

Partnership Agreement

**Development of the multidisciplinary educational, business and RDI
opportunities
for the Finnish-Russian automotive and motorsport industry ecosystem/
Race4Scale
KS1907**



CBC 2014-2020
SOUTH-EAST FINLAND - RUSSIA

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This Partnership Agreement relates to the Project Race4Scale (KS1907) (hereinafter referred to as "Project") between

South-Eastern Finland University of Applied Sciences Ltd, Patteristonkatu 3D, 50100 Mikkeli, Finland, referred to hereinafter as the Lead Partner

and

General Secondary School "Education Center Kudrovo", 188689, Leningrad region, Vsevolozhsk district, Kudrovo, Berezovaya str. 1, Russia

Lead Partner and Partner also referred to as "Party" or "Parties".

The Project will be implemented on the basis of the Grant Contract signed between the Managing Authority and the Lead Partner (hereinafter referred to as "Grant Contract"). By signing this Partnership Agreement, the Partner and the Lead Partner commit to implementing the Project in line with the rules and principles of the latest valid version of the Grant Contract, including its annexes and amendments.

Financing: South-East Finland-Russia CBC Programme grant (hereinafter referred to as "Grant").

Managing authority: the Council of South Karelia, Cross-Border Cooperation unit (hereinafter referred to as "Managing Authority").

Programme rules and regulations that apply

- South-East Finland-Russia CBC Programme 2014–2020 Programme adopted on 17 December 2015, C (2015) 9134 (hereinafter referred to as "Programme")
- The Grant Contract (identification number 1701015-KS1027) and all its annexes and amendments
- The latest version of the Joint Operational Programme available at
https://www.sefrcbc.fi/wp-content/uploads/sites/6/2016/12/South-East-Finland-Russia-CBC-2014-2020-JOP_EN.pdf
- ENI CBC Implementing Rules (Regulation (EC) No 897/2014) of 18 August 2014 setting out specific provisions for implementing cross-border cooperation programmes financed under Regulation (EU) No 232/2014 of the European Parliament and the Council establishing the European Neighbourhood Instrument

The Parties have agreed to the following:

Article 1: Subject of the Partnership Agreement

This Partnership Agreement sets out the working relationship between the Lead Partner and the Partner for the Project. It sets out each Party's responsibilities for ensuring that the Project is managed properly and implemented jointly and effectively in accordance with the Project plan and with the rules and the conditions laid down by the regulations and documents mentioned above.

Article 2: Definitions

Background means all information owned by a Party or otherwise in its possession, generated outside the Project, including but not limited to knowhow, ideas, patents, inventions, methods, solutions, devices, substances and software, technical reports and documents in which the information is described, regardless

of the form or medium in which it is disclosed or stored and irrespective of whether it is or can be protected by intellectual property rights.

Results means knowhow, patents, inventions, methods, solutions, devices, substances and software, technical reports and documents in which the information is described, regardless of the form or medium in which it is disclosed or stored and irrespective of whether it is or can be protected by intellectual property rights, created as a result of the Project.

User Right for Research Purposes refers to a non-exclusive non-commercial right to use the Results in internal research and development purposes of a Party as well as in teaching or for scientific research purposes. User Right for Research Purposes does not include a right to sub-license the Results or otherwise assign the Results or a part thereof to third parties, nor a right to sell services conducted by using the Results or a right to otherwise commercially exploit the Results.

Confidential Information means either oral or written information concerning technical, financial, commercial or other matters which is clearly marked as confidential prior to its disclosure or otherwise obviously of confidential nature due to the nature of the information or the circumstances, in which it was disclosed.

Intellectual Property Rights means all forms of protection pertaining to Intellectual Property Rights, including patents, utility models, trademarks, copyright, rights in the layout design of integrated circuits, design rights, Confidential Information, and applications pertaining to the protection of Intellectual Property Rights.

Article 3: Entry into force and duration of the Partnership Agreement

This Partnership Agreement will enter into force on the date when the Grant Contract enters into force. It will remain in force until the Grant Contract execution period ends as defined in Article 5 below and the final balance of the project costs has been agreed by the Partners.

After this agreement ends, both Parties will continue to be responsible for their part of the Project and for the costs incurred during the period defined in Article 18 on Retaining documents.

The rights and obligations concerning the recoveries (Article 23) and verification and evaluation (Article 24) remain valid for the period defined in article 18.

