

eMS Code ROHU-297

**Co-financing contract
from national budget resources**

No. 25346/15.02.19

The following co-financing contract between

Ministry of Regional Development and Public Administration
16 Libertății Boulevard, North Side, Sector 5, Bucharest, Romania, tax identification number:
26369185

acting as Managing Authority for the Interreg V-A Romania-Hungary Programme, hereinafter
referred to as MA,

represented by Mr. EUGEN ORLANDO TEODOROVICI, Interim, Vice Prime Minister, Minister of
Regional Development and Public Administration,

and

U.A.T. Comuna Vetiș,

437 Principală street, post code 447355, Vetiș, Satu Mare county, Romania, tax identification
number 3896577,

represented by Mr. ILYES IULIU, Mayor,

hereinafter referred to as Project Beneficiary

is concluded on the basis of the approved application No ROHU-297, having as legal basis:

- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006;
- 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;
- Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on the specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006;

- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002;
- Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union;
- Commission Delegated Regulation (EU) No 481/2014 of 4 March 2014 supplementing 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;
- Government Ordinance No 29/2015 on the management and use of external grant and national public co-financing for European Territorial Cooperation Objective, for the 2014-2020 period;
- Government Ordinance No 8/2017 for amending and supplementing Ordinance No 29/2015;
- Vice Prime Minister, Minister for Regional Development and Public Administration, Minister of Public Finance and Minister for European Funds Order No 340/607/190/2016 approving the Methodological Norms for the application of the Government Ordinance No 29/2015 on the management and use of external grant and national public co-financing for European Territorial Cooperation Objective, for the 2014-2020 period, as amended;
- Interreg V-A Romania-Hungary Programme, approved by the European Commission by Decision No 9112/09.12.2015;
- Commission Implementing Regulation (EU) No 215/2014 of 7 March 2014 laying down rules for implementing Regulation (EU) No 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund with regard to methodologies for climate change support, the determination of milestones and targets in the performance framework and the nomenclature of categories of intervention for the European Structural and Investment Funds;
- Memorandum of Implementation (Mol) - Arrangements between Member States participating in the Interreg V-A Romania-Hungary Programme - between the Ministry of Regional Development, Public Administration and European Funds from Romania, acting as Member State and Managing Authority with Certification function, the Prime Minister's Office from Hungary, acting as Member State and National Authority, and the Audit Authority within the Romanian Court of Accounts, acting as Audit Authority;
- Subsidy contract No 152855/18.12.18, concluded with Jóna András Múzeum, for the implementation of the project ROHU-297 A Cross-Border Open Model of A Digital Museum Database

The following documents must also be observed in the framework of this contract:

- National rules applicable to the Project beneficiary;

- Community and national rules on State aid;
- The relevant Call for Proposals;
- Project Implementation Manual laying down the Programme specific rules for the implementation of the projects¹;
- Visual Identity Manual.

§ 1 Object

- 1) The object of this contract is the award of national co-financing for the implementation of the project ROHU-297 "A Cross-Border Open Model of A Digital Museum Database", herein referred to as "project", selected according to the decision of the Monitoring Committee No 60 on September 11, 2018 made in Debrecen, Hungary.
- 2) The Project Beneficiary receives financing in the terms and conditions stipulated by the present contract, which the Beneficiary declares to know and accept. The annexes are part of the contract; therefore, the Beneficiary must observe the provisions of both contract and its annexes.
- 3) The Beneficiary accepts the funding and shall implement the part of the project for which it is responsible in due time, according to the provisions of the present contract and of the national and European legislation, as well as the Programme' rules.

§ 2 Duration of the contract

- 1) The contract becomes effective on the date the last party signs it. The last party signing has the obligation to mark the date.
- 2) This contract is effective under the condition that subsidy contract is valid. Thus, the contract ends at the same date as the subsidy contract between the Lead Beneficiary and Managing Authority.
- 3) The implementation of the project starts according to the Article 2.2 of the subsidy contract.
- 4) The implementation period of the project is according to the Article 2.3 of the subsidy contract.
- 5) The validity of the co-financing contract ceases in 5 years from the official closure to the Interreg V-A Romania-Hungary Programme.

§ 3 Budget of the project

- 1) The total eligible value of the Partner Budget is 24,805.00 EUR (total non-refundable financing and the contribution of the beneficiary), out of which:
 - a) 21,084.25 EUR ERDF
 - b) 3,224.41 EUR State Budgets Co-financing
 - c) 496.34 EUR Beneficiaries' own contribution

¹ During the project implementation/first level control/validation/verification process, the Project Implementation Manual in force at the specific time will apply.

- 2) Any ineligible expenditure shall be supported by the Project Beneficiary, apart from the approved budget.

