

eMS Code ROHU - 208

**Agreement between Lead Beneficiary and Project Beneficiaries
in the project "Improving quality management of cross-border rivers: Criş (Körös), Mureş
(Maros) and Tisa (Tisza)" - ROHU - 208
financed under the Interreg V-A Romania - Hungary Programme**

PARTNERSHIP AGREEMENT

Second Open Call for Normal Project Proposal

Having regard to

- ✓ 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;
- ✓ Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds;
- ✓ 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;

- ✓ Interreg V-A Romania-Hungary Programme (hereinafter referred to as Cooperation Programme), approved by the European Commission through 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;

The following documents have to be also respected in the framework of this Partnership Agreement:

- ✓ National rules applicable to the LB and its Project beneficiaries;
- ✓ 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.

the following Agreement is concluded between

Compania de Apa Arad / ARAD WATER COMPANY, , Sabin Dragoi street no. 2-4, post code 310178, Arad, Romania, tax identification number RO1683483 represented by BANATEAN GHEORGHE as Lead Beneficiary (hereinafter referred to as LB) of the project proposal called < AQUALITY >

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

and

Szegedi Vízmű Zártkörűen Működő Részvénytársaság / WATERWORKS SZEGED, , Tisza Lajos krt. 88, post cod 6720, Szeged, Hungary, , tax identification number 12634048-2-06, represented by **ISTÓKOVICS ZOLTÁN** as Project Beneficiary no.2 (hereinafter referred to as PB),

for the implementation of the project **ROHU208 „Improving quality management of cross-border rivers: Criș (Körös), Mureș (Maros) and Tisa (Tisza)”**, approved by the Monitoring Committee of the “Interreg V-A Romania - Hungary Programme” - on September 11, 2018 in Debrecen.

§ 1 Object

- 1) The object of this Agreement is the organisation of a partnership in order to implement the project **ROHU208 „Improving quality management of cross-border rivers: Criș (Körös), Mureș (Maros) and Tisa (Tisza)”**, selected under the Interreg V-A Romania - Hungary Programme.
- 2) Through the present Agreement, the parties establish their rights and duties, the way of achieving their tasks and the relations between Lead beneficiary and Project Beneficiaries, which shall apply in order to achieve the goals of the above-mentioned project.
- 3) The terms and conditions herein are acknowledged and accepted by all parties.


§ 2 Duration of the Agreement

- 1) The Agreement enters into force on the signature date the last party signs. The last party signing has the obligation to note the date.
- 2) The beginning date of the implementation of the project may be:
 - ✓ the next day the notification of approval of the project by the Monitoring Committee is received; or
 - ✓ the next day the Subsidy contract is signed; or
 - ✓ between notification and signing the Subsidy contract.

The project implementation starts on **01.12.2018**

- 3) The implementation period of the project is of **30** months.
- 4) The Agreement is valid for 5 years from the official closure of the Interreg V-A Romania-Hungary Programme.

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§ 3 Value of the project

- 1) The total eligible value is **4,060,327.24 EUR**, (non-refundable financing and the contribution of the beneficiaries), out of which:
 - ✓ **2,549,744.47 EUR** ERDF,
 - ✓ **360,887.29 EUR** State Budgets Co-financing,
 - ✓ **1,149,695.48 EUR** Beneficiaries own contribution.
- 2) Any ineligible expenditure shall be supported by the LB and Project Beneficiaries, apart from the approved budget.

§ 4 Financing of the project

- 1) MA awards a non-refundable financing from the ERDF of **2,549,744.47 EUR** /two million five hundred and forty-nine thousand seven hundred forty-four EUR and forty-seven cents
- 2) MA awards to Romanian beneficiaries a non-refundable financing from the national state budget of **264,244.35 EUR** / two hundred and sixty-four thousand two hundred and forty-four EUR and thirty-five cents.
- 3) NA awards Hungarian beneficiaries a non-refundable financing from the national state budget of **96,642.94 EUR** / ninetysix thousand six hundred and forty two EUR and ninety four cents
- 4) The Lead Beneficiary and Project Beneficiaries participate in the project with their own contribution representing **1,149,695.48 EUR** / one million one hundred forty-nine thousand six hundred ninety-five EUR and fourty eight cents and support the non-eligible expenditure, apart from the project budget, according to their contribution to the project.
- 5) The total eligible budget of LB is **3,093,801.24 EUR**, out of which **1,728,197.37 EUR** represents 55.86% ERDF, **264,244.35 EUR** represents 8,541% state national co-financing and **1,101,359.52 EUR** represents 35,599% its own contribution.²
The total eligible budget of PB is **966,526.00 EUR**, out of which **821,547.10 EUR** represents 85,00% ERDF, **96,642.94 EUR** represents 10,00% state national co-financing and **48,335.96 EUR** represents 5,00% its own contribution.
- 6) The Lead Beneficiary is responsible in front of the Managing Authority for the sound financial management of the project.
- 7) The Lead Beneficiary receives the amounts mentioned at paragraph 1 directly from the MA, and is responsible for transferring the amounts to each Project Beneficiary

