

Subsidy Contract

Subsidy Contract No #ApplicationNumber#-00

on implementation of the Project #ApplicationNumber#

#Acronym# - #ProjectTitle#

**within the South Baltic Cross-Border Co-operation Programme 2007-2013, objective:
European Territorial Cooperation**

signed by and between:

The Minister of Infrastructure and Development, ul. Wspólna 2/4, 00-926 Warsaw, Poland, acting as the Managing Authority designated in the South Baltic Cross-Border Co-operation Operational Programme 2007-2013, hereinafter referred to as “Managing Authority”,

represented by:

Ms. #MAAuthName#, #MAAuthPosition#, on the basis of the power of attorney No. #PoweOfAttorneyMA#, dated #POADateMA# attached to the Subsidy Contract

and

#LBTitleEnglish# (#LBTitleOriginal#), #LBAddress#, #LBPostalCode# #LBTown#, #LBCountry#,

Registration Number: #LBRegistrationNumber# <in case of a Polish entity REGON..... , NIP.....>

acting as the Lead Beneficiary,

represented by:

#LBAuthName#, #LBAuthPosition#

#PoweOfAttorneyLB#, dated #POADateLB# attached to the Subsidy Contract

in accordance with the following documents:

- The EU regulations, in particular:
 1. *Council Regulation (EC) No. 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund, repealing the Regulation (EC) 1260/1999 (O.J. L 210 dated 31.7.2006, with further changes), hereinafter referred to the General Regulation;*
 2. *Regulation (EC) No. 1080/2006 of the European Parliament and Council of 5 July 2006 on the European Regional Development Fund, repealing the Regulation (EC)1783/2006 (O.J. L 210 dated 31.7.2006), hereinafter referred to the ERDF Regulation;*
 3. *Council Regulation (EC) No. 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation No. 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund (O.J. L 371 dated 27.12.2006), hereinafter referred to the Implementing Regulation.*

- And the following documents:
- 1. Operational Programme for the South Baltic Cross-Border Co-operation Programme 2007-2013 (hereinafter referred to as Operational Programme), approved by the Decision of European Commission No. C (2007) 6499 dated on 20th December 2007.
- 2. The Description of the management and control system set up pursuant to the provisions of Title VI of the General Regulation.
- 3. Communication Plan prepared by the Managing Authority pursuant to the provisions of Title 2 of the Implementing Regulation.
- 4. *Eligibility Guidelines* adopted for the Programme in each Member State hosting Project Partners.
- 5. The up-to-date Programme Manual approved by the Monitoring Committee published on the website of the Programme (www.southbaltic.eu).
- 6. *Up-to-date Guidelines for determining financial corrections to be made to expenditure co-financed by the Structural Funds or the Cohesion Fund for non-compliance with the rules on public procurement (COCOF 07/0037/02-EN)*.
- 7. *Up-to-date Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives (2006/C 179/02)*.

The Parties agree as follows:

§ 1.

DEFINITIONS

Each time the Subsidy Contract refers to:

- 1) ERDF – this shall mean the European Regional Development Fund;
- 2) Programme – this shall mean the South Baltic Cross-Border Co-operation Programme 2007-2013, approved by the European Commission with the decision No C(2007) 6499 dated on 20th December 2007;
- 3) Application Form – this shall mean the Application for financial support from the Programme together with all attachments, approved by the Steering Committee on #DateOfSCDecision#, in #PlaceOfSCDecision#, No. #ApplicationNumber#, attached to the Subsidy Contract;
- 4) Project – this shall mean the operation defined in the Application Form, implemented within the Programme based on the present Subsidy Contract;
- 5) First Level Controllers – this shall mean the controllers authorised in a given Member State pursuant to art. 16 item 1 of the ERDF Regulation, responsible for verifying the regularity and legality of declared expenditures;
- 6) Lead Beneficiary – this shall mean the entity defined in the Application Form which signs the Subsidy Contract and which bears the overall responsibility, including financial responsibility for Project implementation;
- 7) Partners – this shall mean the entities indicated in the Application Form, which are an individual, legal persons or an organisational units with legal identity, who participate in

the Project implementation, submit a Co-financing Statement and sign a Partnership Agreement with the Lead Beneficiary;