Article 4 : Objectives of the Project

Each Party is, for its part, committed to implementing the activities, producing the outputs and achieving the Project objectives outlined in the Project plan attached to the Grant Contract.

Article 5: Duration of the Project

The Project implementation period will begin on 1 May 2020 and end on 31 October 2022. The Project's indicative implementation period will be 30 months.

The Grant Contract execution period will end when the Managing Authority has made the final payment or 18 months after the Project implementation period ends, whichever happens earlier.

Article 6: Obligations of the Parties

The Lead Partner and the Partner, both for its part, are committed to ensuring that the Project is implemented in a proper and timely way, in accordance with the obligations between the Lead Partner and the Managing Authority.

The Lead Partner alone is accountable to the Managing Authority for the implementation of the Project, but the Partner is committed to following the same principles as the Lead Partner in line with the conditions of the Grant Contract.

Article 7: Lead Partner's obligations

The Lead Partner will:

- have the overall responsibility for the implementation of the Project;
- receive the financial contribution from the Managing Authority for the implementation of the Project activities;
- pay the Grant to the Partner in accordance with the principles set out in article 11 of this Partnership Agreement;
- ensure that the Partner receives the Grant without delay, in accordance with the Partnership Agreement payment plan;
- be responsible for guaranteeing the sound financial management of programme funds received and, in case of recovery, for reimbursing the Managing Authority for unduly paid Grant;
- ensure that the costs reported in the Partner's financial reports are in line with the Grant Contract, budget and the work plan;
- have the right to reject a cost charged by the Partner, if the cost does not belong to the Project, or if it is not eligible;
- ensure that the Partner's expenditures are verified in line with the requirements of the Programme; and
- be responsible for repaying the Grant to the Managing Authority in cases of recovery. The Lead Partner is responsible for reclaiming the Grant from the Partner.

The Lead Partner has the ultimate responsibility for the Project's implementation and finances. In addition to the obligations set out above, the Lead Partner will:

- regularly communicate with the Managing Authority about relevant news and issues and submit timely reports, especially in case of problems and delays in the Project implementation and any modifications to the budget, activities or Parties; and
- provide the Partner with copies of all the relevant Project documents, in particular the signed Grant Contract and its annexes, any amendments to the Grant Contract that have been approved by the Managing Authority, and reports on the implementation of the Project. The Lead Partner must regularly inform the Partner of all relevant communication between the Lead Partner and the Managing Authority.

Article 8: Partner's obligations

The Partner will:

- actively cooperate in the development and implementation of the Project;
- cooperate in the staffing and/or financing of the Project in accordance with the Partnership Agreement;

- be responsible for guaranteeing the sound financial management of the Grant received and, in the case of recovery, for reimbursing the Lead Partner for unduly paid Grant ; and
- comply with other obligations on the basis of this Partnership Agreement and all its annexes and amendments
- In addition to the obligations set out above, the Partner will provide the Lead Partner with all the information and documents required for:
- coordinating and regularly monitoring the technical and financial progress of the Project; and
- preparing the progress, interim and final reports concerning the part of the Project that the Partner is responsible for.

Article 9: Project accounting obligations

The Lead Partner and the Partner agree to:

- record the Project costs in the accounting records in accordance with the accounting principles and the rules of the country concerned, and to comply with the organisation's usual accounting practices;
- establish an accrual-based double-entry accounting system for Project-related costs, revenues and bank account interest in the accounting records;
- establish Project-specific accrual-based accounts that are up-to-date, understandable, reliable and easily identifiable and verifiable (with a separate cost centre or specific Project code for the Project in the accounting system);
- ensure that the Project-specific accounts include only Project-related costs/invoices, revenues, bank account interest and individual contributions from external donors;
- ensure that all Project costs are properly documented (original invoices, memo verifications, explanatory notes), and that there is a clear audit trail between the invoices, the accounting system and the financial report;
- submit an accurate general ledger of the Project costs, listing all invoices reported in the financial report (ensuring consistency between the general ledger and the financial report);
- ensure that all Project costs have been recorded in the Project accounts by the end of the Project implementation period;
- ensure that the Project accounts do not include any costs related to future commitments or the delivery of services, work or supplies after the end of the implementation period; and
- ensure that all the costs are paid before the final report is submitted. Exceptions are made for costs relating to the verification of expenditure and the final evaluation of the Project.

