

SUB-GRANT AGREEMENT

CYSSDE

Open Call 3 - Penetration Test
and Vulnerability Assessment

DRAFT

LEUVEN SECURITY EXCELLENCE CONSORTIUM L-SEC VZW (LSEC), established in KASTEELPARK ARENBERG 10, LEUVEN 3001, Belgium, PIC number 989929815, -
Consortium **Coordinator**
FUNDINGBOX ACCELERATOR SP. Z O. O. (FBA), established in Postępu 15, 02-676 Warszawa, POLAND, mailing address: Dworcowa 7, mailbox 37, 62-020 Swarzędz, POLAND, PIC number 951227688, VAT number: PL7010366812, represented by Anna Dymowska (CEO) -
Consortium **Partner**

as well as

1. DIRECTORATUL NATIONAL DE SECURITATE CIBERNETICA (DNSC), established in STR ITALIANA 22 SECTORUL 2, BUCURESTI 020976, Romania, PIC number 953626692, **2. SME INSTITUTO NACIONAL DE CIBERSEGURIDAD DE ESPANA MP SA (INCIBE)**, established in AVENIDA JOSE AGUADO 41, LEON 24005, Spain, PIC number 987077918,, **3. TOREON BV (TOREON BV)**, established in GROTEHONDSTRAAT 44 BUS 1/1, ANTWERPEN 2018, Belgium, PIC number 883224286, **4. CEEYU (CEEYU)**, established in GULDENSPORENLAAN 24, BONHEIDEN 2820, Belgium, PIC number 883464652, **5. CYBER RANGES LTD (SILENSEC)**, established in ANALIPSEOS 22 KATO POLEMIDIA, LIMASSOL 4154, Cyprus, PIC number 911655568, **8. FUNDINGBOX COMMUNITIES SL (FBC)**, established in CALLE MENDEZ ALVARO 20, MADRID 28045, Spain, PIC number 911373783, VAT number: B87857256 -
Consortium **Partners**

Forming CYSSDE Project Consortium and represented for the purposes of signing the Agreement by FUNDINGBOX ACCELERATOR SP. Z O. O. (FBA),
(hereinafter referred to as Contractor)

and

[FSTP BENEFICIARY NAME] an entity organized under the laws of [COUNTRY] established in [ADDRESS – STREET, POSTCODE, CITY, COUNTRY], with VAT nr [TAX IDENTIFICATION NUMBER] duly represented by [PERSON OF REPRESENTATION WITH FUNCTION] hereinafter referred to as the **Beneficiary**.

hereinafter **Contractor** and **Beneficiary each** individually referred to as a **Party** and collectively as **Parties**,

have agreed to enter into this Agreement with the terms and conditions below.

Article 1 GRANT

1. This document outlines the terms for:
 - a. granting and paying financial support **(the Grant)** to the Beneficiary by the Consortium and
 - b. Beneficiary's participation in the CYSSDE 3rd Open Call - Penetration Testing and Vulnerability programme **(the Programme)**.
2. The grant is provided for the project called "[beneficiary's project name]" **(the Project)**, which was selected in the CYSSDE 3rd Open Call. The application form submitted in the Open call is Annex 1 to this Agreement.
3. **The maximum grant amount is 200.000 EUR (two hundred thousand EUR) and it will be paid as a lump sum.**
4. In addition to the financial support, the Beneficiary will receive tailored mentoring from the assigned expert from CYSSDE technical partners. The Beneficiary is entitled to approximately 40 hours of mentoring (18 sessions). Assigned mentor/s will provide hands-on support in risk monitoring, vulnerability disclosure, and awareness creation, facilitating connections to industry events and broader dissemination opportunities and providing development and assessment of activities related to the CYSSDE 3OC.