§ 4 Value of the contract

- 1) The value of the present contract is 3,224.41 EUR /three thousands two hundred twenty-four EUR and forty-one eurocents, representing the value of the financing from the Romanian state budget from the total eligible value of the project, proportional to the eligible value of the activities performed by the Beneficiary, and according to Annex 1 of the Subsidy Contract - Project Application generated by the Electronic Monitoring System - eMS.
- 2) MA commits itself to transfer these funds to the beneficiary, in Lei representing maximum 13% of the total eligible value of the activities realized by the Project Beneficiary.
- 3) Irrespective of possible fluctuation between the exchange rate used for calculation of Lei amounts hereunder at the moment when the contract is signed and the exchange rate applicable at the date when any amounts are paid by the MA to the project beneficiary, the total value of the contract in Euro cannot be increased.
- 4) MA will make the transfer of co-financing funds from the state budget in the limit of the existent balance at the date of advance/project report, and in case of insufficient funds, payment process will be suspended until the Ministry of Public Finance credit the Programme's account with the amounts representing the co-financing funds from the state budget.
- 5) The Project Beneficiary commits itself to support its own contribution and the non-eligible expenditures as well as to ensure the temporary availability of funds for the proper implementation of the project until they are reimbursed by the MA.
- 6) In case the MA cannot reimburse the expenditures due to lack of available funds at Programme level, the project beneficiary commits to support from its own budget the funds necessary for the implementation of the project, according to the approved Application Form and observing the provisions of the present contract and its annexes and of the European and national legislation in force. The MA shall notify the LB/ beneficiary regarding the lack of available funds.
- 7) In case of observations and/or reservations raised by the Commission on the description of the Management and Control System of the Interreg V-A Romania-Hungary Programme or in case of a system error detected, the MA has the right to temporarily withhold payments to a particular beneficiary (LB or PB) or the project as a whole. Payment suspension(s) shall be lifted as soon as observations and/or reservations raised by the Commission have been withdrawn and the MA has received sufficient evidence on the solution of the systemic error(s) detected.
- 8) In the case of net revenue generating projects, the MA shall recover the amounts according to the proportionality principle and observing the provisions of Regulation (EU) No 1303/2013.

§ 5 Eligibility of Expenditures

- 1) The starting date for the eligibility of expenditure may be the first day after approval of the project by the Monitoring Committee, unless regulated otherwise in the Subsidy Contract art.2 paragraph 2). Expenditures for the project must be paid at the latest within

45 calendar days after the implementation period. Expenditures committed after the finalization of the implementation period shall not be eligible.

- 2) Expenditure is incurred when the activity that has generated the expenditure (for example the works executed in accordance with the conditions of the contract) has been completed or the services foreseen in a contract have been provided and accepted by the beneficiaries. Proof of expenditures incurred relates to supporting documents indicating the completion of the activity, for instance take over certificates or confirmation of service delivery.
- 3) The expenditures related to the project are eligible provided that they observe the applicable European and national legislation in force, they are stipulated in Annex 1 of the Subsidy Contract - Project Application generated by the Electronic Monitoring System - eMS and provided that they observe the rules set at Programme level and the terms and conditions stipulated in the present contract. The Programme rules are available on Programme's website, www.interreg-rohu.eu.
- 4) As an exception from the provisions of paragraph 1, preparation costs are eligible if they were incurred between 1st of January, 2014 and the date of the submission of the Project Proposal and must be paid until the submission of the report containing preparations costs, but not later than the end of the first reporting period (reporting period 1).
- 5) All preparation costs shall be requested for reimbursement within the first reimbursement claim.

§ 6 Advance payment and reimbursing the expenditures

- 1) An advance may be granted, at request, in an amount of maximum 80% from the value of the present contract.
- 2) In order to receive the advance, the Project Beneficiary must send an advance request in original to the MA. This request shall stipulate the percent and the bank account, and the MA shall ensure the availability of advance payments on the basis of financial flows drafted on the basis of advance requests.
- 3) The MA shall verify the request for advance in maximum 15 days from the registration date at the MA level. The MA may suspend this deadline in case clarifications, modifications or other additional information are needed, data that must be provided by the Project Beneficiary in maximum 5 working days from the request. The deadline shall be recalculated from the date when the MA receives the requested information/clarifications/additional documents.
- 4) The MA shall transfer the advance to the Project Beneficiary in maximum 10 calendar days from the date of the approval of the advance payment request. The payment date is considered to be the date when the payment is done from the MA account.
- 5) The advance will be recovered by deducting entirely the State Budget co-financing (maximum 13%) from the eligible value of the next project reports from the financing source they were granted.
- 6) The entire advance shall be recovered before the last partner report.
- 7) If the advance was not recovered before the final payment or before the contract is terminated, the amounts not recovered must be paid by the Project Beneficiary to the MA in 15 days from the MA's notification; the Project Beneficiary has the obligation to send to the MA a copy of the payment order, in 5 working days from the paying date, in order to

justify the transfer of the amounts. In case the amounts are not repaid in 15 days from MA's notification, the MA shall issue a decision to recover the advance. The Project Beneficiary must repay the amounts mentioned in the recovering decision in maximum 30 days from the date of communicating the decision.

- 8) In case the Project beneficiary does not send the amounts to the MA in due time, the MA may charge penalties equal with the reference interest rate of the National Bank of Romania, in force at the date of communicating the decision to recover the advance. The penalties are calculated to the value that has to be recovered; the final payment is done only after recovering the unduly paid amounts.
- 9) The interest of the funds transferred by the MA must be resent to the MA, because it is an ineligible expenditure.
- 10) The Beneficiary has the obligation to request to the Managing Authority the reduction of the financing contract value at least 6 months before the end of the project implementation period, if there are savings following the finalization of public procurement procedures and/or public procurement contracts at project level.
- 11) The Project Beneficiary has the possibility to ask expenditure for reimbursement to the MA through the Lead Beneficiary via a project report submitted in the electronic system (eMS) at any given time in accordance with the defined periods within the electronic system (or with prior modification of the defined periods in the electronic system), provided that the expenditure claimed for reimbursement is not lower than 10,000 Euro ERDF.
- 12) A first level control system has been established both in Romania and Hungary in order to check the expenditure made by the project beneficiaries from each country. Therefore, each beneficiary participating in the project has the obligation to ensure that its expenditures are checked and validated by a controller from the state on whose territory it is located, before the project report is submitted.
- 13) The beneficiaries have to submit all supporting documents and beneficiary reports reflecting both financial and physical progress of their share of activities and expenditure based on the conditions provided hereunder, in the Project Implementation Manual, e-MS manual and in the applicable legislation. The Beneficiaries will create partner reports and submit them to FLC for all defined periods within the electronic system if they have realized expenditures to be requested to FLC verifications during a specific period. The description of the progress of the activities in PB reports will cover exactly the period of the requests for FLC verifications. The PBs must present all documents to the controllers in order to be verified.
- 14) The project progress report including both financial and physical progress of the project submitted by the LB shall contain only validated expenditure and shall be supported by the First Level Control Report issued by the controllers of the project beneficiaries. The expenditures that were not validated by the controllers are deemed to be non-eligible for the Programme and shall not be requested for reimbursement.
- 15) The project progress report submitted by the LB shall contain only validated expenditure and shall be supported by the First Level Control Certificate issued by the Controllers of the Project Beneficiaries. The expenditures that were not validated by the controllers are deemed to be non-eligible for the Programme and shall not be requested for reimbursement.
- 16) The LB must include in a project report both physical and financial progress of the project. As exception, LB has the possibility to submit an intermediary Project Report