- 8) ERDF co-financing – this shall mean funds originating from the ERDF, transferred to the bank account of the Lead Beneficiary;
- 9) National co-financing – this shall mean the Lead Beneficiary’s and Partners’ own contribution to the Project’s total eligible budget, defined in the Application Form. It represents the difference between the Project’s total eligible budget and the ERDF co-financing granted to the Lead Beneficiary;
- 10) Eligible budget – this shall mean costs deemed as eligible pursuant to the Implementing Regulation, national regulations and provisions accepted for the Programme in the up-to-date Programme Manual and *Eligibility Guidelines* adopted for the Programme in each Member State hosting Project Partners;
- 11) Co-financing rate - results from dividing the ERDF co-financing awarded from the Programme by the total eligible budget of the Project and is presented as a percentage value with two digits after comma. It cannot exceed 85% for the whole Project, with reservation of maximum rate 75% for Project Partners from Denmark and Sweden and 85% for Project Partners from Germany, Lithuania and Poland;
- 12) Expected effects of the Project implementation – this shall mean output and results indicators and their target values, defined in the Application Form;
- 13) Project start – this shall mean the date when the activities concerning Project implementation were initiated;
- 14) Project completion – this shall mean the expected date of completion of thematic activities of the Project (the last undertaken action of the Project); e.g. the date of acceptance of works, deliveries or services;
- 15) Joint Technical Secretariat – this shall mean the institution designated on the basis of the Operational Programme in order to assist the appropriate authorities, in particular Managing Authority, in carrying out their respective duties;
- 16) Programme account – this shall mean the bank account on which the ERDF funds transferred for the Programme by the European Commission are collected;
- 17) Partnership Agreement – this shall mean an agreement regulating mutual rights and obligations among Project Partners and the Lead Beneficiary;
- 18) Lead Beneficiary’s account – this shall mean the following bank account:

Name and address of the Bank:

#BankName#, #BankAddress#, #BankPostalCode# #BankTown#, #BankCountry#

Bank Code (BIC/SWIFT): #BIC#

IBAN: #IBAN#

Name and address of the Account holder:

#HolderOfAccount#, #HolderAddress#, #HolderPostalCode#, #HolderTown#, #HolderCountry#

Bank account No: #AccountNumber#

§ 2.

AIM OF THE SUBSIDY CONTRACT

1. The aim of this Subsidy Contract is to define the terms and conditions on which the Managing Authority transfers the ERDF co-financing for the implementation of the Project.
2. In particular, the Subsidy Contract defines the mutual rights and obligations of the parties, concerning the Project implementation in the field of mode and terms of reimbursement, monitoring, reporting and payments, control and audit, information and communication as well as Project management.
3. When implementing the Project, Lead Beneficiary must comply with both the EU and the specific national regulations and provisions. In particular, the Lead Beneficiary is obliged to respect the rules of fair competition and equal treatment, environmental protection provisions, public aid rules, the rule of equal status of men and women, and partnership.
4. Lead Beneficiary is obliged to ensure that the EU and national regulations, provisions and rules mentioned in item 3 are applied by all Project Partners.

§ 3.

PROJECT BUDGET

1. The Managing Authority, grants the Lead Beneficiary ERDF co-financing in the amount approved in the Application Form for the implementation of the Project in the amount of #AverageERDFPercent#% of total eligible budget amounting to #TotalEligibleBudget# EUR (say:EUR) , which is no more than:
#ERDFCoFin# EUR (say: EUR).
2. The Lead Beneficiary, on behalf of all Partners, commits oneself to contribute national co-financing for the Project implementation in the amount not less than the difference between the Project's total eligible budget and the ERDF co-financing.
3. In case the final Project Progress Report, referred to in § 6 item 2 reveals that the Project total eligible budget actually spent, is lower than agreed in item 1, the national co-financing, referred to in item 2 and the ERDF co-financing, referred to in item 1, are subject to reductions.
4. Ineligible budget is to be covered by the Lead Beneficiary and its Project Partners and other bodies involved in the Project implementation.

§ 4.