Article 2 DURATION AND STARTING DATE OF THE PROJECT

1. The duration of the whole Programme is up to 18 months, starting from July 1, 2026 (the **Starting Date**) to December 31, 2027 (the **End Date**) - the **Programme Period**.
1. The Beneficiary may request an extension of the Programme Period if objective conditions prevent timely implementation of the Project.
2. The extension request must explain the reasons and the desired extension period. The Selection Committee will review the request and may approve an extension, up to 3 months after the Support Programme ends. Such an extension does not require an amendment to the Agreement but must have prior approval from the Committee.
3. The provisions of this Agreement shall remain in effect for six (6) years after the CYSSDE Project completion date (which is planned for 31.05.2028, but might be extended).

Article 3 PAYMENT OF THE GRANT

1. The grant will be paid in the following tranches:

AMOUNT	CONDITIONS/TERMS	DELIVERY Month	PAYMENT DATE
Up to 10,000.00€ (5%)	Stage 1: Delivery and positive evaluation of the Execution plan	M1	Approx. 30 days after a positive assessment of the milestone
Up to 60,000.00€ (30%)	Stage 2. Delivery and positive evaluation of the Development of testing scenarios.	M6	Approx. 30 days after a positive assessment of the milestone
Up to 80,000.00€ (40%)	Stage 3. Delivery and positive evaluation of the Pen Testing or/and Vulnerability Assessment Results, and completion of at least 10 penetration tests	M15	Approx. 30 days after a positive assessment of the milestone

Up to 50,000.00€ (25%)	Stage 4. Delivery and positive evaluation outputs and sustainability services. Following activities and/or publications.	M18	Approx. 30 days after a positive assessment of the milestone

2. Payment of each of the tranches depends on:
 - a. proper and timely implementation of the Project,
 - b. delivery of the Execution Plan - applicable only for the first payment,
 - c. meeting milestones/KPIs agreed in the Execution Plan,
 - d. delivery of the required documents.
3. Payments will be made into the bank account [bank account number].
4. Payments are considered completed on the date they are debited from FBA's account.
5. Payments will be made in euros. The Beneficiary shall provide a bank account denominated in euros; otherwise, the Beneficiary will bear the currency conversion costs.
- 6. A 50% co-funding is required. The Beneficiary shall co-finance the activity by a minimum of 50% of the total costs of the activity.**
7. A delayed payment mechanism will be applied to all payments. 10% of each tranche will be paid to the Beneficiary once the entire CYSSDE Project is completed and all the milestones are achieved by the Beneficiary. The final payment will be released 9 months after the end of the CYSSDE Project. The expected end of the CYSSDE Project is 31.05.2028.
8. The Consortium and its partners are not liable for payment delays caused by:
 - a. lack of funds in the FBA's bank account from which payments are made,
 - b. delays due to circumstances beyond Consortium's control,
 - c. suspension or termination of the CYSSDE Grant Agreement no. 101158471,
 - d. delays due to an extension of the CYSSDE Project,
 - e. delays resulting from delays in financial settlements with the European Commission.

Article 4 EXECUTION PLAN

1. The Execution Plan is a general plan for the Project that outlines the timeline, milestones, and key performance indicators (KPIs) to be met.
2. The Execution Plan is developed within the first month of the Project and must be approved by the Selection Committee.
3. Once approved, it automatically becomes an attachment to the Agreement without requiring further amendments.

Article 5 BUDGET and ELIGIBLE COSTS

1. The grant will be paid as a lump sum.
2. The lump sum is a simplified method of settling expenses. Under this method, the Beneficiary is not required to present strictly defined accounting documents to prove the cost incurred (e.g. invoices), but is obliged to demonstrate the proper implementation of the project in line with the budget and milestones set for the Project. The lump sum does not release the Beneficiary from the obligation to collect documentation to confirm the costs under fiscal regulation.