(containing only the financial part), at any given time, with the condition that the expenditure claimed for reimbursement is not lower than EUR 10,000 ERDF. The LB shall submit project reports to the JS in maximum 3 months from the end date of each reporting period - as defined in the eMS system, and whenever requested by the JS. The instructions presented in the reporting models must be followed exactly. All reports must be submitted in English.

- 17) The final project report and the final Reimbursement claim have to be submitted to the JS at the latest five months after the end date of the implementation period of the project.
- 18) The lead beneficiary receives all ERDF amounts and will transfer the received ERDF amounts to all beneficiaries within 5 working days and will make no deduction, retention or further specific charge from the ERDF amounts it receives.
- 19) The Project Beneficiary will receive the maximum 13% in Lei, from the national budget directly, in the account indicated, and opened separately for this project, according to the contribution of the beneficiary to the project. The expenditures resulted from the exchange rate risk are non-eligible expenditures for the project.
- 20) The expenditure incurred in a currency other than the euro shall be converted into euro by using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the first level controller.
- 21) The expenditure incurred in a currency other than the euro shall be converted into euro by using the monthly accounting exchange rate of the Commission in the month during which that expenditure was submitted for verification to the first level controller. The LB transfers the received ERDF amounts to all project beneficiaries within 5 working days as of cashing in the amounts from the MA and will make no deduction, retention or further specific charge from the ERDF amounts it receives.

§ 7 Rights and duties of the parties

A. Project Beneficiary (PB)

In addition to the obligations of the Project Beneficiary as already stated, the Project Beneficiary undertakes the following duties:

- 1) The PB has the obligation to start the implementation of the project at the date stipulated at article 2, paragraph 3 from the present Contract.
- 2) The PB has the responsibility of implementing the project in a proper and timely manner, according to the provisions of the present contract, of the Partnership Agreement and of the national and European legislation on force. The PB shall be responsible in front of the MA and lead beneficiary for the implementation of the obligations assumed in the Contract and in the Partnership Agreement, for the implementation of the project and for achieving the goals stipulated in the Subsidy contract and its Annexes.
- 3) In case of lack of available funds at Programme level, the PB has the obligation of ensuring from its own budget the necessary funds for implementing the project according to the approved Application Form, the present contract and the national and European legislation in force. The MA shall notify the LB/ Beneficiary regarding the lack of available funds.
- 4) The PB has to participate in an agreement laying down the arrangements for its relations with the Beneficiaries participating in the project comprising, inter alia, provisions guaranteeing the sound management of the funds allocated to the project, including the

arrangements for recovering amounts unduly paid.

5) The Project Beneficiary has to:

- a. assume responsibility for ensuring implementation of the project;
- b. inform the MA, within 5 working days from the occurrence of such circumstances, if one of the disbursement conditions ceases to be fulfilled, or circumstances arise which entitle the MA to reduce payment or to demand repayment of the subsidy in wholly or in part;
- c. comply with the regulations referred to in the preamble to this contract as well as with relevant national and European legislation;
- d. guarantee that itself drafting the Technical Project / Detailed Design, will do the utmost to obtain the necessary approvals, agreements and construction permits, if the case. The MA may request the above mentioned documents.
- e. know and observe the provisions of the Guide for Applicants afferent to the Open Call for Proposals, paying special attention to the limitations (value, percentage, duration etc.) referred to therein and of the Project Implementation Manual (published on the Programme website www.interreg-rohu.eu);
- f. observe the European and national legislation on state aid, equal opportunities, non-discrimination, national integrity, sustainable development, environmental protection;
- g. make all expenditure according to the national laws on public procurement. The Romanian beneficiaries which are not stipulated as Contracting authority in the respective laws or in special laws regarding procurement should follow at least the general principles stated in the Programme' rules on eligibility of expenditure;
- h. select the final beneficiaries of the projects (target groups) by a transparent procedure;
- i. submit partner reports reflecting his share of activities and expenditure, according to the application form and defined periods in the electronic system and based on the conditions provided hereunder, in the Project Implementation Manual, eMS Manual and in the applicable legislation;
- j. present his expenditures to the controllers for verification in 15 calendar days after the reporting period ended, except for the final report, where the cut-off date is extended to 45 calendar days, so that the deadline for submitting the reimbursement claim to the JS will be met;
- k. submit to the LB his contributions to the reimbursement claim at least 10 calendar days before the deadline for submitting the reimbursement claim to the JS;
- l. have a proper analytical accounting system; the accounting system must be in line with the national legislation;
- m. observe the provisions from the Visual Identity Manual (published on the Programme website www.interreg-rohu.eu);
- n. provide the evaluators carrying out the Programme evaluation and ex-post evaluation of the Programme according to Articles 55, 56 and 57 of Regulation (EU) No 1303/2013 with any document or information necessary to assist the evaluation.

