Standard Terms and Conditions of Contract

The Nordic Innovation Standard Terms and Conditions of Contract constitute an integrated part of contracts entered into by Nordic Innovation concerning the financing of projects.

Definitions:

**Budget**: The Financial plan for the implementation of the Project as defined in the Contract, detailing the expected income, including Grants and Pledges and expected costs during the Project Period.

**Co-operating Partners**: The entities that participate in the Project having committed themselves contractually to contribute with professional and/or with financial resources to the Contracting Partner for the implementation of the Project.

**Contract**: The Contract with any and all attachments thereto, together with these Standard Terms and Conditions of Contract, collectively comprise the Contract.

**Contracting Partner**: The legal entity having the rights and obligations defined by the Contract towards Nordic Innovation.

**Final Report**: As defined in clause 4.

**Grant**: A commitment made by Nordic Innovation regarding funding of the Project, binding in accordance with its written terms and conditions.

**Parties**: Nordic Innovation and the Contracting Partner.

**Pledge**: A commitment by Nordic Innovation to provide funding.

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

**Progress Report**: As defined in clause 4.

**Project**: The sum of activities detailed in the project proposal to which the funding relates, and as further described in the Contract.

**Project Accounts**: The accounts kept by the Project Manager to record the Project's actual income and actual costs.

**Project Period**: The time span as specified in the Contract, and during which the Project shall be performed.

**Project Plan**: The project plan shall include a milestone plan, budget, activity plan and results.

**Project Results**: All results, including information, materials and knowledge, generated or achieved in the Project, including intellectual property rights, regardless of whether or not they are protected.

1. THE PROJECT

1.1 PROJECT IMPLEMENTATION

The Contracting Partner undertakes to implement and carry out the Project in accordance with the Contract, including but not limited to the Project Plan as agreed in writing between Nordic Innovation and the Contracting Partner.

The Contracting Partner undertakes to immediately and without undue delay notify Nordic Innovation in writing of any substantial deviations from the Project Plan and/or from other circumstances and matters regulated by the Contract.

Nordic Innovation will at its discretion assess the impact and potential consequences of the notified deviations.

The Contracting Partner undertakes to ensure that the Project is implemented in accordance with all applicable laws, regulations, good ethical principles as well as recognized quality standards and norms. All who carry out activities under the Project, including Co-operating Partners, respect the rights and obligations laid down in the Contract.

1.2 CO-OPERATING PARTNERS
The Contracting Partner shall enter into an agreement with the Co-operating Partner(s) governing the relationship as well as respective rights and obligations of the Contracting Partner and the Co-operating Partner(s).

For the avoidance of any doubt, agreement(s) with Co-operating Partner(s) does not alter the fact that the Contracting Partner is solely responsible towards Nordic Innovation regarding reporting and communication.

The Contracting Partner shall ensure that the said agreement(s) with the Co-operating Partner(s) comply/complies with the terms, conditions and premises of the Contract.

Any changes in the composition of the Co-operating Partners, as described in the Contract, require the prior written consent of Nordic Innovation. Any such change may be considered a substantial deviation as set forth in clause 1.1.

2. GRANTS

2.1 GENERAL

A Nordic Innovation Grant is stipulated and disbursed in NOK. Nordic Innovation is not liable for any losses incurred in connection with fluctuation in currency exchange rates.

Nordic Innovation’s commitment to the Grant only comes into effect on the signing of the Contract.

Costs can be expensed to the project from the date of the signed contract unless otherwise explicitly expressed in writing by Nordic Innovation.

Any changes to the Project Budget during the project period and exceeding 10% of the total budget or 20% of a single budget item must be presented to and approved by Nordic Innovation.

2.2 DISBURSEMENT

The disbursement of the Grant will be initiated as soon as both Parties have signed the Contract and Nordic Innovation has received the signed Contract and, if relevant, a copy of the Co-operating agreement(s). Pledges for subsequent years will be disbursed as decided by Nordic Innovation.