² This article shall be completed for each beneficiary.

according to the Subsidy contract.

- 8) The Romanian Project Beneficiaries receive the amounts mentioned at paragraph 2 directly from the MA, according to the co-financing contract; the Hungarian Project Beneficiaries receive the amounts mentioned at paragraph 3 directly from the NA, according to the co-financing contract.
- 9) Any modification of the project has to be agreed by all Project Beneficiaries, justified and submitted by the LB to the Joint Secretariat in a written form.

§ 5 Eligible Expenditures

- 1) The expenditures related to the project are eligible provided that they respect the applicable European and national legislation in force, the Interreg V-A RO-HU Programme and Call for Proposal rules, they are stipulated in the project and the respective beneficiary budget, and provided that they comply with the terms and conditions stipulated in the Subsidy contract.

§ 6 Reimbursement of the expenditures

- 1) 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.
- 2) The LB has the possibility to ask expenditure for reimbursement to the MA via a project report submitted in the electronic system at any given time for one or more project beneficiaries 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.
- 3) 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.
- 4) The LB must present all documents to the controllers and make sure that all project beneficiaries present their documents, in order to be verified (including the description of the activities' progress and relevant documents as foreseen by the draft of the partner reports within the electronic system) before drafting and forwarding the project report. All supporting documents should be uploaded by the beneficiaries via electronic system.
- 5) The LB must create and submit to Joint Secretariat (JS) the project reports including both financial and physical progress of the project via the electronic system.

the information provided by the Project Beneficiaries in their partner reports, based on the conditions provided hereunder, in the Project Implementation Manual, eMS 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 partner reports will cover exactly the period of the requests for FLC verifications.

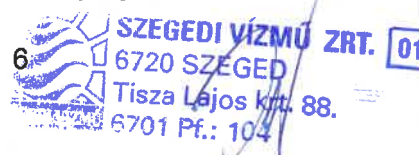
- 6) The project report submitted by the LB shall contain only validated expenditure and shall be supported by the First Level Control Report issued by the Controllers of the Project Beneficiaries. The expenditures that were not validated by the controllers are deemed to be non-eligible for the programme and shall not be requested for reimbursement.
- 7) The LB must include in a project report both physical and financial progress of the project (with the exception of the situation regulated by the PIM, chapter 3 related to interim reports of above EURO 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.
- 8) The final project report and the final Reimbursement claim have to be submitted to the JS at the latest within five months after the end date of the implementation period of the project.
- 9) The funds are reimbursed only in Euro and will be transferred into a special bank account, indicated by the LB. The LB can use the same bank account for more projects with the amendment that it will have a proper analytical accounting system for each project. The exchange rate differences are non-eligible expenditures for the project. The exchange rate risk is borne by the beneficiary concerned.
- 10) 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. Lead Beneficiary

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

- 1) The LB guarantees that it is entitled to represent all beneficiaries participating in the project and that it has established with its project beneficiaries the division of



responsibilities regarding the project in the form of the Partnership Agreement.