Article 10: Project budget and eligible expenditure

The total Project budget is EUR 870 543. The total contribution from South-East Finland-Russia CBC amounts to EUR 696 683 (a maximum of 80 % of the total eligible Project costs).

The Partner's total budget is EUR 63 359. The budget includes costs for the following items: staff, travel, outsourcing costs and services, and administrative costs.

Each Party will ensure that its own contribution is documented properly. The own contribution will be reported in the financial reports as follows: the contribution by external donors must be recorded in every interim and final report, and the Partner's own contribution is recorded in the final report only.

The Parties shall implement the project according to the budget reported in the annexes I and II of this Partnership Agreement.

The Lead Partner and the Partner commit to respecting the list of eligible costs as described in Article 14 of Annex II of the Grant Contract, and they will be responsible for the financial management of their budget.

If the Partner foresees any change in its part of the Project budget or the financial plan (or both), the Partner will communicate promptly with the Lead Partner.

The Lead Partner will inform the Partner of any expected amendments to the Grant Contract that may have an impact on the Partner's activities, budget or financing.

Article 11: Co-financing the Project

The Partner agrees to co-finance the implementation of the Project with EUR 12 672 or 20% of the total eligible costs incurred to it, whichever is the lowest.

Article 12: Payment to the Partner

The Lead Partner takes responsibility for distributing the Grant and the pre-financing payment to the Partner in accordance with Partners' expenditures incurred in Project activities.

The Managing Authority will pay all the programme contributions for the implementation of the Project in euro. Payment will be made to the Lead Partner's bank account. The Lead Partner will be responsible for the administrative and financial management of these funds.

The Managing Authority will make the payments to the Lead Partner within the limits of the Grant available. In case the Managing Authority deducts the payment to the Lead Partner, the Lead Partner has the right to deduct the payment to the Partner in the same proportion.

The Grant is paid by the Lead Partner to the Partner as follows:

- The first pre-financing payment, a total of EUR 24 220 (80% of the first 12 month's CBC grant for the Partner), will be made within 30 days of the date the Lead Partner receives the first pre-payment from the Managing Authority, and the Partnership Agreement has been signed by the Partner and the Lead Partner;
- The first interim payment, based on the Partner's share of the total eligible costs, will be made by the end of the reporting period and within 30 days of the date the Lead Partner receives the payment from the Managing Authority.
- The second interim payment, based on the Partner's share of the total eligible costs, will be made by the end of the reporting period and within 30 days of the date the Lead Partner receives the payment from the Managing Authority.
- The final payment, based on the Partner's share of the total eligible costs, will be made within 30 days of the date the Lead Partner receives the final balance from the Managing Authority.

The Grant will be paid from the Lead Partner to the Partner by bank transfer into the accounts given by the Partner and officially communicated to the Lead Partner.

If the Partner's bank account details change, the Partner will notify the Lead Partner in a timely manner.

Any interest accruing from pre-financing paid by the Lead Partner to the Partner will be mentioned in the interim and final reports. If the Lead Partner and Partner are not public bodies or government organisations, the interest must be deducted from the final Project payment.

At the end of the Project, on the basis of the total eligible costs approved by the Managing Authority, the Lead Partner must calculate each Partner's share. This defines the final amounts to be paid to each Partner.

Article 13: Verifying expenditure

The Parties shall carry out the verification of the expenditure. An expenditure verification report shall be drawn up by an auditor.

In all circumstances, the expenditure of the Partner will be verified by a qualified auditor with appropriate knowledge of the language and legislation of the country in question. An expenditure verification report will be drawn up by an auditor.

The Lead Partner will choose the auditor for the Partner, but the Partner is responsible for covering the costs of each verification. The project budget contains audit / expenditure verification amounts allocated for each project partner in each project year.

For each reporting period, the Partner agrees to send its auditor's report to the Lead Partner by <deadline> to enable the Lead Partner's auditor to prepare the consolidated report.

The Lead Partner and the Partner will make all the necessary arrangements to ensure that the verification is carried out properly. They will also provide the auditors with any requested information on the Project, giving them access to accounting books, supporting documents and other documents related to the Project.

The verification process must follow the guidelines described in Article 6 of the Grant Contract and its Annex II and Annex IV.

The Partner is responsible for the validity and eligibility of its own activities and expenses, unless otherwise specifically agreed. The Partner must cover any costs stated as ineligible in the Managing Author's payment order.