Unless otherwise agreed upon, the following model applies to payments:

i. For Projects with a Project Period of one year or less, 50% of the Grant is disbursed at the signing of the Contract. The remaining 50% is disbursed at the final deliverables are fulfilled, including an approved final report according to clause 4.2. It is a prerequisite for the disbursement that all project deliverables and the final report are approved by Nordic Innovation.

ii. For Projects with a Project Period which exceeds one year, the following applies:
   a. 50% of the grant for the first year is disbursed at the signing of the Contract;
   b. The remaining 50% of the first year’s grant is paid once the annual report has been submitted and approved by Nordic Innovation. 50% of the following year’s grant is disbursed at the same time;
   c. 50% of the grant for the last project year is in all cases retained until the date of the conclusion of the project. It is a prerequisite for the disbursement that all project deliverables and the final report are approved by Nordic Innovation.

The project number must be stated in the invoice. The share of project costs that is covered by Nordic Innovation’s grant cannot exceed the percentage stipulated in the Contract.

2.3 REPAYMENT

In the event that the Final Report and the corresponding Project Accounts demonstrate that the actual costs of the Project are less than the costs stated in the Budget and Nordic Innovation’s contribution cannot exceed the percentage of the total project costs as stated in the Budget. Any such funds shall be reimbursed to Nordic Innovation in NOK and as directed by Nordic Innovation.

Nordic Innovation can demand that a part of, or all, the paid funds are immediately repaid if:

i. The Contracting Partner, or any of the Co-operating Partners, has provided erroneous or incomplete information that has been important to Nordic Innovations decision concerning the Grant or the payments;

ii. The funds, or part of the funds, have been used to cover expenses other than those expressed in the Contract;

iii. The final report and final accounts have not been submitted in accordance with the Contract;

iv. Any other significant breach of the Contract takes place.
If a grant under the Contract constitutes unlawful State Aid Nordic Innovation can recover the contribution plus interest from the day of payment until repayment is received. The aid beneficiary is under the obligation to inform Nordic Innovation about any other State Aid received.

2.4 RESERVATIONS

Notwithstanding any provision set forth in the Contract, the disbursement of the Grant for the first year and any Pledge for subsequent years, are subject to the satisfaction of i.a. the following conditions:

- There are no changes in public regulations (legislation, standards etc.) and no other unforeseen circumstances have arisen that will have a material and substantial impact on the implementation of the Project or Nordic Innovation’s ability to contribute to it.
- There are no substantial deviations from the Contract, cf. clause 1.1.
- The Progress Report submitted by the Contracting Partner as set out in clause 4.3 shall be approved by Nordic Innovation.

In the event that one or more of these conditions are not fulfilled, Nordic Innovation may at its sole discretion stop, withdraw or change the Grant and/or any Pledge for subsequent years, or if warranted under the circumstances, decide to terminate the Contract pursuant to clause 8.2.

3. ACCOUNTING AND AUDIT

The Contracting Partner undertakes to at all times keep updated Project Accounts. Nordic Innovation is at any time entitled to verify that the funds granted are applied in accordance with the Contract. Upon a request from Nordic Innovation, the Contracting Partner shall without undue delay deliver, and cause Co-operating Partners to deliver, to Nordic Innovation receipts, time sheets, calculations and any other document necessary for the verification mentioned above. If the verification reveals that funds are not applied in accordance with the Contract, Nordic Innovation may at its own discretion change or terminate the Contract, cf. clause 8.2.

Nordic Innovation can request that an authorized, external auditor shall verify and sign the final Project Accounts. If the Contracting Partner is under supervision of the National Audit Office, the person responsible for the Contracting Partner’s financial matters shall verify and sign the Project Accounts.

4. REPORTING

For Projects with a Project Period of one year or less, the Contracting Partner shall prepare and submit to Nordic Innovation a final report (referred to as the Final Report).

For Projects with a Project Period of more than one year, the Contracting Partner shall annually and within a deadline set by Nordic Innovation prepare and submit to Nordic Innovation an annual report (referred to as the Progress Report), including a financial report based on the Project Accounts.

The Progress Report shall provide information concerning the status and progress of the Project and explain any substantial deviation from the Contract, i.a. the Project Plan. The Contracting Partner shall report substantial deviations to Nordic Innovation without undue delay as set forth in clause 1.1.

The Contracting Partner shall prepare and deliver a Final Report, including final Project Accounts no later than three months after the completion of the Project Period unless otherwise agreed in writing between Nordic Innovation and the Contracting Partner.