3. The Project budget is outlined in the Execution Plan, and includes all approved costs for the Project. If the budget specified in the Execution Plan is lower than the maximum grant amount, the grant will be adjusted to match the lower budget.
4. **Eligible costs are** direct and indirect costs incurred during the Programme Period, aligned with the Project budget in the Execution Plan, and linked to properly implemented tasks. They may include:
 - a. personnel costs
 - b. purchases (e.g., travel, equipment, goods, services)
 - c. overheads,
 - d. and subcontracting.
5. Ineligible costs are:
 - a. costs that don't meet the above criteria,
 - b. costs claimed under another publicly funded grant,
 - c. costs incurred outside the Programme Period.
 - d. costs incurred outside eligible countries, including subcontracted work. For the purpose of this agreement, eligible countries are European Union countries. Ineligible countries are countries outside the EU.
 - e. costs incurred by subcontractors that are not registered in an EU Member State or are directly or indirectly controlled by a country outside the EU or an entity registered in an ineligible country.
6. The Beneficiary can not use subcontractors that are not registered in the EU Member State or are directly or indirectly controlled by a country or entity that is registered outside the EC.
7. The Beneficiary acknowledges that "no double funding" applies to this grant, meaning the same costs for the same activity cannot be funded twice with public money. This is a key rule for EU funding and must always be followed. The Beneficiary undertakes to follow this rule. The Beneficiary cannot use money received within the CYSSDE Project to cover activities other than the ones related to the Project.
8. If the Project (or part of it) is not properly implemented, the corresponding lump sum or instalment will be rejected as ineligible, and the grant will be reduced accordingly.

Article 6 ELIGIBILITY CONDITIONS

1. By signing the Agreement the Beneficiary declares that it meets the eligibility conditions for participation in the CYSSDE 3OC Penetration Testing and Vulnerability as defined in the CYSSDE 3rd Open Call Terms and Conditions and stated in the Application form (Annex 4).
2. In particular, the Beneficiary confirms that:
 - a. information concerning its legal status provided to the Contractor is correct, complete and up-to-date;
 - b. all the data included in the formal check form are true, correct, complete and up to date;
 - c. it has not received any other EU grant for the Project and will give notice of any future EU grants related to this Project awarded to the Beneficiary;
 - d. it has stable and sufficient sources to maintain the activity throughout the action and to provide any counterpart funding necessary and has or will have the necessary resources needed to implement the Project;
 - e. it is not excluded from the possibility of obtaining EU funding under the provisions of either national and EU law, or by a decision of either national or EU authority;
 - f. the Project is not excluded under the provisions of Article 18 or 19 of Regulation (EU) No 2021/695 of the European Parliament and of the Council of 28 April(ethics);

- g. the Beneficiary (or person with unlimited liability for its debts) is not subject to bankruptcy proceedings or similar (including insolvency, winding-up, administration by a liquidator or court, arrangement with creditors, suspension of business activities, etc.);
 - h. it is not in breach of social security or tax obligations;
 - i. It is not listed on the EU sanction list, which means that it is not subject to EU restrictive measures under Article 29 of the Treaty on the European Union (TEU) and Article 215 of the Treaty;
 - j. it is not (or persons having powers of representation, decision-making or control, beneficial owners or persons who are essential for the award/implementation of the grant) in one of the following situations:
 - i. being guilty of grave professional misconduct, having committed fraud, having links to a criminal organisation, being involved in corruption, money laundering, terrorism-related crimes (including terrorism financing), child labour or human trafficking,
 - ii. showing significant deficiencies in complying with the main obligations under an EU procurement contract, grant agreement or grant decision,
 - iii. being guilty of irregularities within the meaning of Article 1(2) of Regulation No 2988/95,
 - iv. being established in another jurisdiction with the intent to circumvent fiscal, social or other legal obligations in the country of origin (including the establishment of another entity with this purpose);
 - k. Project developments are free from third-party rights, or those third-party rights are clearly stated and are not subject to any dispute or claims by third parties;
 - l. the Project is based on Beneficiary's original works, or the Beneficiary may use the works constituting the basis of the Project and any foreseen developments of such works are free from third-party claims unless stated otherwise, and they are not subject to any dispute or claims by third parties.
 - m. all the data included in the formal check are true, correct, complete and up to date. Beneficiary also confirms having a chance to ask questions and bears full legal including criminal responsibility for the false statement.
 - n. is registered in the Member States of the European Union and it is not directly or indirectly controlled by a country that is not an eligible country or an entity registered in an ineligible country.
3. Eligibility criteria defined above must be met throughout the whole duration of the Project.
 4. All Project activities must be conducted in eligible countries.