Article 14: Means of Decision Making

If necessary, a Project Group may be nominated for the Project in the Partnership Agreement. If Project Group is nominated, each Party shall have one (1) member entitled to vote in the Project Group. Decisions in the Project Group shall be made unanimously.

Project Group shall:

- specify the goals of the Project subject to the Partnership Agreement;
- monitor the progress of the Project;
- decide upon publication of the Results (see definition in §24) according to the Partnership Agreement; and
- handle other significant matters relating to the Project.

The Project Group will be chaired by the Lead Partner.

The Project Group shall meet on a regular basis and additionally by the summons of the chair when considered necessary.

Article 15: Assignment and legal succession

Neither the Lead Partner nor the Partners are allowed to assign their duties and rights under this Partnership Agreement without the prior consent of the other Parties to this Partnership Agreement, and of the Managing Authority.

In the case of legal succession, the Party concerned is obliged to transfer all duties under this Partnership Agreement to the legal successor, with prior consent from the Managing Authority.

Article 16: Monitoring and reporting

According to Article 5 of the Grant Contract, the Lead Partner will provide the Managing Authority with all necessary reports relating to the implementation of the Project. These reports will include a narrative section and a financial section.

The Partner will provide the Lead Partner with its contributions to both the narrative and financial sections. The Partner is committed to meeting the deadlines set by the Lead Partner for submitting the reports. The Partner is aware that failure to comply with this commitment may result in the suspension of any further transfer of resources from the Lead Partner.

The Lead Partner may ask the Partner to provide additional information at any time.

Project Partners shall provide all the reporting and auditing documentation requested by the Lead Partner within one (1) month before the end of the reporting period.

Article 17: Procurement procedures

In case of cooperation with third parties including suppliers of goods/services, the Partner concerned shall remain solely responsible to the Lead Partner concerning compliance with its obligations as set out in this Partnership Agreement.

The Lead Partner shall be informed by the Partner about the subject and party of any contract concluded with a third party.

No Partner shall have the right to transfer its rights and obligations under this Partnership Agreement without the prior consent of the other Parties and the responsible Managing Authority.

Co-project with third parties including suppliers of goods/service shall be undertaken in accordance with procedures set out in the public procurement rules applicable to the contracting Partner and in compliance with the EU directives on public procurement.

The Finnish Act of Public Contracts (2016/1397) applies to procurements by the Lead Partner.

The Russian national laws on procurement apply to procurements by the Partner.

Article 18: Retaining documents

In accordance with Article 16.4 of Annex II of the Grant Contract, the Partner must retain all Project documents for a period of five (5) years from the date the programme balance is paid. In particular, this includes reports and supporting documents, accounts, accounting documents and any other documents that are relevant to the activities or the financing of the Project.

The estimated date from which documents will no longer have to be kept is 31 August 2032. The Managing Authority will inform the Lead Partner of the exact date after the balance payment has been issued to the

Programme. The Lead Partner must inform all Partners of the exact period within which documents must be retained.

Article 19: Confidentiality

The Parties undertake not to disclose the other Party's Confidential Information disclosed to the receiving Party by the disclosing Party or which is otherwise in the receiving Party's possession, to third parties, and to obey due diligence in order to safeguard the confidentiality of the said information.

The Parties are not entitled to use Confidential Information for other purposes than for fulfilling their obligations according to the Partnership Agreement.

The confidentiality obligations shall not apply to information, which the receiving Party is able to demonstrate to be:

- (a) public or which later becomes part of the public domain through no fault or negligence of the receiving Party or its personnel, or through no breach on the Partnership Agreement or applicable legislation;
- (b) already in the receiving Party's possession at the time of disclosure through no fault or negligence of the receiving Party;
- (c) received from a third Party without any confidentiality obligations;
- (d) independently developed by the receiving Party without using any Confidential Information of the disclosing Party; or
- (e) required to be disclosed by law, decree, governmental order or similar.

The Parties shall apply the confidentiality obligations set out herein during the term of the Partnership Agreement and five (5) years thereafter.

Article 20: Ownership and use of Background

The necessity of the Background for the Project, submitting the Background and the conditions thereof shall be in the sole discretion of the Party owning the Background or having the Background otherwise in its possession. The Parties are not obliged to submit any Background to be used by the other Parties in the Project, unless otherwise agreed in writing.