- 2) The LB has the responsibility of implementing the project according to the provisions of the Subsidy contract, of the Application Form and its annexes approved by the Monitoring Committee, of the present Partnership Agreement (annexed to the Subsidy contract) and of the European and national legislation in force. The LB shall be responsible in front of the MA for the implementation of the obligations assumed in the Subsidy contract and in the Partnership Agreement, for the implementation of the project and for achieving the goals stipulated in the contract and its annexes.
- 3) The LB guarantees furthermore that itself and all beneficiaries have complied with all legal requirements and that all necessary approvals for the proper implementation of the project have been obtained.
- 4) The LB ensures the implementation of the entire project and has to:
 - a) assume responsibility for ensuring implementation of the entire project;
 - b) ensure that expenditure presented by all Project Beneficiaries has been incurred in implementing the project and corresponds to the activities agreed between all the Project Beneficiaries, and is in accordance with the provisions of the Subsidy contract;
 - c) 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 wholly or in part;
 - d) comply with the regulations referred to in the preamble to this contract as well as with relevant European and national legislation;
 - e) know and observe the provisions of the Guide for Applicants (GfA) afferent to the Open Call for Proposals, paying special attention to the limitations (value, percentage, duration etc) referred to therein, of the Subsidy contract and Project Implementation Manual (published on the programme website www.interreg-rohu.eu). During the implementation/first level control/validation/verification process, the Project Implementation Handbook in force at the specific time will apply;
 - f) observe and make sure that all Project Beneficiaries observe the European and national legislation on state aid, equal opportunities, sustainable development, environmental protection;
 - g) make and satisfy itself that all Project Beneficiaries make all expenditure according to the national laws on public procurement of the country on whose territory the beneficiary is located. 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) ensure that all the Project Beneficiaries select the final beneficiaries of the projects (target groups) by a transparent procedure;
 - i) present its own expenditure, and ensure that the Project Beneficiaries present their expenditures, to the controllers for verification, in maximum 15 calendar days after the end of the reporting period, except for the final partner 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. Requests for first level control not accompanied by appropriate supporting documents will not be taken into consideration;
 - j) ensure that all Project Beneficiaries submit their contributions to the reimbursement claim at least 10 calendar days before the deadline for submitting the reimbursement claim to the JS;
 - k) ensure that all Project Beneficiaries have a proper analytical accounting system and the expenditure is properly registered; the accounting system must be in line with the national legislation;
 - l) observe and make sure that all Project Beneficiaries observe the provisions of the Visual Identity Manual (published on the programme website www.interreg-rohu.eu).
- 5) The LB ensures that the first level controllers have verified the expenditure presented by the Project Beneficiaries participating in the project.
- 6) When drafting the reimbursement claim, LB is liable towards the MA for consolidating the information from all Project Beneficiaries requesting reimbursement of the expenditure, being responsible for collecting documents and information from every project beneficiary. Irrespective of the time when reimbursement claims are submitted, LB submits for each reporting period consolidated project reports, being responsible for collecting documents and information from every project beneficiary.
- 7) LB is liable towards the MA for ensuring that all Project Beneficiaries have a legal status, that they have the capacity to manage the project, that they observe the provisions of the GfA. Moreover, the LB is liable towards the MA for ensuring that the Project Beneficiaries fulfil their obligations regarding the implementation of the project. The LB is also liable towards the MA for all irregularities, even those committed by the Project Beneficiaries.
- 8) The LB must answer all written requests from the MA, JS or other bodies involved in the implementation of the Programme within the deadline stipulated in the respective request. The LB is responsible for gathering the information from all project beneficiaries in due time.
- 9) The LB takes full responsibility for the damages caused to third parties from its own project

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fault during the implementation of the project. The MA has no responsibility for the damages caused to third parties as a result of executing the contract.

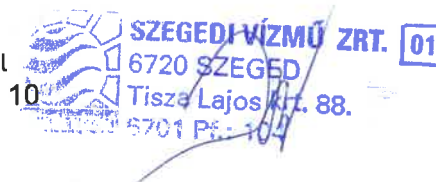
- 10) The LB must not receive or have received money from other Programmes for the same project. The LB ensures that the Project Beneficiaries respect the same obligation.
- 11) Any results or rights related to the project, including author's rights and/or any other intellectual or industrial property rights, obtained from the implementation or as a result of the implementation of the contract, except the cases where such rights exist before the contract, shall represent the property of the LB and/ or of the project beneficiaries, according to the approved application form and the present agreement.
- 12) The LB 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.
- 13) 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.
- 14) The Lead Beneficiary understands and agrees that the MA has delegated tasks to the JS, according to the Framework Agreement concluded between the MA and the JS and therefore the Lead Beneficiary agrees to cooperate with the JS in the same way as with the MA.
- 15) In dully justified cases, not imputable to the beneficiaries, when a Project Beneficiary is in impossibility of fulfilling its obligations according to the contract, the 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 Head of MA signing the contract, the suspension of the contract starting with the date indicated by the beneficiary . The beneficiary requesting the suspension of the implementation period has the obligation to inform MA in maximum 3 working 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 Project Beneficiaries. During the suspension period no activity shall be performed by any of the Project Beneficiaries.

