulfilment of obligations

1. In case a PP repeatedly does not fulfil its obligations stipulated in the subsidy contract, this agreement and the respective annexes, the LP may decide to exclude the PP from the project, with approval of the Monitoring Committee of Interreg Baltic Sea Region. The LP shall without delay inform the IB.SH of such decision. In case the exclusion is approved by the Monitoring Committee of Interreg Baltic Sea Region, the PP is obliged to refund to the LP any Programme funds received by the day of exclusion for which it cannot prove that they were used for the implementation of the project according to the rules of eligibility of expenditure.

2. In case of non-fulfilment of obligations of a PP having financial consequences for the funding of the project as a whole, the LP may demand compensation to cover the sum involved.

Article 14
Recovery of amounts unduly paid

1. In case the IB.SH demands, in full or in part, repayment of the co-financing already paid to the LP in accordance with the provisions of the subsidy contract, every PP is obliged to transfer its portion of any amount unduly paid to the LP in compliance with Article 27(2) of Regulation (EU) No 1299/2013. The LP shall without delay inform the PPs by forwarding a copy of the letter by which the IB.SH has asserted the repayment claim (cf. Article 8(2) of the subsidy contract). Moreover, the LP shall notify each PP in writing of the amount repayable to the account of the LP. Alternatively and where applicable, the repayment amount will be offset against the next payment by the IB.SH to the LP or remaining payments can be suspended (cf. Article 8(4) of the subsidy contract).

2. Taking into account the due date stated in the letter of the IB.SH as referred to in Article 8(2) of the subsidy contract, repayment by the PPs to the LP is due within two weeks following the date of the letter by which the LP asks the PPs for repayment to its account. Any delay in effecting repayment shall give the LP rise to interest on account of late payment, starting on the due date and ending on the value day of actual repayment to the accounts of the LP. In accordance with Article 8(2), last sentence, of the subsidy contract, the interest rate shall be one-and-a-half percentage points above the rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which repayment by the PPs to the LP is due. Financial charges incurred by the repayment of undue amounts shall be borne entirely by the concerned PPs.

3. If the LP does not succeed in securing repayment from a PP, it shall inform the IB.SH; this information shall include a proof that the LP has undertaken all necessary steps of recovery in accordance with this agreement. In case Article 27(3) sentence 1 of Regulation (EU) No 1299/2013 or an equivalent rule stipulated in the MCS Agreement, the MCA Agreement or the Financing Agreement applies, the LP shall be entitled to transfer its right to demand repayment from the PP to the Member State or third country on whose territory the PP is located or, in the case of an European grouping of territorial cooperation (EGTC), is registered.

Article 15
Withdrawal from the partnership

1. The LP and each PP agree not to withdraw from the project unless there are unavoidable reasons for it. If this were nonetheless to happen the LP and the remaining PPs shall endeavour to cover the contribution of the withdrawing PP either by directly assuming its tasks or by asking one or more new third organisations to join the partnership.

2. The parties to this agreement are aware that the IB.SH is entitled to terminate the subsidy contract if the number of PPs falls below the minimum number of partners that is set in the Programme Manual (cf. Art. 8(1)(b) of the subsidy contract).

3. In case of change in the partnership, the parties to this agreement will adhere to the provisions on changes in the approved project set-up as determined in the Programme Manual.

Article 16
Applicable law

Without prejudice to both the applicable European law and Article 12(1) of the subsidy contract, this agreement shall be governed by Polish law, being the law of the country of the LP.

Article 17
Dispute settlement

1. The LP and the PPs sign this agreement with the intention to cooperate amicably. Should a dispute arise between the LP and the PPs or between the PPs, the parties concerned will endeavour to work towards a mutually acceptable settlement. Such disputes shall be referred to the Project Steering Committee in order to reach settlement.

2. If efforts to achieve an amicable settlement should fail, the parties concerned are obliged to seek an out-of-court arbitration procedure of an ad-hoc arbitration committee.