Article 7 BENEFICIARY'S OBLIGATIONS

1. The Beneficiary is fully responsible for implementing the Project in line with the Agreement, its Annexes, and all applicable EU, international, and national laws.
2. The Beneficiary must promote equal opportunities and gender equality, aiming for gender balance at all levels, including supervisory and managerial roles.
3. The Beneficiary is also responsible for:
 - a. monitoring the proper and timely implementation of the Project,
 - b. providing required documents and information within given deadlines,
 - c. maintain up-to-date information regarding the Beneficiary's name, address, legal representatives, legal form, and organization type.
 - d. informing the Consortium immediately about:

- i. significant delays or events affecting Project implementation,
 - ii. changes in legal, financial, technical, organizational, or ownership status,
 - iii. any circumstances impacting the grant award or Agreement compliance.
4. The grant, funded under the DIGITAL Europe programme, also requires compliance with obligations toward the European Commission (see Articles 9 and 17-20).
5. Failure to comply with these obligations may result in the reduction of the Grant or termination of the Agreement, along with any associated funding.

Article 8 COMMUNICATION

1. English is the only official language of the Programme and this Agreement. This means that all communication, documents, and reports must be in English.
2. All communication under the Agreement must be in writing, including emails sent to the addresses listed below:
 - a. **Beneficiary:** [Beneficiary's Name and email of the authorized person]
 - b. **Consortium:**
 - * FBA: Rosa Villaronga, rosa.villaronga@fundingbox.com, for matters related to the formal aspects of the contract.
 - * LSEC: Ulrich Seldeslachts, ulrich@anakyn.be , for matters related to technical support.
3. An email is considered sent when it is sent by the sender. It is considered received when the recipient gets it or, if no confirmation is received, three days after it was sent.
4. Formal paper notifications sent by registered post or courier are considered delivered on the postal service's or courier recorded delivery date or the collection deadline at the post office or from the courier.
5. Formal notifications on paper shall be sent:
 - a. to the Consortium:
 - * FBA: Dworcowa 7, room 218, 62-020 Swarzędz, POLAND, for matters related to the formal aspects of the contract.
 - * LSEC: Kasteelparkk Arenberg 10, Leuven 3001, BELGIUM, for matters related to technical support.
 - b. to the Beneficiary must be sent to [the Beneficiary's correspondence mailing address/ specified in the commencement] or [Beneficiary's FULL address for correspondence]

Article 9 KEEPING RECORDS

1. The Beneficiary must keep records and supporting documents to prove proper implementation of the Project, including the achievement of results and compliance with the grant conditions. These records must be retained:
 - a. **during the Project** and for **six years after the Project ends** (31.05.2028) or
 - b. **longer** if there are ongoing checks, reviews, audits, investigations, litigation, or claims under the Agreement. In such cases, records must be kept until these procedures are resolved.
2. The Beneficiary must:
 - a. make records available upon request by the Consortium or EC or authorised entities (OLAF, auditors, EEA) for verifying implementation, compliance, or statistical analysis of the Project (e.g., KPIs, milestones, impact, or growth),
 - b. retain **original documents**, or digital/digitized copies if authorized by national law. Non-original copies may be accepted if they provide comparable assurance.

3. For the financial justification of the Grant, the Beneficiary shall keep the record demonstrating that the method used for budget calculations accurately reflects the actual costs recorded in statutory accounts.
4. Failure to comply with these obligations may result in the reduction of the Grant or termination of the Agreement, along with any associated funding.