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- 16) The LB has the obligation to inform the MA about any situation that may cause the termination or delay in the execution of the subsidy 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 subsidy contract.
- 17) If the MA demands repayment of the ERDF in accordance with the Subsidy contract, the LB is liable to the MA for the total ERDF that has been reimbursed to him.
- 18) The LB 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. The LB guarantees that all of its Project Beneficiaries fulfil this duty.
- 19) 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 after the official closure of the Interreg V-A Romania-Hungary Programme, the LB has the obligation to preserve and to present, to the Joint Secretariat (within the Regional Office for Cross-Border Cooperation Oradea for Romania-Hungary Border - BRECO, Romania), MA, Certifying Authority (within the Romanian Ministry of Regional Development and Public Administration), Audit Authority (within the Romanian Court of Accounts), European Commission (EC), European Court of Auditors and any other body designated to perform controls or audits 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.
- 20) In case of remaining funds/economies, the LB must notify the MA within 15 calendar days following the finalization of implementation of the public procurement contracts at project level.
- 21) 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.
- 22) The LB and the project beneficiaries 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 project the LB has the obligation to submit annually a sustainability report.
- 23) The LB must observe the recommendations received after an audit, control, otherwise the MA has the right to terminate the Subsidy contract. The LB ensures that the Project Beneficiaries fulfil this obligation.
- 24) 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.


³ The date of the last financial transfer at project level



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.

B. Project Beneficiaries (including the Lead Beneficiary where applicable)

- 1) LB/PB implements the part of the project for which it is responsible, in due time, according to the descriptions of the (individual components) Application Form approved by the Monitoring Committee and other documents agreed between the MA and the LB.
- 2) The Project Beneficiary has the responsibility of implementing the project according to the provisions of the present Agreement, of the European and national legislation in force.
- 3) PB notifies the Lead Beneficiary regarding any situation that may lead to the temporary or permanent impossibility or to any other drawback in the implementation of the project in maximum 3 working days from the event causing the impossibility.
- 4) LB/PB do the utmost to obtain the necessary approvals, agreements and construction authorizations within 6 months from the signing of Subsidy contract, if the case. After this period, the MA may request the above mentioned documents.
- 5) LB/PB observes the European and national legislation in general and especially on public procurement, state aid, equal opportunities, sustainable development and environmental protection.
- 6) LB/PB is responsible for its budget up to the amount it participates in the project.
- 7) LB/PB shall maintain a proper analytical accounting system; the accounting system must be in line with the national legislation.
- 8) The Project Beneficiary supports the Lead Beneficiary in drawing up project reports and the final project report by providing the required data on time; drafts and submits to the Lead Beneficiary all necessary data for the reimbursement claims.
- 9) The Project Beneficiaries have the obligation to respond to any request of the Lead Beneficiary within the deadline stipulated in the respective requests.
- 10) Each Project Beneficiary is responsible for uploading in the electronic system the partner report and any other documents, including copies of each supporting document (bills, documents related to the procurement procedure, bank account statements etc.) in due time
- 11) The beneficiaries must present the documents related to the expenditures to the first level control in 15 calendar days from the end of the reporting period, according to the spending forecast attached. Exception is the final partner 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.

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- 12) LB/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.
- 13) Each Project Beneficiary must submit to the Lead Beneficiary any documents necessary for drafting specific documents requested by the MA/JS or other implementing bodies of the programme.
- 14) The Project Beneficiary will produce all documents required for the audit, control or evaluation, provide necessary information and give access to its business premises. The Lead Beneficiary and the Project Beneficiary are at all times obliged to retain for audit and control purposes all files, documents and data about the project for 3 years after the official closure of the Interreg V-A Romania-Hungary Programme. The documents must be properly archived. Also, the MA must be informed on the location of these documents.
- 15) The Project Beneficiaries must implement the measures included in the action plan, at the stipulated deadlines, set by the Lead Beneficiary/MA/JS, according to the recommendations resulted from the audit missions of the European Commission, Audit Authority or other empowered audit and control bodies.
- 16) All Project Beneficiaries understand that the Managing Authority (MA) and the National Authority (NA) are entitled to verify and to control the proper use of funds by the LB or by Project Beneficiaries. The verifications to be carried out by the Managing Authority/National Authority shall cover administrative, financial, technical and physical aspects of projects, as appropriate. The MA and NA shall be responsible for the control of the proper use of funds by the LB or by beneficiaries, by preventing, detecting and correcting irregularities and recovering amounts unduly paid together with interest on late payments where appropriate.
- 17) The Project Beneficiaries understand and agree that the MA may delegate tasks to the JS, therefore JS may act in the name and on behalf of MA.
- 18) In case an irregularity is discovered, the Project Beneficiary is responsible to reimburse the ERDF amounts affected by the irregularity to the Lead Beneficiary, even if the irregularity was committed by a sub-contractor, in 20 calendar days from notification.
- 19) Any extra payment done by the Lead Beneficiary to a Project Beneficiary is considered unduly paid amount, and the Project Beneficiary has to repay the respective amounts in 20 calendar days from the receiving date of the notification from the Lead Beneficiary.
- 20) In case the unduly paid amounts are not reimbursed to the Lead Beneficiary in due time, the Project Beneficiary has to pay delay penalties. Starting with the 21st day as of the expiry of the deadlines stipulated at paragraphs 18, 19, an interest rate 1.5% higher 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.