- 6) The PB declares on its own responsibility that the project is not being financed from national or European public funds, and that it did not receive any financing from national or European Programmes;
- 7) Any goods or rights resulted from the implementation of the project, including author rights and/or any other rights resulted from the execution or as a result of the execution of the contract, except the case where such rights were present before the contract, are the property of the LB or its beneficiaries, according with the approved application form and the partnership agreement.
- 8) The PB takes full responsibility for the damages caused to third parties from its own fault during the implementation of the project. MA and lead beneficiary have no responsibility for the damages caused to third parties as a result of executing the contract, except the case when the damage is the direct result of the beneficiary following an express instruction from the MA/NA/ lead beneficiary.
- 9) The PB cannot mortgage or impose any other form of bank guarantee on the goods purchased from the financing throughout the implementation period of the project and 5 years after the financial closure of the project.
- 10) In case of projects comprising investment in infrastructure or productive investment, the Lead Beneficiary shall reimburse the MA the amounts received if within 5 years after the financial closure of the project it is subject to any of the following:
 - a) a cessation or relocation of a productive activity outside the Programme area;
 - b) a change in ownership of an item of infrastructure which gives to a firm or a public body an undue advantage;
 - c) a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
- 11) The PB understands and agrees that MA has delegated tasks to the JS, according to the Implementing Agreement concluded between the MA and the JS and therefore the beneficiary agrees to cooperate with the JS in the same way as with the MA.
- 12) In dully justified cases, not imputable to the beneficiary when a beneficiary is in impossibility of fulfilling its obligations according to the contract, the Project Beneficiary may request through the Lead Beneficiary and with the written agreement of all Beneficiaries, the suspension of the implementation period, for a clearly determined period of time. After verifying the conditions, the MA may approve, under its specific conditions, through a written decision of the representative of MA signing the contract, the suspension of the contract starting with the date indicated by the Beneficiary. The PB requesting the suspension of the implementation period has the obligation to inform MA in maximum 3 days from the date when he took notice of the situation, in any written form (including e-mail) and the Lead Beneficiary has the obligation to submit all the relevant documents in maximum 5 working days, including the written agreement of all Beneficiaries. During the suspension period no activity shall be performed by any of the project beneficiaries.
- 13) The PB is at all times obliged to retain for audit purposes all files, documents and data about the project on customary data storage media in a safe and orderly manner.
- 14) During the implementation period of the project as well as after the end of the implementation period of the project, for a 3 years period from the official closure of Interreg V-A Romania-Hungary Programme, the PB has the obligation to preserve and to present, to the Joint Secretariat (JS, within the Regional Office for Cross-Border

Cooperation Oradea, Romania), MA, Certifying Authority (CA, within the Romanian Ministry of Regional Development and Public Administration), Audit Authority (AA, within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls on the use of the financing, all project documents, including the inventory for the actives gained as a result of using the funds. The time period shall be interrupted either in the case of legal proceedings or by a duly justified request of the Commission. The documents must be properly archived. Also, the MA must be informed on the location of these documents.

- 15) The PB must observe the recommendations received after an audit control, otherwise the MA has the right to terminate the contract.
- 16) In case of remaining funds/economies, the Project Beneficiary, via the Lead Beneficiary must notify the MA within 15 days following the finalization of implementation of the public procurement contracts at project level. The LB must clearly specify in the notification the amounts of the remaining funds and if there is a need of re-using these within the project.
- 17) The PB must ensure the sustainability of the project results and, after the project's implementation period has ended, the following 5 years from the financial closure of the project² the LB has the obligation to submit annually a sustainability report.
- 18) The PB has the obligation to inform the MA about any situation that may cause the termination or delay in the execution of the co-financing contract, within 5 working days from the date of acknowledgment of such a situation. In this case, the MA may decide the termination / suspension of the co-financing contract.

B. Managing Authority

- 1) The MA shall inform the Project Beneficiary, directly or through the lead beneficiary, on any reports, conclusions or recommendations made by the European Commission that may affect the implementation of the present contract.
- 2) Additional obligatory deadlines to submit a project report may be set by the MA in order to avoid decommitment of ERDF contribution at Programme level. The additional deadlines shall be communicated at least 2 months in advance to the LB.
- 3) In case one of the obligations of the PB is not fulfilled, the MA may suspend the execution of the contract.
- 4) In case of suspending the subsidy contract, the MA may suspend the execution of the present contract.
- 5) In case of suspending the contract, the MA notifies the Project Beneficiary regarding this decision, suspension period, corrective measures and also the related financial measures. The MA also notifies the PB when the suspension period is finished before the initially set deadline.
- 6) The MA has the right to decide on the eligibility of expenditure related to the project reports.
- 7) The MA is entitled to verify and to control the proper use of funds by the beneficiary. The verifications to be carried out by the managing authority shall cover administrative, financial, technical and physical aspects of the project, as appropriate. The MA shall be

² The date of the last financial transfer at project level

responsible for the control of the proper use of funds by the LB or by its Beneficiaries, in particular through preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate.