3. The parties shall be obliged to accept and apply the decisions of the arbitration committee, subject to the applicable law hereby agreed upon and in compliance with the provisions of the European law.
4. Each and any legal dispute that may result from or in connection with this agreement, including such over the validity of this agreement itself and the arbitration clause defined above, on which the amicable settlement method was ineffective and the disagreement persists in spite of all efforts being made in this respect, shall be finally decided by the courts. The place of jurisdiction is District Court in Bialystok VIII Commercial Division at the seat of the LP.

Article 18
Working language, communication, publicity

1. The working language of the project shall be English.

2. Accordingly any written communication between the LP and the PPs related to this agreement and the implementation of the project shall be in English and state the number and title/acronym of the project.

3. Each PP undertakes to inform the public about the assistance obtained from the Programme. Any piece of information, publication, audiovisual material and marketing product by the PPs, including those provided at events, must specify that the project was co-financed from funds of the Programme, in compliance with the requirements set in Commission Implementing Regulation (EU) No 821/2014 (in particular Articles 3 to 5 thereof), Regulation (EU) No 1303/2013 of the European Parliament and of the Council (in particular Annex XII, section 2.2 thereof) as well as in the Programme Manual.

4. By signing this agreement, each PP confirms that the IB.SH is authorised to publish information about the project as defined in Article 7(3) of the subsidy contract.

5. Upon request of the LP, each PP shall contribute to the communication activities of the Programme in accordance with Article 7(4) of the subsidy contract. Among others, each PP undertakes to send at least one copy of any publication and marketing product produced by the PP to the LP. The PP furthermore authorises the LP and the IB.SH to use this material to showcase how the co-financing is used.

6. In accordance with Article 7(5) of the subsidy contract, each PP takes full responsibility for the content of any piece of information, publication, audio-visual material and marketing product provided to the LP which has been developed by the PP or third parties on behalf of the PP. The PP is liable in case a third party claims compensation for damages (e.g. because of an infringement of a copyright). The PP will indemnify the LP in case the LP suffers any damage because of the content of the said material.

7. In accordance with Article 7(6) of the subsidy contract, each PP that has part-financed the project website with Programme funds, shall maintain it for at least five years after the end date of payments of payments of administrative activities related to the project closure as laid down in Article 3(3) of the subsidy contract.

8. In accordance with Article 7(7) of the subsidy contract, Russian PPs need to ensure that any contract related to studies co-financed by contributions provided of the ENI and/or of the Russian Federation includes the right for the Russian Federation and the European Commission to use the study, to publish it or to disclose it to third parties.

Article 19
Confidentiality requirements

1. The LP and the PPs agree that any information that they will obtain during the execution of this agreement or exchange with the Monitoring Committee, the IB.SH or other bodies involved in the implementation of the Cooperation Programme or the implementation of the project, is confidential, provided that a party to this agreement or one of the bodies mentioned above explicitly requests such. The same applies, without any such request, to all information or documentation marked with "confidential".

2. The LP and the PPs commit to ensuring that all staff members involved in the implementation of the project respect the confidential nature of information, and do not disseminate it, pass it on to third parties or use it without prior written consent of the institution that provided the information.

3. This confidentiality clause shall remain in force for two years following the termination of this agreement.

4. The abovementioned rules on confidentiality shall not affect LPs and the PPs' obligation to make all outputs and results of the project available to the public and to secure public access to the project results (cf. Article 18 of this agreement). They shall also not affect the obligations stipulated in Article 9 of the subsidy contract.

New partnership agreement as referred to in Article 2 of Addendum No 1

Article 20
Concluding provisions

1. This agreement is concluded in English. In case of translation of this document and its annexes into another language, the English version shall be the binding one.

2. If any provision in this agreement should be wholly or partly ineffective, the remaining provisions remain binding for the parties. The parties to this agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.

3. Amendments and supplements to this agreement and/or to its annexes must be set out in writing in an addendum and signed by the LP and the PPs. The LP and the PPs shall observe the rules of the Programme Manual.

4. Eight executed copies of this agreement shall be signed by the LP and the PPs. Each party shall keep one copy. The same rules shall apply to any amendments or supplements to this agreement that may be made.

Annexes

I. Subsidy contract for the implementation of the project #R041 GoSmart BSR of Interreg Baltic Sea Region (2014-2020) including its addenda and Addendum
II. Full Project Application containing detailed work plan in its latest version and detailed spending plan in its latest version.