Article 10 CONFLICT OF INTEREST

1. The Beneficiary must take all measures to prevent any situation where the Project's impartial and objective implementation could be affected by a conflict of interest.
2. Conflict of interest refers to any situation that affects someone's impartiality or objectivity and includes for example economic interest, political or national affinity, family or emotional ties, personal relationships, political or national connections, economic interests, or any other direct or indirect interest (no-conflict of interest rule).
3. In particular, the non-conflict of interest rule applies to the procurement of goods and services, use of subcontractors, and relations and interactions with CYSSDE Consortium partners.
4. If a conflict of interest arises or is likely to arise, the Beneficiary must promptly notify the Consortium about it, and take all necessary steps to rectify the situation.
5. The Consortium may assess the measures taken by the Beneficiary and, if deemed insufficient, may require additional corrective actions within a specified timeframe.
6. The Beneficiary hereby declares the lack of any conflict of interest with any of the CYSSDE Consortium Members.

Article 11 TERMINATION OF THE AGREEMENT

1. The Beneficiary may terminate the Agreement at any time by notifying the Consortium in writing, specifying the reasons for termination. Termination takes effect on the date specified in the notification, which must be after the date of the notice.
2. The Consortium may terminate the Agreement if:
 - a. the Beneficiary no longer meets the eligibility criteria,
 - b. the Beneficiary violates the provisions of this Agreement,
 - c. the Project has lost its scientific or technological relevance,
 - d. Project implementation is significantly delayed,
 - e. the Beneficiary violates the double funding prohibition,
 - f. the Beneficiary demonstrates a dismissive attitude or lack of engagement, making the continuation of the Project unfounded (the decision is made by the Selection Committee, and it is final),
 - g. the Beneficiary fails to meet milestones, KPIs, or implement ethical recommendations within agreed deadlines,
 - h. the grant is used by the Beneficiary in violation of the CYSSDE project and DIGITAL Europe fundamentals (for example the resources are transferred outside of the EU countries).
3. The Consortium will calculate the final grant amount based on submitted deliverables, eligible costs, and compliance with the Agreement. The Beneficiary cannot claim damages due to termination by the Consortium.
4. Termination does not affect provisions that remain applicable after the Project ends. These include in particular:
 - a. keeping records and supporting documents,
 - b. submitting to checks, reviews, audits, and investigations,
 - c. managing intellectual property, background, and results,
 - d. maintaining confidentiality,
 - e. promoting the Project and displaying EU funding references,

- f. not assigning claims for payment,
- g. calculation of the grant, recovery of payments already made,
- h. liability for damages and adherence to applicable law.

Article 12 SUSPENSION OF PAYMENTS

1. The Consortium may suspend payments, fully or partially, if there are justified doubts about the Beneficiary's Project implementation. The suspension begins on the day specified by the Consortium.
2. Payments will resume once the conditions for lifting the suspension are met. The Consortium will notify the Beneficiary by email when the suspension is lifted.

Article 13 PROCESSING OF PERSONAL DATA

1. Personal data under this Agreement will be handled according to EU and national data protection laws. The Consortium will process the data to manage, monitor, and implement the Agreement, monitor, evaluate and audit the Project's results.
2. The persons whose personal data are processed have the right to access and correct their personal data.
3. The Beneficiary must follow all data protection laws, including Regulation 2016/679 (GDPR), and limit access to personal data to only what is necessary for fulfilling the Agreement. Any personnel accessing the data must maintain confidentiality.

Article 14 LIABILITY FOR DAMAGES

1. Liability of the Consortium or a CYSSDE Consortium Partner:
 - a. the Consortium or any Consortium Partner cannot be held liable for any damage caused to the Beneficiary or to third parties as a consequence of the implementation of the Agreement,
 - b. the Consortium or a Consortium Partner cannot be held liable for any damage caused by the Beneficiary or other participants involved in the Project, as a consequence of implementation of the Agreement.
2. Liability of the Beneficiary:
 - a. the Beneficiary must compensate the Consortium or a respective Consortium Partner for any damage it sustains as a result of the implementation of the Project or because the Project was not implemented in full compliance with the Agreement (in particular in case of false statements or information regarding Beneficiary eligibility).
3. With the exception of the duty of confidentiality, the Parties' liability for damages is limited to direct loss but does not extend to consequential loss, such as interruptions in production or other operating losses, loss of revenue or profit, or other indirect losses. The Parties' liability is limited to the amount of the grant, provided such damage was not caused by a willful act or gross negligence.
4. The terms of this Agreement shall not be construed to alter or limit the statutory liability of either Party.
5. The EC is not a Party to this Agreement. Therefore the EC cannot be held liable for any damage, including gross negligence, caused to the Beneficiary or to third parties as a consequence of implementing the Agreement.

