

# Liability Agreement

The members of the **BONUS – Baltic Organisations Network for Funding Science EEIG** (hereafter **EEIG**),

1. Danish Agency for Science, Technology and Innovation (The Danish Natural Science Research Council) (legal form: governmental), Bredgade 40, 1260 Copenhagen K, Denmark  
represented by Ms Inge Mærkedahl or a nominee
2. Estonian Science Foundation, Endla 4 , 10142 Tallinn, Estonia (registration number and place: 90000759, Tallinn, legal form: foundation/“sihtasutus” in Estonian)  
represented by Mr Meelis Sirendi or a nominee
3. Agency for International Science and Technology Development Programmes (registration place and number: 188730854, Vilnius, legal form: state budgetary institution)  
A. Gostauto st. 12-219, 01108 Vilnius, Lithuania  
represented by Ms Birute Bukauskaite or a nominee
4. FiRD Coop (registration number and place: 2030690-4, Helsinki, legal form: cooperative under Finnish law), Vilhonvuorenkatu 6, P.O. Box 99, 00501 Helsinki, Finland  
represented by Mr Juha Sarkio or a nominee
5. Swedish Environmental Protection Agency (registration number and place: 202100-1975, Stockholm, legal form: governmental), 106 48 Stockholm, Sweden  
represented by Mr Erik Fellenius or a nominee
6. Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning (legal form: governmental), P.O. Box 1206, 111 82 Stockholm, Sweden  
represented by Mr Hans-Örjan Nohrstedt or a nominee

(hereafter referred to as the “Parties”)

*have agreed to following:*

## **Clause A. Scope of the Agreement**

The Parties have 19.4.2007 concluded the Agreement on Statutes of the BONUS Baltic Organisations Network for Funding Science EEIG (hereafter “Statutes” or “Statutes of EEIG”).

The EEIG and the Russian Foundation for Basic Research shall conclude the Association Agreement (hereafter “Association Agreement”).

This Agreement lays down the rules for the funding which the EEIG manages. This funding consists of funding for research, and for management activities and/or scientific coordination. The funding sources of the EEIG are regulated in the Article 16.2 of the Statutes of the EEIG.

## **Clause B. Definitions**

For the purpose of this Agreement, the following definitions shall apply:

- a) 'Member' means both members and associated members of the EEIG.
- b) 'EEIG funding' means funding which the EEIG manages and receives from the sources of Article 16.2 of the Statutes.
- c) 'National Funding Institution' means the national research funding institution, which remits the EEIG funding and/ or the national funding to the Recipient. The National Funding Institution is either directly a Member, or then another national organisation acts on its behalf as a Member in the EEIG for juridical reasons. In the latter case, there must be a close cooperation between the respective Member and the National Funding Institution.
- d) 'Recipient' means researcher and/or his/her host organisation, which receives and administers EEIG and/or national funding within the EEIG activities.

References to the definitions of the Statutes of EEIG shall also in the interpretation of this Agreement have the content defined in the Statutes.

### **Clause C. Binding the National Funding Institutions and the Recipients**

It is the obligation of the respective Member and the National Funding Institution (which is not directly a member) to without delay after signing this agreement enter into a separate agreement to ensure that the National Funding Institution complies with all the principles of this Agreement.

It is the obligation of the Members and/or the National Funding Institution in question to make sure that the necessary and essential conditions of this Agreement are further extended to bind the Recipients. However, the arranging of this shall be on the liability of EEIG in case EEIG exceptionally remits the funds directly to the Recipient.

The Parties shall without delay after signing this Agreement together draft model agreements for the above named purposes. These model agreements shall be confirmed by the Steering Committee of EEIG to be used by the Members and/or the National Funding Institutions for the said purposes.

The references of this Agreement to the obligations of the National Funding Institution shall regarding those National Funding Institutions, which are not directly Members, as well as regarding the obligations of the Recipients be carefully reflected to the model agreements.

### **Clause D. Liability – General view points**

(1) In view of the joint and several liability of the members for obligations of the EEIG, the Members, the Executive Director and the Financial Manager shall take all possible and legal measures to limit the liabilities of the EEIG during the management of the EEIG and when entering into contracts.

(2) The Executive Director and/or the Financial Manager will endeavour to insert in any contracts signed with third parties a clause which will exclude or at least limit the maximum liability of EEIG to the amount equal to the capacity of the EEIG at the most. The clause is not required in contracts where the interests included are minor.