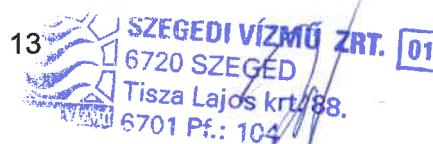
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- 21) The bank charges resulted from reimbursing the unduly paid amounts are borne exclusively by the Project Beneficiary making the reimbursement.
- 22) Each Project Beneficiary, including the Lead Beneficiary, shall be responsible to the other Project Beneficiaries and shall pay for the damages resulted from not observing the tasks and obligations established by the present Agreement and its annexes.
- 23) Each Project Beneficiary is responsible for the damages caused to third parties from its own fault during the implementation of the project.

§ 8 Information and communication

- 1) The Lead Beneficiary and all Project Beneficiaries 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 Lead Beneficiary and all Project Beneficiaries are responsible for the implementation of the information and communication activities related to the non-refundable financial assistance received through the programme.
- 3) The Lead Beneficiary and all Project Beneficiaries shall ensure transparency and accurate information to the mass media on the projects financed under the Programme.
- 4) Any notice or publication issued by the 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 Beneficiaries (including the Lead Beneficiary) must observe the Visual Identity Manual (available on the programme website: www.interreg-rohu.eu or on request at the Joint Secretariat).
- 6) The Project Beneficiaries 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 the 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 represent the official position of the European Union. The responsibility for the content of materials belongs solely to the 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, as 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 ERDF.

- 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 LB shall ensure the proper means of communication between the project and the Programme, including:
 - a) participation, whenever requested, in LB 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 19 and article 8 of the present Agreement, the Managing Authority and the Lead 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 it concerning providing 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 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.

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 Lead 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 subsidy contract in case the beneficiaries fail 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 subsidy contract, after verifying the reasons and any relevant documents presented by the LB and the related documents.
- 7) In case the subsidy contract shall be terminated, the MA notifies the LB

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decision and the related financial measures. In this case, within 30 calendar days from receiving such notification, the LB and/or project beneficiaries 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 Lead 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 LB 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 LB regarding the unduly paid amount, and the LB 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 Lead Beneficiary and/or any other beneficiary of the project.
- 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 Performance Framework, according to Article 22 of Regulation (EC) No 1083/2006 with regard to the performance framework, according to Article 22 of Regulation (EC) No 1083/2006

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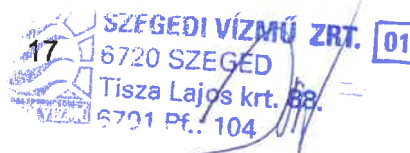
No. 1303/2013, and based on the provisions of Commission Implementing Regulation (EU) No 215/2014, the Managing Authority may decide to cover the financial correction from the projects' budgets which have not achieved their indicators.

- 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 State aid related irregularities are discovered, all necessary steps shall be taken in order to recover the aid granted, including related interests, calculated in accordance with the European provisions in force. The recovery of illegal State aid/illegal indirect 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. The provisions of the present paragraph apply also in case of illegal/misused indirect aid, irrespective of the identity and the status of the State Aid beneficiaries.

As an exception to Art.2 (4), the provisions of the present paragraph remain in force beyond the contract validity period.