Article 15 FORCE MAJEURE

1. Force majeure refers to an unforeseeable, exceptional, and unavoidable event or situation beyond a Party's control that prevents them from fulfilling their obligations under the Agreement, even with all due diligence exercised.

2. If such an event occurs, the affected Party shall
 - a. notify the other Party immediately, explaining the situation, expected duration, and impact,
 - b. and take all the necessary steps to minimize any damage due to force majeure.
3. The Party prevented by *force majeure* from fulfilling its obligations under the Agreement cannot be considered in breach of them.

Article 16 USE OF LOGOTYPES

1. The Beneficiary authorizes the Consortium to use its logotype and non-confidential data for promotional, dissemination, and marketing purposes, including activities beyond the scope of the CYSSDE Project.

Article 17 VISIBILITY OF EU FUNDING

1. The beneficiary must acknowledge EU and CYSSDE Project support in all communication and dissemination activities related to the Project (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, events, materials, infrastructure, website, or results funded by the grant, via traditional or social media). This includes displaying the European flag (emblem) and a funding statement, translated into local languages where necessary.



2. To meet these requirements:
 - a. the emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text,
 - b. apart from the emblem, no other visual identity or logo may be used to highlight the EU support,
 - c. when displayed in association with other logos (e.g. of Beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos,
 - d. for the purposes of their obligations under this Article, the Beneficiary can use the emblem without prior approval but cannot claim exclusive rights or register it as a trademark.
3. Additionally, any infrastructure, equipment or major results funded under JU actions must moreover display the Joint Undertaking's special logo:

and the following text:

Beneficiary name [beneficiary name], CYSSDE 3OC Penetration Testing and Vulnerability
Number of the agreement – [agreement number]

“The project is supported by the European Cybersecurity Competence Centre and its members”.

Article 18 CONFIDENTIALITY AND SECURITY

1. The parties shall treat as confidential any data, documents, or materials (in any form) identified as sensitive or confidential in writing (sensitive information or confidential information) during the implementation of the Project and six years after the CYSSDE Project end date.
2. Upon request by the Beneficiary, the Consortium may agree to extend this confidentiality period.
3. Unless otherwise agreed, sensitive information may only be used to implement the Agreement and Beneficiary's Project as well as the CYSSDE Project. Disclosure of sensitive information is permitted under the following conditions:
 - a. to personnel or participants involved in the CYSSDE Project, if they require the information to fulfil their duties related to the Beneficiary's Project or CYSSDE Project, and they are bound by confidentiality obligations,
 - b. to third parties, if it is necessary to implement the Agreement or protect EU financial interests, and the third parties are bound by confidentiality obligations.
4. Consortium may pass the sensitive information to the European Union bodies if this is requested by those bodies or it is necessary to implement the duties resulting from the Grant Agreement of the CYSSDE Project.
5. Confidentiality obligations do not apply if:
 - a. the disclosing party explicitly releases the other party from the obligation,
 - b. the information becomes public without breaching confidentiality obligations,
 - c. disclosure is mandated by applicable EU, international, or national law.