- 8) The responsible auditing bodies of the EU and the two Beneficiary states and, within their responsibility, the Audit Authority from Romania and the group of auditors as well as the MA are entitled to audit the proper use of funds by the LB or by its project Beneficiaries or arrange for such an audit to be carried out by authorized persons.
- 9) MA is entitled to verify the sustainability of the project for a period of 5 years after the financial closure of the project.
- 10) The MA shall authorize all eligible expenditures related to the project reports submitted by the LB, as per the First Level Control Reports issued by the FLC and recommendation of the JS.
- 11) Subject to availability of funds, the Managing Authority shall pay the total amount of eligible public expenditure due no later than 90 calendar days from the date of submission of the reimbursement claim by the Lead Beneficiary.
- 12) The payment deadline mentioned in paragraph 11 may be interrupted by the Managing Authority in either of the following duly justified cases:
 - a) the amount of the reimbursement claim is not due or the appropriate supporting documents have not been provided;
 - b) an investigation has been initiated in relation to a possible irregularity affecting the expenditure concerned.
- 13) The Managing Authority has the right to modify the provisions of the contract unilaterally through instructions issued by the Head of the Managing Authority, which shall be communicated to the beneficiaries and posted on the Programme's website, www.interreg-rohu.eu. The instructions shall become part of the contract.
- 14) The MA is entitled to publish data regarding the project in accordance with Article 115(2) of Regulation (EU) No 1303/2013.
- 15) The Managing Authority may decommit/use the remaining funds following the finalization of public procurement procedures and/or public procurement contracts at project level.
- 16) In case that during project implementation or during up to 5 years after the financial closure of the project³, illegal State aid and/or illegal indirect State aid incidence is discovered, the MA may apply a correction up to 100% for the respective project, and the amounts paid to the beneficiaries shall be recovered in whole or in part, by the Managing Authority, together with interest calculated depending on the amounts involved and the time period in which they were available to beneficiaries, and adding penalties and debts from the date of grant award to the date of recovery.

§ 8 Information and communication

- 1) The Project Beneficiary shall inform the public, by means of the measures laid down in Annex XII of Regulation (EU) No 1303/2013, about the assistance obtained from the Funds.
- 2) The Project Beneficiary is responsible for the implementation of the information and communication activities related to the non-refundable financial assistance received

³ The date of the last financial transfer at project level

through the Programme.

- 3) The Project Beneficiary shall ensure transparency and accurate information to the mass media on the projects financed under Interreg V-A Romania-Hungary Programme.
- 4) Any notice or publication issued by the Project Beneficiary, in whatever form and by whatever medium, including the Internet, must specify that it reflects the author's view and that the MA is not liable for any use that may be made of the information contained therein.
- 5) All information and communication actions developed by the Project Beneficiary must observe the Visual Identity Manual (available on the Programme website www.interreg-rohu.eu or, upon request, at the Joint Secretariat).
- 6) The Project Beneficiary shall request beforehand the approval of the JS on all information and communication materials developed under the project, in line with the Visual Identity Manual.
- 7) The publications edited within a project financed under Interreg V-A Romania-Hungary Programme shall include on the last page/cover a technical box, with the following information: the project title, reference to the EU co-financing of the Programme, the editor of the material and the disclaimer "The content of this material does not necessarily represents the official position of the European Union". The responsibility for the content of materials belongs solely to the Project Beneficiary.
- 8) For all information and communication actions developed by the Project Beneficiaries, the Lead Beneficiary must ensure that they archive in a single place (hard copy and/or electronically) the documents related to these activities (e.g.: information and communication materials they produced: printed materials, audio-video materials).
- 9) The Lead Beneficiary is responsible to inform the Joint Secretariat regarding the information and communication measures taken in order to promote the projects financed under the Programme.
- 10) The rules stipulated in the Visual Identity Manual are mandatory for the Lead Beneficiary and all Project Beneficiaries.
- 11) By accepting the funding, the LB and the project beneficiaries give their acceptance for their inclusion in the list of projects published in accordance with Article 115(2) of Regulation (EU) No 1303/2013.
- 12) The Lead Beneficiary shall ensure the proper means of communication between the project and the Programme, including:
 - a. participation, whenever requested, in trainings organized by the JS;
 - b. participation, whenever requested, in other events organised by the Programme with the purpose of presenting/ discussing/ developing/ sharing project results and creating synergies with other projects and relevant organisations;
 - c. providing a visible link on the project's website to the Programme website.

§ 9 Confidentiality

- 1) With the exception of the situations foreseen at Article 7, part A, paragraph 14 and article 8 of the present contract, the Managing Authority and the Project Beneficiary undertake to preserve the confidentiality of any document, information or other material communicated to them in confidence until at least five years from the official closure of the Programme. The release of information to persons involved in implementing / verifying / controlling /

auditing the project shall be performed on confidential basis and shall cover the information that is necessary for implementing the project.

- 2) The data used for publicity purposes for informing on and promoting the use of ERDF funds shall not be considered as having confidential status.
- 3) The Managing Authority has the right to release information regarding the project at the request of public institutions, investigating the project.
Notwithstanding the obligations set forth by this contract and its Annexes to provide the information and documents required by the authorized institutions/ departments in order to perform audit and control activities, the parties hereby undertake to preserve the confidential nature of the Personal Data, according to the provisions of Directive (EU) 2016/680 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 by competent authorities for the purposes of the prevention, investigation, detection or prosecution of criminal offences or the execution of criminal penalties, and on the free movement of such data, and repealing Council Framework Decision 2008/977/JHA of the Council and according to the provisions of the Regulation No 679 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, and repealing Directive 95/46/EC (General Data Protection Regulation).
- 4) The contracting party shall bare no responsibility for releasing information on the contract if:
 - a) the information was released with the written agreement of the other contracting party; or
 - b) the contracting party was legally forced to release the information.
- 5) Failing to observe the confidentiality obligation gives the damaged party the right to claim compensations from the damaging party.

§ 10 Conflict of interests

- 1) In the present Contract, the conflict of interests represents any circumstances defined as such in the national/European legislation.
- 2) Any conflict of interests that arises during the implementation of the contract shall be immediately notified to the JS. The MA reserves the right to verify such circumstances and take the necessary measures, where necessary.