§ 12 Disputes between beneficiaries

- 1) Should any dispute arise between Lead Beneficiary and/or any other Project Beneficiary, amiable conciliation shall be attempted. In case no amiable solution can be reached, the Lead Beneficiary and/or any other Project Beneficiary shall be obliged to request and accept arbitration carried out by an ad-hoc arbitration court. This will consist of two people of both nationalities, appointed by mutual agreement of the all beneficiaries of the project, from a list of persons nominated beforehand. Should the beneficiaries fail to designate all the expert arbitrators within one month from the Lead Beneficiary's request, the Lead Beneficiary shall have the authority to appoint both expert arbitrators.
- 2) Lead Beneficiary and/or any other Project Beneficiary shall be obliged to accept and apply the decisions of the arbitration court, subject to the applicable law hereby agreed upon and in compliance with the provisions of the Community law.
- 3) Any dispute that, from any reason, fails to be solved by the arbitration court



involves the Lead Beneficiary shall be governed by the law applicable to the Lead Beneficiary, while, if the Lead Beneficiary does not take part in the dispute, the applicable law is the one of the petitioner.

§ 13 Assignment, legal succession

- 1) The Lead Beneficiary and/or any other Project Beneficiary cannot renounce totally or partially the rights and obligations resulted from the present Partnership Agreement unless it has the clear agreement of all beneficiaries participating in the project.
- 2) In case of legal succession, e.g. where the LB and/or any other PB changes its legal form, the LB and/or any other PB is obliged to transfer all duties under this contract to the legal successor. The LB and/or any other PB shall notify the MA, via JS, about any change with 15 working days beforehand.

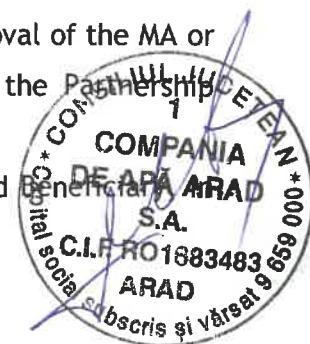
§ 14 Amendment of the Agreement

- 1) Any modification to the present Agreement is made only with the agreement of all parties and takes the form of an addendum to the present Agreement.
- 2) As an exception from the provisions of paragraph 1, the LB/PB may make the following changes, with the timely notification of the other beneficiaries participating in the project:
 - a) change of headquarter may be done and shall be forwarded to the MA within 15 calendar days following the change of address;
 - b) material errors in the text of the agreement notified to the MA immediately upon correction.
- 3) Addenda enter into force the next day after their signing by the last party, except the case when the addendum confirms modifications occurred in the national/European applicable legislation with impact on the implementation of the present Agreement, modifications that become effective from the date the respective legal acts enter into force.

§ 15 Termination of the Agreement

- 1) In exceptional and duly justified cases, including "force majeure", the Lead Beneficiary may decide on terminating the Agreement, by a written notification, the obligations the parties have towards the MA remaining valid until the MA or the Monitoring Committee decide to terminate the Subsidy contract.
- 2) The termination of the Subsidy contract is possible only with prior approval of the MA or of the Monitoring Committee, according to each case. In such case the Partnership Agreement will be also terminated.
- 3) The Partnership Agreement may be terminated, by decision of the Lead Beneficiary

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whole or in part, without any other delay or formality, and the Project Beneficiary is obliged to repay to the Lead Beneficiary the amounts already received, in the following cases:

- a. an inconsistency between the reality and the declarations of the beneficiary in the Application Form is found, regarding the financing of the project from national or European public funds, or regarding the financing from other national or European programmes;
 - b. the subsidy awarded has been partially or entirely misapplied for other purposes than those agreed upon, including 5 years after the financial closure of the project;
 - c. a Project Beneficiary closes down, unless the project beneficiary is replaced and the project can be continued in accordance with the programme rules;
 - d. In case of projects comprising investment in infrastructure or productive investment, the MA finds that during the implementation period of the project including 5 years after the financial closure of the project, the LB or any Project Beneficiary are subject to any of the following:
 - ✓ A cessation or relocation of a productive activity outside the programme area;
 - ✓ A change in ownership of an item of infrastructure which gives to a firm or public body an undue advantage;
 - ✓ A substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.
 - e. the PB fails to observe the provisions of article 7 part. B paragraph (12) of the present Agreement;
 - f. in case the project is no longer eligible, if during its implementation such modifications appear that affect the implementation conditions/ create for a third party an unjustified advantage, or if the modification is the result of a change in the nature of the property/ ceasing/ change of the location of the investment;
 - g. a Project Beneficiary did not notify the Lead Beneficiary in due time on a case of conflict of interests or the necessary measures for ending such a situation were not taken;
 - h. the Project Beneficiary did not start the implementation of the project according to the provisions of the approved Application Form;
- 4) The Lead Beneficiary has the right to terminate this Agreement with a previous conciliation procedure and to demand repayment of the amounts already paid 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; or
 - b. the Project Beneficiary has failed to submit in the deadlines the required partner reports or proofs, or to supply necessary information, in the deadline and