PROJECT DURATION

1. The Project implementation period is defined as follows:
 - 1) date of the Project start: #ProjectStartDate#
 - 2) date of Project completion: #ProjectEndDate#
2. Project implementation should be performed pursuant to the Application Form, which constitutes an attachment to this Subsidy Contract.

§ 5.

RESPONSIBILITIES

1. The Lead Beneficiary is responsible to the Managing Authority for the entire Project implementation. The Lead Beneficiary is also liable for all the actions undertaken by the Partners, which cause a violation of the obligations resulting from this Subsidy Contract.
2. The Lead Beneficiary is solely responsible to any third parties for damages occurred with relation to the Project implementation.
3. The Lead Beneficiary relinquishes all the claims towards the Managing Authority for damages caused with relation to the Project implementation by Partner or any third parties.
4. If the Managing Authority, pursuant to the present Subsidy Contract, requests the recovery of a part or the whole of ERDF co-financing granted, the Lead Beneficiary is responsible for re-payment of the requested amount.
5. Lead Beneficiary shall lay down the arrangements for its relations with the Partners participating in the Project in a Partnership Agreement.
6. The Partnership Agreement referred to in item 5 shall be signed according to the minimum requirements set by the Managing Authority.

§ 6.

REPORTING AND PAYMENTS

1. The Lead Beneficiary requests the refund of eligible budget on the basis of the Project Progress Report on Project implementation submitted to the Joint Technical Secretariat within the deadlines defined in the up-to-date Programme Manual and pursuant to procedures specified in the up-to-date Programme Manual.
2. The Lead Beneficiary is obliged to submit the final Project Progress Report to the Joint Technical Secretariat, within the deadlines and pursuant to procedures specified in the up-to-date Programme Manual after the end of project completion, referred to in § 4 item 1 point 2.
3. The Project Progress Reports referred to in item 1 and 2 consist of the activity part – report on Project implementation, and the financial part – request for payment together with the certification of costs, confirming the eligibility of all the costs borne in a given period and included in the payment request.
4. In case the Project is to be completed within the next reporting period following the Subsidy Contract conclusion, the Lead Beneficiary shall submit only the final Project Progress Report to the Joint Technical Secretariat.
5. In case errors in the Project Progress Report have been detected, the Joint Technical Secretariat, on the basis of an agreement with the Managing Authority, may complete or correct the errors, in case of insignificant errors, i.e. not affecting the correctness of the Project Progress Report, of which the Lead Beneficiary shall be informed, or address the Lead Beneficiary to correct or complete the report or provide additional explanations, within the specified time.

6. The Managing Authority approves the payment requested and at the same time, through the Joint Technical Secretariat, informs the Lead Beneficiary in writing if:
 - 1) any costs were considered as ineligible, with justification;
 - 2) the approved amount subject to reimbursement was reduced by ineligible costs, referred to in point 1, and financial corrections and revenues referred to in items 11-13 and 15 or the deductions resulting from the provisions of the § 7 of this Subsidy Contract.
7. The ERDF co-financing, in form of the refund of eligible budget, is transferred from the Programme account to the Lead Beneficiary in EUR, in form of interim payments and final payment, on the basis of the Project Progress Reports referred to in item 1 or 2, as quickly as they are approved by the Managing Authority, with reservation to item 6 and 10.
8. The total amount transferred to the Lead Beneficiary cannot exceed the amount of ERDF co-financing defined in § 3 item 1.
9. The exchange rate risk resulting from the conversion of national currencies into EUR and of EUR to national currencies is borne by the Lead Beneficiary.
10. The payment shall be transferred to the Lead Beneficiary provided that there are funds available on the Programme account.
11. In case the Project generates revenue at the implementation stage, the Managing Authority shall reduce the certified amount of eligible budget by the revenue referring to eligible budget generated in the period covered by the Project Progress Report, as stated in the Article 55 of the General Regulation.
12. In case the Project generates revenue after the Project completion in the amount exceeding estimated value of the revenues defined in the Application Form, which was taken into consideration in order to estimate the ERDF co-financing to be granted to the Project, the revenue generated within five years of the completion of the Project must be returned - up to the amount of the ERDF co-financing granted – on terms laid down in § 7 of this Subsidy Contract.
13. In case it is confirmed that in course of project implementation the VAT reported is recoverable, the Managing Authority shall reduce the certified amount of eligible budget by the amount referring to the recoverable VAT.
14. In case it is confirmed that the VAT which can be recoverable was reported and reimbursed, the Lead Beneficiary is obliged to re-pay the Managing Authority the requested amount along with interests, calculated as referred to in § 7 item 4.
15. In case it is confirmed that within the scope of project implementation the rules of conducting public procurement were infringed, the costs referring to the public procurement may be considered as ineligible or financial corrections may be applied according to appropriate national regulations or provisions. If national regulations or provisions were not adopted, the corrections shall be made as defined in the up-to-date document: *Guidelines for determining financial corrections to be made to expenditure co-financed by the Structural Funds or the Cohesion Fund for non-compliance with the rules on public procurement (COCOF 07/0037/02-EN)*.
16. In duly justified cases, particularly if the Programme is facing the decommitment risk resulting from the n+3/n+2 rule, the Managing Authority may address the Lead