Article 19 CHECKS, REVIEWS, AUDITS AND INVESTIGATIONS

1. The Coordinator, EC, EC bureaus and Agencies, OLAF, EPPO, ECA, or external experts hired by those entities can review the Project during implementation or up to three years after it ends (31.05.2028) to ensure its proper implementation and compliance with the Agreement and EU law.
2. Such review may have the form of an audit, check, review or investigation (hereinafter we collectively call them “checks”).
3. Checks under this Agreement may include assessing the eligibility and accuracy of costs and contributions, as well as the quality and compliance of deliverables, KPIs, milestones and reports described in the IMP.
4. These procedures can be initiated during the Project or up to six years after it ends (31.05.2028). The Beneficiary is unconditionally obliged to adhere to them.
5. The EC, OLAF, EPPO, ECA, and other authorized bodies (including EC Agencies and bureaus) will conduct these checks in line with their respective procedures and standards.
6. The entity or body conducting checks may access the Beneficiary's statutory records, including accounts, salary details, and other personal data.
7. Checks, reviews, audits, or investigations will begin on the date the Beneficiary is formally notified.
8. The EC may access the Beneficiary's statutory records, including accounts, salary details, and other personal data.
9. During the checks. the Beneficiary must:
 - a. cooperate fully with the checking entity and provide all requested information within the specified deadline. Provided information must be accurate, complete, and in the requested format, including electronic formats,

- b. allow access to sites and premises for on-the-spot checks and make requested information readily available,
 - c. and participate in meetings with external experts if required.
10. The provisions above apply accordingly to checks, reviews, audits, or investigations carried out on behalf of the CYSSDE Consortium by the FSTP Leader, Consortium Coordinator, or another designated partner.
11. Failure to comply with these obligations may result in the reduction of the Grant or termination of the Agreement, along with any associated funding.

Article 20 CONSEQUENCES OF CHECKS, REVIEWS, AUDITS, AND INVESTIGATIONS

1. Findings from checks, reviews, audits, or investigations under this Agreement may result in
 - a. rejection of costs,
 - b. reduction of the grant,
 - c. recovery of overpaid amounts,
 - d. termination of the Agreement,
 - e. other actions as allowed by applicable law.
2. Findings from OLAF or EPPO checks may also lead to criminal prosecution under national law. Additionally, the EC, OLAF, EPPO, ECA, or other authorized bodies may extend findings from similar cases to this grant, applying the same consequences.
3. The Beneficiary will be formally notified of any irregularities, actions taken, and potential consequences, such as rejected costs, reduced grant amounts, or termination of the Agreement.

Article 21 ETHICS AND RESEARCH INTEGRITY

1. The project must be carried out in line with the highest ethical standards (including the highest standards of research integrity) and the applicable EU, international and national law, including the EU Charter of Fundamental Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Supplementary Protocols, and ethical recommendations indicated in the Execution Plan and/or ethics reports.
2. The Beneficiary commits to and ensures the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities).
3. No funding can be granted, within or outside the EU, for activities that are prohibited in all Member States. No funding can be granted in a Member State for an activity which is forbidden in that Member State.
4. The Beneficiary must take all measures to implement the principles set out in the Commission Recommendation on the European Charter for Researchers and the Code of Conduct for the Recruitment of Researchers 2005/251/EC of 11 March 2005, in particular regarding:
 - working conditions
 - transparent recruitment processes based on merit, and
 - career development.The Beneficiary must ensure that researchers and all participants involved in the Project are aware of them.
5. The Beneficiary must ensure that the activities under the Project have an exclusive focus on civil applications.
6. Before starting an activity raising an ethical issue, the Beneficiary shall obtain all approvals or other mandatory documents notably from any (national, local, European)

ethics committee or other bodies such as data protection authorities.

Article 22 IPR and OWNERSHIP OF RESULTS

1. Background is an existing knowledge, data, or IP (e.g., patents, know-how) owned by a Party before the Project starts or developed independently outside the Project but necessary for implementing the Project or using its results.
2. Results are new data, knowledge, or developments created during the Project, whether tangible or intangible, including IP rights.
3. Each Party owns the results it generates.
4. If results are jointly developed and contributions cannot be separated:
 - a. the results are jointly owned,
 - b. joint owners must agree on how to manage, protect, and exploit the results within six months after the Project ends,
 - c. until an agreement is reached, results are shared based on each Party's contribution.