§ 11 Irregularities and recovery of the funding

- 1) "Irregularity" according to the current Contract means any breach of the Union law, or of the national law relating to its application, resulting from an act or omission by an economic operator involved in the implementation of the ESI Funds, which has, or would have, the effect of prejudicing the budget of the Union by charging an unjustified item of expenditure to the budget of the Union.
- 2) MA shall show zero tolerance to any suspected cases of fraud and shall take all necessary measures to prevent and correct such cases, according to relevant national and European legislation in force.
- 3) In case of irregularity, the MA shall impose to the Project Beneficiary all the necessary measures for the elimination or diminishing of the consequences on the implementation of

the project.

- 4) MA may suspend or terminate the contract in case the Project Beneficiary fails to take the imposed measures.
- 5) In case an irregularity is committed, the LB is responsible for repaying to the MA the amount affected by the irregularity, even if the irregularity was committed by one of the project beneficiaries.
- 6) The MA is entitled to take the decision for suspending/terminating the contract, after verifying the reasons and any relevant documents presented by the PB and/or JS and the related documents.
- 7) In case the contract shall be terminated, the MA notifies the PB regarding this decision and the related financial measures. In this case, within 30 calendar days from receiving such notification, the PB shall fully return the amounts specified in the notification, without deducting any bank charges.
- 8) In case of irregularities committed after the end of the implementation period of the project, during the whole sustainability period, the Project Beneficiary has the obligation, in 30 calendar days from the receipt of the notification from the MA, to reimburse the amounts unduly paid including the bank charges and interests, if the case.
- 9) For the irregularities committed by a project beneficiary, the LB is entitled to request these amounts from the responsible project beneficiary in order to be repaid to the MA. In specific cases, for irregularities discovered after payment of the final project report, the project beneficiaries may repay the due amounts directly to the MA, notifying the LB about this option.
- 10) If the Lead Beneficiary does not manage to recover the unduly paid ERDF contribution from the project beneficiaries, it will inform the MA and will send all necessary documents for the MA to be able to take all necessary measures stipulated by the legislation in force.
- 11) Any extra payment done by the MA is considered unduly paid amount, and the PB has to repay the respective amounts within 30 calendar days from the receipt date of such notification from the MA.
- 12) In case the irregularity is discovered before the final payment, the MA is entitled to diminish the reimbursed amount starting with the next payment until the total recovery of the debt, to which the bank charges are added.
- 13) In case the irregularity resulting in an unduly paid amount is discovered after the final payment or the debt was not entirely recovered, the MA shall notify the PB regarding the unduly paid amount, and the PB has the obligation to return, within 30 calendar days as of the receiving date of the notification, the amount, including bank charges.
- 14) In case before the final payment, the MA determines that project indicators/objectives were not fulfilled/were partially fulfilled, proportional financial deductions shall be applied, according to the relevant legal provisions and the provisions of the Project Implementation Manual.
- 15) The final payment will be made only after the recovery of any known debts from the Project Beneficiary.
- 16) Starting with the 31st day as of the expiry of the deadlines stipulated at paragraphs 7, 8, 11 and 13 an interest rate bigger with one and a half points than the rate applied by the European Central Bank as in force on the first working day from the month of the deadline

date shall be applied to the owed amounts.

- 17) In case financial corrections are applied by the European Commission to the Programme with regard to the performance framework, according to Article 22 of Regulation (EU) No 1303/2013, and based on the provisions of Commission Implementing Regulation (EU) No 215/2014, the Managing Authority may decide to cover the financial correction from the projects' budgets which have not achieved their indicators.
- 18) In case the European Commission applies financial corrections to the Programme on the basis of extrapolation or flat rate, the Managing Authority may decide to cover these corrections from the projects' budgets, concerned by the corrections.
- 19) In case of observations and/or reservations raised by the Commission on the description of the Management and Control System of the Interreg V-A Romania-Hungary Programme or in case of a system error detected, the MA has the right to temporarily withhold payments to a particular beneficiary (LB or PB) or the project as a whole. Payment suspension(s) shall be lifted as soon as observations and/or reservations raised by the Commission have been withdrawn and the MA has received sufficient evidence on the solution of the systemic error(s) detected.
- 20) In case of irregularities related to the relevant State aid EU or national rules, the MA shall impose to the Lead Beneficiary all the necessary measures in order to recover the aid granted, plus the related interests, calculated in accordance with the European provisions in force. The recovery of illegal/misused State aid shall be made according to European and national legislation in force and in compliance with the provisions of Minister Order No 6509/17.10.2017 and/or Minister Order No 6510/17.10.2017, where applicable.

§ 12 Assignment, legal succession

- 1) The Project Beneficiary cannot renounce entirely or partially the rights and duties resulted from the present contract unless it has the approval of MA/Monitoring Committee.
- 2) In case of legal succession, e.g. where the Project Beneficiary changes its legal form, the PB is obliged to transfer all duties under this contract to the legal successor. The Project Beneficiary shall notify the Lead Beneficiary/ MA about any change with 15 working days beforehand.

§ 13 Amendment

- 1) Any modification to the present contract shall be done with the agreement of both parties with the exception of the situation when the contract provides otherwise.
- 2) Any request for modification of the present contract by addendum has to be justified and submitted by the Project Beneficiary to the FLC Body in a written form, as regulated in the Project's Implementation Manual with minimum 30 days before the addendum is intended to produce its effects. The FLC Body will analyze the request and may request additional information from beneficiary and other clarifications (if the case) and submits the request of modification for approval to the Managing Authority. The Addendum to the present contract has to be signed by both parties according to the approval of the Managing Authority. The Managing Authority has the right to refuse the proposed modifications by the beneficiary (or part of them) for which justification was not provided and which were not considered acceptable. In case the proposed modification was refused by the Managing

Authority, it cannot be requested again.