Beneficiary to submit additional Project Progress Report, on terms specified by the Managing Authority.

17. The refund of the ERDF co-financing to the Lead Beneficiary to be made on the basis of Project Progress Reports, referred to in item 2, can be subject to a condition that the on-the-spot check is carried out by the First level Controller and/or authorised control body in order to verify whether the Project was implemented pursuant to the Application Form.

§ 7.

RECOVERY OF FUNDS

1. In case the Project Progress Reports, financial controls conducted by authorised body or any other sources indicate that the whole or a part of the ERDF co-financing granted was:
 - 1) utilised at variance with the allocation thereof,
 - 2) utilised with breach of the procedures,
 - 3) collected when not due or in an excessive amount,

the Lead Beneficiary is obliged to compensate for these funds, respectively in part or in whole, along with interest, on terms and in the deadlines laid down by the Managing Authority.

2. The ERDF co-financing, referred to in item 1, along with interest is either re-paid by the Lead Beneficiary to the account indicated by the Managing Authority or deducted from next refund.
3. In case the Lead Beneficiary did not re-pay the amount of ERDF co-financing requested to by the Managing Authority to be repaid by the agreed date, or the amount requested to be re-paid exceeds the amount remaining for refund, or the recovery of the requested ERDF co-financing is not possible for any other reason, the Managing Authority shall withhold payment and undertake actions necessary to recover the ERDF co-financing, including initiation of the legal action.
4. The interest referred to in item 1 and 2 shall be charged for the period starting from the day the ERDF co-financing referred to in item 1 was transferred to the Lead Beneficiary account, to the date when the amount due is transferred to the bank account indicated by the Managing Authority, and in the amount of 10 percentage points above the interest rate applied by the European Central Bank in its main refinancing operations on the first working day of the month in which the due date falls.
5. The costs of actions aimed to recover the ERDF co-financing shall be borne by the Lead Beneficiary.

§ 8.

CONTROL AND AUDIT

1. The Lead Beneficiary is obliged to be subject to the control and audit of the Project implementation correctness which is performed by the authorised body in accordance with national and community provisions.

2. The control and auditing activities shall be carried out on the Lead Beneficiary's and/or its Partners' registered premises and/or as the on-the-spot checks.
3. The Lead Beneficiary is obliged to ensure the availability of all the documents, including electronic documents, related to the Project implementation, to the authorities referred to in item 1, for the entire duration of their storage, referred to in § 11 item 1 point 8.

§ 9.

INFORMATION AND COMMUNICATION

1. Unless the Managing Authority requests otherwise, any notice or publication about the Project, including a conference or a seminar, shall specify that the Project has received the ERDF co-financing within the framework of the Programme. The provisions of the Implementing Regulation and the up-to-date Programme Manual concerning the ERDF co-financing shall be observed by the Lead Beneficiary and its Partners.
2. In case a notice or a publication about the Project, in whatever form and by whatever medium, including the Internet, is issued by the Lead Beneficiary or its Partners without prior consultation, agreement or approval of the Managing Authority, it shall be specified that it reflects the author's views and that the Managing Authority is not liable for any use that may be made of the information contained therein.
3. The Managing Authority shall be authorised to publish, in whatever form and by whatever medium, including the Internet, the following information:
 - 1) the name of the Lead Beneficiary and its Partners;
 - 2) the purpose of the ERDF co-financing;
 - 3) the amount of the ERDF co-financing granted and the proportion of the total budget of the operation accounted for by the funding;
 - 4) the geographical location of the operation;
 - 5) Project Progress Reports including the final Project Progress Report.