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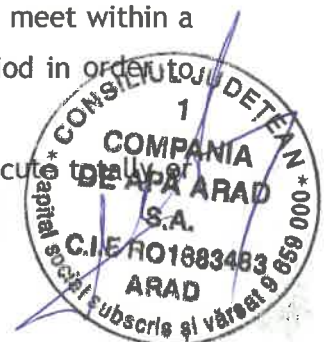
duly justified these delays or

- c. the Project Beneficiary has impeded or prevented the auditing; or the recommendations resulted from the audit missions have not been observed; or
 - d. a fraud is discovered at Project Beneficiary level; or
 - e. the Project Beneficiary has failed to fulfil any other conditions or requirements stipulated in this Agreement.
- 5) Any breach of the provisions of the present Agreement may result in the termination of the present Agreement and in decummitment of financing and repayment of amounts unduly paid.

§ 16 Force majeure

- 1) Force majeure is any external event, unforeseeable, absolutely invincible and inevitable occurred after the conclusion of this Partnership Agreement and which prevents the execution of all or part of this agreement. Force majeure, established under the law, exonerates the parties in case of failure to execute totally or partially the obligations under this agreement, 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 fulfilment of the obligations of one of the parties. The party invoking force majeure shall notify the other party regarding the force majeure event, within 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 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 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 Partnership Agreement 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 the Partnership Agreement for a period longer than 3 months, the Parties will meet within a period not exceeding 10 calendar days from the expiry date of this period in order to agree on how to continue, modify or terminate the Agreement.
- 7) Fortuitous event does not exonerate the parties in case of failure to execute totally or

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partially the obligations under this Agreement.

§ 17 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, fulfilment 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.

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.

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§ 18 Correspondence

- 1) The correspondence for the present Agreement shall be submitted to the following addresses:
 - Lead Beneficiary - **Compania de Apa Arad**, Arad, str. Sabin Dragoi nr. 2-4, tel: +40257-270843, Fax: +40257-270981, email: apacanal@caarad.ro
 - Project Beneficiary - **Szegedi Vízmű Zártkörűen Működő Részvénytársaság**, Hungary, Szeged, Tisza Lajos krt. 88, tel: 0036-62-558-855, fax: 0036-62-558-800, e-mail: titkarsag@szegedivizmu.hu
- 2) The reports and reimbursement claims and any other official document submitted for the implementation of the project must be signed by the legal representative of the Project Beneficiary or by its mandate.

The entire correspondence regarding the present Agreement shall be done in written form, by mentioning the title of the project, the project code and shall have a registration number (entry and exit).

§ 19 Final provisions

- 1) The parties undertake to comply in good faith with all and every provision hereof according to the binding value of the Agreement entered into by the parties.
- 2) The Agreement is governed by the law of the country of the Lead Beneficiary.
- 3) The working language shall be English.

§ 20 Signatures

- 1) The present Agreement is concluded in 2 copies. Each copy must be countersigned by the Lead Beneficiary and every Project Beneficiary.
- 2) The following Annexes shall be deemed to form and be read and constituted as part of this Agreement:
 - ✓ **Annex 1:** Project Application generated by the Electronic Monitoring System - eMS.
- 3) The Agreement 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:

- a) Partnership Agreement;
- b) Any subsequent amendments of the Agreement and its annexes made in accordance with the provisions of Article 14.



- 4) All the amendments to this Agreement will be issued in 2 original copies, in English language, one for the Lead Beneficiary and one for each project partner.

Lead Beneficiary

Compania de Apa Arad

Legal representative: **CEG**

Name: **BANATEAN GEORGHEA**

Signature

Date *2018.11.20.*



Project Beneficiary

Szegedi Vízmű Zártkörűen Működő

Részvénytársaság

Legal representative: **CEO**

Name: **ISTÓKOVICS ZOLTÁN**

Signature

Date *2018.11.20.*