- 3) The Project Beneficiary has to request the modification of the present Contract by addendum in the following cases:
 - a) changes in the partnership;
 - b) change the value of the contract as is stipulated at the art. 4, paragraph 1);
- 4) Any other modification of the Subsidy Contract will be part of this contract, further detailed rules are set in the Project's Implementation Manual, available on the Programme's website www.interreg-rohu.eu.
- 5) The last request for modification of the contract should be submitted two months before the end date of the project.
- 6) As an exception from the provisions of paragraphs 2 and 3 of the present article, other changes in the project will not require contract modification by addendum, but the Project Beneficiary has to notify the Lead Beneficiary in each case at the moment when the changes occurs.
- 7) Addenda become effective the day of their signing by the last party. Modifications incurred in the respective national/European applicable legislation with impact on the implementation of the contract, become effective from the date the respective legal act enters into force without being confirmed through an Addendum.

§ 14 Termination

- 1) Any breach of the provisions of the present contract may result in the termination of the present contract and in the recovery in whole or in part of the financing, including any interest and/or related bank charges.
- 2) The MA is entitled, in whole or in part, to terminate this contract, without any other formality, and to demand repayment of the amounts already paid amounts, if:
 - a) The MA finds an inconsistency between the reality and the declarations of the beneficiary in the application form, regarding the financing of the project from national or European public funds, or regarding the financing from other national or European Programmes; or
 - b) The MA or audit bodies find that the subsidy awarded has been partially or entirely misapplied for purposes other than those agreed upon herein, including 5 years after the final payment; or
 - c) the Project Beneficiary closes down; or
 - d) The MA finds that during the implementation period of the project including 5 years after the final payment, the Project Beneficiary wholly or partly sells or transfer in any form the right of property of the goods purchased from the financing, including under the conditions of article 71 from Regulation 1303/2013 (change in the nature of ownership of an item of infrastructure or the cessation of a productive activity and which affects the nature or the implementation conditions of the project or gives to a firm or a public body an undue advantage);
 - e) The Project Beneficiary fails to observe the provisions of article 7, part. A, paragraphs 9- (Project Beneficiary section) of the present contract;
 - f) The MA decides that the project became ineligible, if during its implementation,

including 5 years after the financial closure modifications appear that affect the implementation conditions/ create for a third party an unjustified advantage, and the modification is the result of a change in the nature of the property/ ceasing/ change of the location of the project; or

- g) The MA finds out that the Project Beneficiary did not notify the MA in the deadline on a case of conflict of interests or the necessary measures for ending such a situation were not taken; or
 - h) The MA finds that the Project Beneficiary made false declarations regarding the VAT eligibility and state aid.
- 3) The MA is entitled to terminate this contract, with a previous amicable procedure and to request the reimbursement of funding, if:
- a) the project has not been or cannot be fully implemented by carrying out the planned activities, the planned outputs and results or the project cannot or could not be realized in due time.
 - b) the PB has failed to submit within the deadlines required reports or proofs, or to supply necessary information, within the set deadline and has not justified these delays; or
 - c) the PB has impeded or prevented the auditing or control; or the recommendations resulted from the audit missions are not observed; or
 - d) a fraud is discovered at the PB level or the recommendations from the audit mission are not observed; or
 - e) the PB has failed to fulfill any other conditions or requirements stipulated in this contract; or
 - f) the PB fails to provide immediate information about circumstances that delay, hinder or make impossible the realization of the project, as well as about any circumstances that trigger a change of the reimbursement conditions and frameworks as laid down in this contract or which entitle the Managing Authority to reduce or demand repayment of the ERDF contribution wholly or in part.
- 4) In case the indicators are not reached as mentioned in the approved Application Form, the MA has the right to decide the termination of the contract and to demand the repayment of already reimbursed funds, or, with the previous approval of the Monitoring Committee, to accept the partial completion of the project and reduce the project's budget accordingly.
- 5) If the MA exercises its right of termination, the Project Beneficiary is obliged to transfer the repayment amount to the MA. The repayment amount is due within 30 days following the date of the letter by which the MA asserts the repayment claim; the due date will be stated explicitly in the order for recovery. In case of nonpayment at the due date, an interest rate bigger with one and a half point than the rate applied by the Central European Bank from the first working day from the month of the deadline date shall be applied to the owned amounts. These penalties will not be supported from the contract value (they are non-eligible expenditure).
- 6) If any of the circumstances stipulated at paragraph 3 or 4 appear before the entire amount of the subsidy is paid to the Project Beneficiary, the payments will cease and there will be no project reports submitted by the Lead Beneficiary for the rest of the amount.
- 7) For all cases of contract breach, the Project Beneficiary is legally late.

- 8) In case the European Commission takes the decision of interrupting or totally suspending the funds, the Managing Authority may terminate the contract.

§ 15 Force majeure

- 1) Force majeure is any external event, unforeseeable, absolutely invincible and inevitable occurred after the conclusion of this Contract and which prevents the execution of all or part of this contract. Force majeure, established under the law, exonerates the parties in case of failure to execute totally or partially the obligations under this Contract, as long as the force majeure is in force, and only if the other party has been duly notified. It is not considered force majeure an event similar to those above which, without creating an impossibility of execution, makes extremely expensive the fulfillment of the obligations of one of the parties. Force majeure is any external event, which cannot be foreseen, unavoidable and absolutely invincible. The party invoking force majeure shall notify the other party regarding the force majeure event, within five (5) calendar days from the date of issue of the force majeure. The party invoking force majeure is required to send to the other party, the document stating the existence of force majeure, within 15 (fifteen) calendar days from the date of its communication by the competent entity. The party invoking force majeure has the obligation to communicate the date of termination of the force majeure, within five (5) calendar days of the termination.
- 2) The responsible party will support all costs of the notification procedure.
- 3) The parties shall take all measures at their disposal to limit the consequences of Force Majeure.
- 4) If the party claiming force majeure does not notify the commencement and termination of the force majeure, under the terms and conditions laid down, it will not be exempted from responsibility and will pay all damages caused by the lack of notice to the other Party.
- 5) The execution of the contract is suspended from the occurrence of force majeure during the whole period of its action.
- 6) If force majeure and / or its effects lead to the suspension of the execution of this Contract for a period longer than 3 (three) months, the Parties will meet within a period not exceeding ten (10) calendar days from the expiry date of this period in order to agree on how to continue, modify or terminate the Contract.
- 7) Fortuitous event does not exonerate the parties in case of failure to execute totally or partially the obligations under this Contract.