§ 10.

OWNERSHIP – USE OF RESULTS

1. Ownership, title of and industrial and intellectual property rights to the results of the Project and the Project Progress Reports or other documents relating to it shall, depending on the applicable national law, vest in the Lead Beneficiary and/or the Partners.
2. The use of the results of the Project will be agreed by the Lead Beneficiary and the Managing Authority, in order to guarantee widespread publicity of such results and to make them available to the public.

§ 11.

OBLIGATIONS OF THE LEAD BENEFICIARY

1. The Lead Beneficiary shall:

- 1) regularly monitor the progress in the Project implementation and inform the Managing Authority immediately of any existing irregularities, circumstances significantly delaying or preventing the complete implementation of the Project, or of the intention to cease the Project implementation;
- 2) monitor the output and result indicators achieved during the Project implementation, pursuant to the monitoring indicators defined in the Application Form;
- 3) use the ERDF co-financing only for eligible costs, for which the date of payment is no later than the deadline for the submission of the final Project Progress Report defined in up-to-date Programme Manual;
- 4) spend the ERDF co-financing granted in a manner which ensures their optimum utilisation pursuant to the best economic practice rule and guarantees fair competition between the potential sub-contractors. In particular, the Lead Beneficiary is obliged to apply the national provisions relating to the public procurement and the up-to-date document: *Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the Public Procurement Directives (2006/C 179/02)*;
- 5) prepare and timely submit documents, information and Project Progress Reports referred to in § 6 item 1 and 2 and correct identified errors and submit written explanations in the period specified by the Managing Authority, on pain of withholding of the next payment;
- 6) maintain separate accounting for the Project implementation purposes, in a manner which ensures the identification of each financial operation within the Project;
- 7) disclose any revenues which occur or may occur with relation to the Project implementation and during the period of five years after the Project completion as stated in § 6 item 11 and 12 and Article 55 of General Regulation;
- 8) keep the documentation related to the Project implementation until 31 December 2020 but not shorter than during the period of three years after the Programme closure (in accordance with Article 90 of the General Regulation and Article 19 of the Implementing Regulation);
- 9) ensure that the public is informed about the Project being co-financed by the ERDF, pursuant to the requirements referred to in the Implementing Regulation and in the Communication Plan adopted for the Programme;
- 10) transfer the ERDF co-financing to the Project Partners in the amount deriving from the Project Progress Reports, referred to in § 6 item 1 and 2, as quickly as possible and in full, with reservation to § 6 item 6;
- 11) disclose the recoverable VAT within the project implementation and pay back the Managing Authority, in case it is confirmed, that the VAT which can be recoverable, was reported and reimbursed, as referred to in § 6 item 14;
- 12) deliver to the Joint Technical Secretariat the Partnership Agreement in the deadlines defined in the up-to-date Programme Manual, but no later than with the first Project Progress Report;

13) spend the ERDF co-financing granted as intended and for the expenditures related to the Project implementation.

2. The Lead Beneficiary, on its own behalf and on behalf of its Partners:

- 1) declares that no double financing from the European Union funds occurs as far as the Project implementation is concerned;
- 2) commits to be subject to control with respect to relevant national provisions and regulations on public procurement;
- 3) consents to processing of personal data, on terms specified in separate regulations, for Programme monitoring, control, promotion and evaluation purposes;
- 4) commits to cooperate with external evaluators, commissioned by the Managing Authority;
- 5) declares that the information provided in the Subsidy Contract and in the attachments is true;
- 6) declares that the applicable law and other documents setting out the terms and conditions of granting the ERDF co-financing were acknowledged;
- 7) commits to inform the Managing Authority immediately about any change in its own or its Partners' legal status.