Article 23 REJECTION OF INELIGIBLE COSTS

1. The Contractor will reject any costs which are ineligible (i.e., if the Project is not properly implemented, the Beneficiary is in serious breach of its obligations under the Agreement or submitted false information or statements - including failure to provide requested information, breach of ethical principles), in particular following checks, reviews, audits or investigations.
2. If the Contractor rejects costs, it will deduct them from the costs declared in the Project budget and then calculate the amount due (and, if needed, make a recovery).
3. If the rejection of costs does not lead to a recovery, the Contractor will formally notify the Beneficiary of the rejection, the amounts and the reasons why. The Beneficiary may — within 7 days of receiving notification — submit observations if it disagrees with the reduction.

Article 24 REDUCTION OF THE GRANT

1. If the Contractor finds substantial errors, irregularities or fraud or breach of obligations under this Agreement (e.g. the Project is improperly implemented or not implemented; submission of false information, failure to provide required information, breach of ethics or security rules), it may reduce the grant in proportion to the seriousness and duration of the errors, irregularities or fraud or breach of obligations.
2. If the Contractor reduces the grant, it will deduct the reduction and then calculate the amount due (and, if needed, make a recovery).
3. If the reduction of the grant does not lead to a recovery, the Contractor will formally notify the Beneficiary of the reduction, the amounts and the reasons why. The Beneficiary may — within 7 days of receiving notification — submit observations if it disagrees with the reduction.
4. If the Contractor reduces the grant after the payment of the grant, it will calculate the revised final grant amount. If the revised final grant amount for the Beneficiary is lower than the grant paid, the Contractor will recover the difference.

Article 25 RECOVERY OF UNDUE AMOUNTS

1. The Contractor will claim back any amount if it turns out that the Contractor has paid too much and needs to recover the amounts undue (it might happen also after the completion of the Project).

2. If the payment is not made by the date specified in the debit note, the Contractor will recover the amount by taking legal action in accordance with the relevant national law.
3. The Contractor may offset the due amount, without the Beneficiary's consent, against any amounts owed to the Beneficiary by the CYSSDE Consortium.
4. If the payment is not made by the date specified in the debit note, the amount to be recovered will be increased by late-payment interest (from the day following the due date for payment up to and including the date of payment).
5. Partial payments will be first credited against expenses, charges, and late-payment interest and then against the principal.
6. The Beneficiary bears all costs incurred in the recovery process by the Contractor.

Article 26 FINAL PROVISIONS

1. Annexes are a key part of this Agreement.
2. Changes or termination of the Agreement must be in writing and signed by both parties with exception to:
 - a. extension of the Project for the period described in Article 2,
 - b. change of the addresses, contact details described in Article 8 - which should be communicated by e-mail,
 - c. change of the bank account - which must be submitted by e-mail and signed by an authorized person,
 - d. modifications to the Execution Plan - which requires validation of the Selection Committee.
3. The Beneficiary cannot transfer payment claims to third parties without the Consortium's prior written approval.
4. Time periods (days, months, years) start the day after the triggering event.
5. The Agreement is governed by the law of Poland and applicable EU regulations, in particular:
 - a. Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240
 - b. Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union
6. The Beneficiary is solely responsible for complying with national laws while executing the grant - in particular in relation to tax, social security, and labor law.
7. Disputes concerning the interpretation, application or validity of the Agreement should be resolved amicably. If the dispute can not be solved amicably it shall be handled by the Court of Warsaw.

Article 27 ENTRY INTO FORCE OF THE AGREEMENT

The Agreement enters into force on the day it is signed by both parties, with the effective date on [start date].

By signing this Agreement, the Beneficiary confirms they have read, understood, and accepted its terms, including all rights, obligations, and conditions. The Beneficiary also confirms that the information provided (particularly regarding their eligibility and information included in the formal check form) is true, accurate, and up to date as of the signing date.

The person signing below declares they are authorized to sign this Agreement on behalf of the Beneficiary and that it is legally binding on the Beneficiary.

For the **Beneficiary**

For the **Contractor**

.....
date

.....
date

DRAFT

Annex 1. Application form

DRAFT

Annex 2. Formal check form

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Annex 3: Execution Plan

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