(3) The Executive Director and the Financial Director have to take out general liability insurance.

(4) Each Member shall indemnify and keep the other Members harmless from any liability, cost, loss and the like arising from non-compliance with the applicable laws, this Agreement and/or any decision made by a meeting of the Members in accordance with the Statutes of EEIG.

#### **Clause E. Distribution of EEIG funding**

(1) The EEIG shall receive all payments made by the European Commission and/or other donators. The EEIG shall administer the EEIG funding in accordance with the funding decisions of the Steering Committee of the EEIG.

(2) The advance payments from the European Commission and/or other donators shall be deposited into the EEIG's account. The transfer to the National Funding Institution(s) will be made immediately according to the applicable funding decision of the EEIG. The National Funding Institution(s) remits the funding to the Recipient(s) according to the applicable funding decision of the EEIG without undue delay. In exceptional cases, confirmed by a unanimous decision of the Steering Committee, the EEIG may also remit the EEIG funding directly to the Recipient.

(3) The EEIG may, by its decision, order the National Funding Institution(s) to interrupt the remittances if there were grounds to suspect the correctness and/or sufficiency of the information given by the Recipient regarding the EEIG funding or if the grounds for the awarding of the funding changed so that the Recipient no longer would be entitled to receive the funding.

#### **Clause F. Monitoring and control of EEIG funding**

(1) The EEIG will monitor and control the use of all EEIG funding. The EEIG has the right to carry out any inspections of the Recipient's and/or National Funding Institution's and Member's finances and activities that may be necessary in the control of the remittance and use of EEIG funding.

The EEIG authorizes a person of its choosing to carry out the inspection (e.g. the auditor of EEIG). The person in charge of the inspection must have access (free of charge) to any information or reports, documents, data or other material. The Recipient and/or National Funding Institution(s) and/or Member(s) must assist and cooperate in the inspection as well as they can. The person in charge of the inspection must have access to all the premises of the Recipient and/or National Funding Institution(s) and/or Member(s) in the extent necessary to carry out the inspection.

(2) Concerning the funding from the European Commission, the National Funding Institution(s) and Member(s) shall ensure that the above right to carry out any inspections of the Recipient's finances and activities that may be necessary in the control of the remittance and use of funding from the European Commission covers the EEIG, the European Commission and the European Court of Auditors.

The National Funding Institution(s) is in charge to the EEIG for the monitoring and control of the use of the EEIG funding, which it has remitted to the Recipient. The National Funding Institution(s) must carefully take all appropriate precautions to ensure that the EEIG funding is used according to funding conditions.

The Recipient must without delay verifiably notify the National Funding Institution(s), which shall inform the EEIG, of any changes in the facts that might affect the remittance of EEIG funding or of any changes in the facts affecting the use of EEIG funding. If the EEIG has remitted the EEIG funding directly to the Recipient, the Recipient must notify the EEIG directly.

### **Clause G. Returning and recovery of EEIG funding**

(1) The Recipient shall without delay inform the National Funding Institution(s), which shall inform the EEIG, of and return any EEIG funding, or any portion of EEIG funding that has been received erroneously, in excess or evidently without grounds. If the EEIG has remitted the EEIG funding directly to the Recipient, the Recipient must inform the EEIG directly.

(2) Remittance of EEIG funding will be terminated and an already remitted payment will be recovered, if the Recipient has:

- used the subsidy for a purpose other than for the purpose for which it was granted;
- presented erroneous or misleading information regarding a fact which would have tended to affect substantially to the granting of the subsidy, its amount, or its conditions, or has concealed such a fact; or
- otherwise seriously violated the conditions incorporated into the funding decision, or any applicable legislation.

(3) If the EEIG is not able to recover EEIG funds in a case where recovery is justified, the National Funding Institution(s) is liable for the missing funds. This includes liability for the acts and omissions of the National Funding Institution(s) as well as the Recipient.

### **Clause H. Term of this Agreement**

This Agreement shall come into force as from the date of its signature by all the Members. This Agreement shall continue in full force and effect until terminated in accordance with this Agreement.

### **Clause I. Miscellaneous**

(1) This Agreement may be amended only by a unanimous decision taken by the Members. Amendments must be drawn up in writing. Amendment is invalid if it does not meet this requirement. This applies as well for an agreement waiving the requirement of written form.