3. Should the Lead Beneficiary fail to perform its obligations resulting from this Subsidy Contract, in particular those referring to the reporting and payments, control and audit as well as information and communication, regardless the Managing Authority's right to terminate this Subsidy Contract according to § 13 of this Subsidy Contract, the Managing Authority may withhold payments until the Lead Beneficiary performs the obligations due.

§ 12.

SUBSIDY CONTRACT AMENDMENTS

1. All amendments to the Subsidy Contract require a written form on pain of nullity, with reservation to items 2, 4, 5 and 9.
2. Changes concerning the attachments to the Subsidy Contract do not result in necessity to change the Subsidy Contract in the form of an annex, provided that they do not effect directly other provisions of the Subsidy Contract and are agreed with the Managing Authority in written form, with reservation to item 4. Such changes are registered by the Managing Authority in the Register of Changes to the Subsidy Contract, run by the Managing Authority, which constitute an attachment to this Subsidy Contract.
3. Should the Project be significantly modified within 5 years from the Project completion date, as stated in Article 57 of the General Regulation, the Lead Beneficiary shall re-pay to the Managing Authority the ERDF co-financing granted, along with interest, pursuant to § 7.
4. Changes of the budget of components and budget lines as defined in the Application Form, which cumulative amount does not exceed 10% of the original total eligible budget of the Project or changes of the original target value of output indicators included in the Application Form not exceeding 20%, may be performed individually by the Lead

Beneficiary. The Lead Beneficiary shall inform the Managing Authority, of the changes made, in the Project Progress Report.

5. Changes of the budget of components and budget lines as defined in the Application Form, which cumulative amount exceeds 10% of the original eligible budget of the Project or changes of the original target value of output indicators included in the Application Form exceeding 20% may be made only upon a written consent of the Managing Authority. Such changes shall be indicated in the Project Progress Report.
6. The notification of the changes referred to in item 5 requires the Lead Beneficiary to prepare an updated Application Form.
7. The shifts in the Project expected effects cannot lead to significant changes of the Project's objectives.
8. In case the expected effects of Project are not achieved and lead to the significant changes in Project objectives, the Managing Authority, basing on the decision of the Steering Committee is entitled to reduce the value of the ERDF co-financing granted.
9. Changes concerning the Lead Beneficiary's bank account data, defined in § 1 point 18 do not result in the necessity to change the Subsidy Contract in the form of an annex, however, must be communicated to the Managing Authority in written form. Such changes are registered by the Managing Authority in the Register of Changes to the Subsidy Contract, run by the Managing Authority, which constitute an attachment to this Subsidy Contract. Should the Lead Beneficiary fail to inform about a change of the bank account, it is the Lead Beneficiary that bears the consequences thereof.

§ 13.

SUBSIDY CONTRACT TERMINATION

1. The Managing Authority may terminate this Subsidy Contract, with one-month notice, if the Lead Beneficiary:
 - 1) received ERDF co-financing on the basis of false or incomplete declarations or documents;
 - 2) when spending funds, did not respect the procedures specified in this Subsidy Contract or provisions resulting from EU and national regulations, or other documents;
 - 3) used a part or the whole of the ERDF co-financing granted at variance with the allocation thereof, with breach of the procedures, inconsistently to this Subsidy Contract and/or collected a part or the whole of the ERDF co-financing when not due or in an excessive amount;
 - 4) is not able to finalize the Project in the period referred to in § 4 item 1 point 2 and if the implementation of planned actions is delayed by more than 6 months as compared to the schedule defined in the up-dated Application Form;
 - 5) did not start the Project implementation within 3 months from the starting date of the Project, referred to in § 4 item 1 point 1, for reasons in the Lead Beneficiary's control;
 - 6) ceased the Project implementation or the Project is implemented inconsistently to this Subsidy Contract;