§ 16 Protection of personal data

- 1) Personal Data processing, storage and collection shall be performed according to the provisions of the Regulation No 679 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, and repealing Directive 95/46/EC (General Data Protection Regulation) for the purpose of project implementation and monitoring, fulfillment of its objectives, as well as statistical purpose.
- 2) Personal Data, as classified by Regulation (EU) 679 / 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, shall be processed in accordance with the laws aforementioned throughout the Agreement Term, including during the Agreement objective check and follow-up, to the

purpose and legal ground for which/based on which this contract is concluded.

- 3) The parties shall take appropriate technical and organizational actions, according to their respective institutional powers and duties to ensure a proper Personal Data security level, either in their processing and re-processing, or in their transfer to third-parties and publishing on internal or external public sources.
- 4) The parties shall provide, according to their own institutional powers and duties, all the technical and organizational conditions to keep the Personal Data confidentiality, integrity and availability.
- 5) The parties shall inform and notify each-other within maximum 24 hours, on any processing security breaches related to the Personal Data from this Agreement, in order to be urgently adopted the required technical and organizational actions and to be notified the National Supervisory Authority for Personal Data Processing (NSAPDP), according to the obligations arising from the provisions of Regulation (EU) No 679 / 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data.
- 6) The parties, by their representatives assigned to process the Personal Data in this Agreement and in the Addendum to it, shall keep records of the processing activities according to Article 30 of the Regulation (EU) No 679 / 2016.
- 7) Each beneficiary/ partner has the obligation of obtaining and keeping of the records of the acknowledgements of the persons which are part of the projects' target group, as well as of all the persons involved in the implementation of the project whose personal data are being used (e.g project team members, external experts, guests to events, etc.), for the activities in their responsibility, for the attainment and implementation of the projects' objectives.

§ 17 Correspondence

- 1) Any legally binding correspondence and any official notifications can be lawfully served at the following addresses: the correspondence regarding this contract shall be done in written form, in English, by mentioning the title of the project and the registration number (entry/exit).
- 2) The correspondence for the present contract shall be submitted to the following addresses:

Beneficiary - U.A.T. Comuna Vetiș, 437 Principală street, postal code 447355, Vetiș, Satu Mare county, Romania, tel: + 40769046300, fax: +40261820741, e-mail: primaria@vetis.ro, tax identification number 3896577

MA - Ministry of Regional Development and Public Administration, 16 Libertății Boulevard, North Side, Sector 5, Bucharest, Romania, tel: +40372111326, fax: +40372111456, e-mail: rohu@mdrap.ro, tax identification number: 26369185 (as MA)

First Level Control Unit - Oradea Regional Office for Cross-Border Cooperation (BRECO), 1/A Calea Armatei Române, Oradea, Bihor County, Romania, tel: +40259473174, fax: +40259473175, email address: office@breacoradea.ro, tax identification number: 17438340 (as FLC)

- 3) Usually, all correspondence between the MA and the PB shall be done through the First Level Control Unit from Romania.

- 4) Any change of the headquarters shall be forwarded to the other party of this contract within 15 days following the change of Address.

§ 18 Final provisions

- 1) In case a dispute arises between the MA and the Project Beneficiary, regarding the implementation of the present contract, an amicable settlement shall be attempted. The competent legal authorities from Bucharest shall solve the dispute in case no mutual agreement can be reached.
- 2) Romanian law governs the present contract.
- 3) The present contract forces the parties to observe in full and with good faith every provision, according to the principle of the bindery legal force of the contract between parties.
- 4) If any provision in this contract should be wholly or partly ineffective, the parties to this contract undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.

§ 19 Signatures

- 1) This Contract is issued in two original copies, in English language, one for the Beneficiary and one for the Managing Authority.
- 2) The following Annexes shall be deemed to form and be read and construed as part of this contract:
Annex 1 - Subsidy contract (with its annexes: Annex 1 - Project Application generated by the Electronic Monitoring System - eMS and Annex 2 - Partnership Agreement)
- 3) The contract and its Annexes are to be taken as mutually explanatory of one another. For the purposes of interpretation, the priority of the documents shall be in accordance with the following sequence:
 - i. Co-financing contract;
 - ii. Any subsequent amendments of the contract and its Annexes made in accordance with the provisions of Article 13.
- 4) All the amendments of this Contract will be issued in two original copies, in English language, one for the Beneficiary and one for the Managing Authority.

Managing Authority


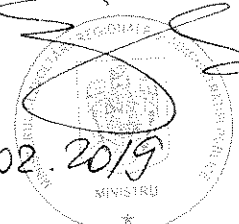
Ministry of Regional Development and Public Administration

Represented by:

Name: Mr. EUGEN ORLANDO TEODOROVICI,
Interim, Vice Prime Minister, Minister of Regional Development and Public Administration

Signature

Date


19.02.2019


Beneficiary

U.A.T.Comuna Vetis

Legal representative:

Name: Mr. ILYES JULIU, Mayor

Signature

Date


5.02.2019