(2) This Agreement will be construed and governed by the laws in force in Finland.

(3) All disputes or other differences arising out of or in connection with this agreement, which cannot be settled amicably shall be resolved in arbitration in accordance with the rules of the Arbitration Institute of the Finnish Central Chamber of Commerce in Helsinki.

The arbitration tribunal shall consist of three (3) arbitrators. The arbitration proceedings shall be conducted in English.

(4) A Member may withdraw from this Agreement by not less than six months written notice by means of a registered letter sent to EEIG as below under clause K defined. A Member shall not, by withdrawal, be relieved from any of its responsibilities under this Agreement, which have been, or should have been, carried out up to the date of withdrawal.

## **Clause J. Order of preference**

In case of discrepancy between the provisions of this Agreement and the Statutes or the Association Agreement, the following order of preference shall apply:

1. The Statutes of EEIG
2. The Association Agreement
3. This Liability Agreement

## **Clause K. Notices**

Any notice, request, consent and other communication to be given by a party under this Agreement (hereinafter called a "Notice") shall be in writing and in English and deemed to be valid and effective if:

- personally served on the other Party; or
- sent by registered prepaid airmail (or if registered mail is not available by normal mail/airmail); or
- sent by telefax

to the relevant Party's below address or at such other address as a Party may designate from time to time in accordance with this Clause:

- **BONUS – Baltic Organisations Network for Funding Science EEIG**

c/o FIRDCoop,  
Vilhonvuorenkatu 6,  
PL 99,  
00501 Helsinki,  
Finland  
FAX: + 358 7748 8448

To the attention of Ms Kaisa Kononen

- **Danish Agency for Science, Technology and Innovation**

(The Danish Natural Science Research Council)  
Bredgade 40,  
1260 Copenhagen K,  
Denmark  
FAX: +45 35 44 62 01

To the attention of: Ms Inge Mærkedahl

- **Estonian Science Foundation**

Endla 4  
10142 Tallinn,  
Estonia  
FAX: +372 699 6211

To the attention of Mr Meelis Sirendi

- **Agency for International Science and Technology Development Programmes**  
 A.Gostauto st. 12-219,  
 LT-01108 Vilnius,  
 Lithuania  
 FAX: +370 8 5231 2293

To the attention of Ms. Birute Bukauskaite
- **FiRD Coop.**  
 Vilhonvuorenkatu 6,  
 PL 99,  
 00501 Helsinki,  
 Finland  
 FAX: + 358 7748 8229

To the attention of Mr Juha Sarkio
- **Swedish Environmental Protection Agency**  
 106 48 Stockholm,  
 Sweden  
 FAX: + 46 8 6981664

To the attention of Mr Erik Fellenius
- **Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning**  
 P.O. Box 1206  
 111 82 Stockholm  
 Sweden  
 FAX: +46 8 775 40 10

To the attention of Mr Hans-Örjan Nohrstedt

Any notice shall be deemed to have been served:

- in the case of personal service: at the time of service;
- if sent by facsimile within 1 (one) hour of transmission during business hours at its destination or within 24 (twenty four) hours if not within business hours; but subject to proof by the sender that it holds an acknowledgement confirming receipt of the transmitted notice in readable form; and
- if sent by post within 48 (forty-eight) hours of posting (exclusive of the hours of Sunday) if posted to an address within the country of posting and 7 (seven) days of posting if posted to an address outside the country of posting.

**Clause L. Date and Signatures**

This Agreement has been executed in one (1) counterpart, which shall be held by the EEIG. The EEIG shall provide the Members with copies of this Agreement.

As witness the Members have caused this Agreement to be duly signed by the undersigned authorised representatives on the day and year as below written:

Helsinki, 19. 4.2007

**Danish Agency for Science, Technology and Innovation**

Inge Mærkedahl

INGE MÆRKEDÅHL

**Estonian Science Foundation**

MEELIS SIRENDI

[Signature]

**Agency for International Science and Technology Development Programmes**

Birutė Bukauskaitė

[Signature]

**FiRD Coop**

[Signature]

JUHA SARKIO

**Swedish Environmental Protection Agency**

Erik Fellenius

[Signature]

**Swedish Research Council for Environment, Agricultural Sciences and Spatial Planning**

Hans-Olvan Nohrstedt

[Signature]