- 7) did not meet the expected Project objectives for reasons in the Lead Beneficiary's control;
 - 8) did not achieve the expected effects of the Project implementation for reasons in the Lead Beneficiary's control;
 - 9) did not submit Project Progress Reports pursuant to this Subsidy Contract;
 - 10) refused to be subject to control or audit by authorised body;
 - 11) did not remedy the stated irregularities when due;
 - 12) did not submit the requested information or documents, especially after the reception of a written request from the Managing Authority or other institutions entitled to carry out control duties, in which the deadline was settled and legal consequences of failure to meet the request of the Managing Authority or other institutions entitled to carry out control duties were defined;
 - 13) is unable to prove that the final Project Progress Report contains complete and true data, and that the costs reported are eligible;
 - 14) is under liquidation or a bankruptcy proceeding was initiated against it, or the bankruptcy proceeding was dismissed due to insufficient assets to cover the costs of a bankruptcy proceeding or when it is subject to the receivership or when it suspended its business activity or it is a subject of similar proceedings;
 - 15) did not inform the Managing Authority about a change in its own or its Partners' legal status, which resulted in changing their legal status in such a way, that the requirements for the Partners and/or Lead Beneficiary defined in the Operational Programme are no longer fulfilled.
2. In case the Subsidy Contract is terminated for reasons referred to in item 1, the Lead Beneficiary is obliged to re-pay the ERDF co-financing granted along with interest calculated pursuant to the provisions of § 7 item 4. If the Subsidy Contract is terminated for reasons specified in item 1 point 3, 11 and 15, the Managing Authority, in duly justified cases, may decide to request the re-payment of only an adequate part of the ERDF co-financing granted.
 3. This Subsidy Contract may be terminated as a result of a common will of the contracting parties or as a result of circumstances which prevent further execution of the Subsidy Contract. In such cases the Lead Beneficiary is entitled to the part of ERDF co-financing which corresponds to the part of the Project executed correctly.
 4. The Subsidy Contract may be terminated upon a written request of the Lead Beneficiary, if the Lead Beneficiary re-pays the ERDF co-financing granted along with interest calculated pursuant to the provisions specified in § 7 item 4.
 5. Regardless the reason of the Subsidy Contract termination, the Lead Beneficiary is obliged to submit the final Project Progress Report within the deadlines defined by the Managing Authority and to keep available all documents related to its implementation for a period referred to in § 11 item 1 point 8.

§ 14.

FINAL REGULATIONS

1. If any of the provision of this Subsidy Contract turns out to be void, unenforceable or against the law, other provisions stay in force, and the Subsidy Contract shall be amended in order to replace or omit the void, unenforceable or against the law provision.
2. In the scope not regulated by this Subsidy Contract, provisions specified in the acts defined in the preamble, are being applied.

§ 15.

CORRESPONDENCE

Any correspondence related to this Subsidy Contract execution should be prepared in English and sent to the Managing Authority and the Lead Beneficiary and for the information of the Joint Technical Secretariat.

§ 16.

GOVERNING LAW AND JURISDICTION

1. The Subsidy Contract shall be governed by the Polish law and with respect to the § 14 item 2.
2. In case of a dispute, the Parties will aim to settle it by compromise.
3. In case the dispute is not resolved by amicable negotiations, it will be decided upon by the court of local jurisdiction in Poland.

§ 17.

SUBSIDY CONTRACT LANGUAGE

This Agreement is made in English in three counterparts: one for the Lead Beneficiary and two counterparts for the Managing Authority.

§ 18.

SUBSIDY CONTRACT VALIDITY

The Subsidy Contract enters into force on the date of its signing by both Parties.

Attachments:

1. *Up-dated Application Form,*
2. *List of approved projects by the Steering Committee during the meeting (#DateOfSCDecision#, #PlaceOfSCDecision#),*
3. *Template of the Register of Changes to the Subsidy Contract,*
4. *Power of attorney for the person representing the Minister of Infrastructure and Development,*
5. *Power of attorney for the person representing the Lead Beneficiary.*

Managing Authority

Lead Beneficiary

.....

.....

(signature)

(signature)

.....

.....

(Place, date)

(Place, date)

Attachment no. 3: Form of the register of changes to the Subsidy Contract

Lead Beneficiary: #LBTitleEnglish#

Subsidy Contract No #ApplicationNumber#-00

signed on

No.	Number of a paragraph of the Subsidy Contract	Side requesting for a change	Scope of a change	Date of approval of a change by the Managing Authority	Date of coming a change into force
1.					
2.					
...					