Nordic Innovation can request further information in relation to internal and external assessments or in order to fulfil its reporting obligations during the Project Period and 3 years thereafter.

5. PROJECT RESULTS AND AGREEMENTS WITH CO-OPERATING PARTNERS

The Contracting Partner shall regulate the rights, ownership and other relevant terms and conditions, including potential protection and commercialization of Project Results, in a separate agreement(s) with the Co-operating Partners, as set out in clause 1.2.

On the demand of the Contracting Partner and with the approval of Nordic Innovation, project results may be kept secret after the completion of the project due to special grounds. Special grounds include the protection of the immaterial rights of project participants, risk of plagiarism, violations of the duty of confidentiality, risk of harm to the project participants'
various activities due to the publication, and other reasons that would make a publication requirement unreasonable in relation to the interests of the Contracting Partner and the Co-operating Partners.

6. PUBLICATION /COMMUNICATION

When the Project and/or Project Results are distributed/published, the financial contributions made by Nordic Innovation shall always be stated. Nordic Innovation may issue instructions of how such contributions shall be stated. Nordic Innovation may publish the name of the beneficiary, project title, and its financial contribution when a grant is given. After completion Nordic Innovation may publish a project summary and the Project Results. As a general rule, the Contracting Partner shall ensure that Project Results are made public as soon as possible. Publication of Project Results shall take place in consultation with the Contracting Partner.

The final report shall follow Nordic Innovations graphic profile and communication guidelines. Nordic Innovation’s logo must be visible and the role as a financier shall be made apparent in the communication material related to the project.

7. INDEMNIFICATION

Nordic Innovation is not liable for damages or losses of any kind resulting from or incorrect use of, equipment, methods or programs related to the Project.

The Contracting Partner shall keep Nordic Innovation indemnified from any and all claims from third party of whatever nature resulting from the implementation of the Project, including but not limited to claims related to infringements of intellectual property rights.

8. DURATION AND TERMINATION OF THE CONTRACT

8.1 GENERAL

The Contract enters into force from the date on which the Contract has been signed by Nordic Innovation and the Contracting Partner.

The Contract is terminated without further notice upon the satisfaction of each and all of the following conditions:

- Nordic Innovation has approved the Final Report; and
- Nordic Innovation has disbursed the Grant according to the Contract; and
- The Contracting Partner has reimbursed to Nordic Innovation any unused funds.

Termination of the Contract shall not in any way affect or impair the validity, legality and enforceability of the provisions contained in the Contract that by their nature are not limited to the Contract Period. This includes, but is not limited to, provisions regarding accounting, reporting and publication.

8.2 TERMINATION WITH IMMEDIATE EFFECT

Nordic Innovation may terminate the Contract in writing with immediate effect, and prior to the completion of the Project Period, if the Contracting Partner is in material breach of his obligations pursuant to the Contract, including but not limited to, the following situations:

- The Contracting Partner is unwilling or unable to complete the Project.
- There are substantial deviations from the Project Plan and/or from other circumstances and matters regulated by the Contract.
- The Contracting Partner is engaged in activities that are not compatible with current applicable legislation and/or the general aims and objectives of Nordic Innovation.
- The Contracting Partner has entered a petition for bankruptcy or a petition for bankruptcy or others have raised debt settlement negotiations against the Contracting Partner, or there is other compelling reason to believe that the Contracting Partner is insolvent.

Nordic Innovation may terminate the Contract in writing with immediate effect in the event that there are changes in public regulation or other unforeseen circumstances having material and substantial impact on the implementation of the Project or Nordic Innovation’s ability to contribute to it.
If Nordic Innovation terminates the Contract with immediate effect due to material breach on the part of the Contracting Partner, the Contracting Partner shall, if requested by Nordic Innovation, reimburse any funds received. Any remaining Pledges will become null and void.

9. MISCELLANEOUS

The Contracting Partner may not transfer any of its rights or obligations under the Contract without the prior written consent of Nordic Innovation.

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

This Contract is governed by and shall be interpreted in accordance with Norwegian law. Any disputes shall be settled by Oslo District court, unless otherwise agreed between Nordic Innovation and the Contracting Partner.

Nordic Innovation, Oslo, 04 June 2020