The Parties are allowed to use the Background submitted by the other Parties only for the purpose of carrying out the tasks defined in the Partnership Agreement. The Party receiving the submitting Party's Background shall not be entitled to assign the Background further to a third party. If the Background is needed in order to exploit the Results of the Project in further research and development or in business activities, the conditions of such use shall be agreed separately in writing between the Parties in question.

Article 21: Ownership and use of the Results

According to Article 7 of Annex II of the Grant Contract, the Lead Partner and its Partners will own, and hold title and intellectual and industrial property rights to, the Results, reports and other documents relating to it. The Parties agree that the ownership of the Results shall rest with the Party, in whose activities the Results were created, invented or generated.

The ownership of jointly generated Results shall rest with the Parties generating the Results jointly, in the proportion of their contribution to creating such Results. The joint owning Parties shall agree separately on detailed conditions for the exploitation of their jointly owned Results. Should the joint owners fail to reach an agreement as regards their jointly owned Results, each joint owner shall be entitled to use the jointly owned Results independently as it sees fit.

The Parties not owning the Results shall have a royalty-free User Right for Research Purposes to Results generated by the other Parties, excluding Intellectual Property Rights. The rights granted in accordance with this paragraph shall apply, provided that the Partner has paid its share of financing payable due to the Partnership Agreement and fulfilled all other obligations in accordance with the Partnership Agreement.

In Finland, the Copyright Act (404/1961) lays down provisions on copyrights.

The Partners will submit photos, videos and other relevant visibility material to the Managing Authority as instructed in the Programme manual. The Partners grant the Managing Authority the right to use the submitted material freely in its communication and visibility activities.

The Republic of Finland, the Russian Federation and the European Commission will have the right to use, publish or disclose to third parties all studies financed under this Project.

If the Project includes an infrastructure component or a small-scale investment, it may not be subject to a substantial change within five (5) years of Project closure. In the event of such a substantial change, the Managing Authority will recover the Grant contribution from the Party in proportion to the period for which the Party cannot meet the requirement.

All equipment acquired by the Parties for the Project with the Project funds according to the Project budget shall remain the exclusive property of that Party.

Article 22: Communication, publicity and dissemination of the Results

The Results are, in principle, public information. Each Party has the right to publish the Results generated by it. Theses and dissertations made in the course of the Project shall be public.

Confidential Information or Intellectual Property Rights owned by other Parties shall not be disclosed when publishing Results. The Parties are entitled to review the intended publications prior to publishing. The material which is intended to be published shall be delivered to the Parties for approval in writing (including e-mail). Restricting the publication shall be claimed no later than within thirty (30) days as of receiving the material intended to be published. Restricting the publication may only be claimed on well-founded grounds, which may either be the protection of Confidential Information or protecting Intellectual Property Rights included in the intended publication. Should this be the case, the Parties shall negotiate amending the publication and avoid the situation, where the whole publication would be banned. If the Parties have not expressed their well-founded and specified claim to restrict the publication within the said time limit, the publication shall be considered permitted.

The Lead Partner and the Partner will ensure that all activities and results are visible to the Project's final beneficiaries and to the general public.

The Lead Partner and the Partner agree to follow the Programme manual for communication and visibility and to provide any material that may be useful to publications at the Programme level (brochures, newsletters, etc.) that are developed during the life of the Project.

Article 23: Recovery

The Lead Partner will be responsible for recovering any unjustified or ineligible expenditure and for reimbursing the Managing Authority for the whole amount recovered. The Partner concerned will repay any amounts recovered to the Lead Partner.

If one Partner fails to meet some or all of its obligations or commits a material error in the implementation of the Project activities, the Partner concerned will repay the amounts unduly received or unused to the Lead Partner within 30 days of being asked.

If the Managing Authority is unable to recover the amounts unduly paid from the Lead Partner, the Russian National Authority governing the programme may recover any such amounts directly from the Russian public entity acting as a Partner in the Project.

Article 24: Evaluating and monitoring the Project

The Parties allow evaluation, monitoring and verification related to the Project to be carried out by the Managing Authority or its branch offices on its behalf, the European Commission, the European Anti-Fraud Office, the European Court of Auditors, the Programme Audit Authority / members of the Groups of Auditors, representatives of the national authorities involved in implementing and financing the programme, and any representative or external auditor authorised by the Managing Authority.

The Partner allows the above entities to:

- access the sites and locations where the Project is being implemented;
- examine its accounting and information systems, documents and databases concerning the technical and financial management of the Project;
- take copies of documents;
- carry out spot checks; and
- conduct a full audit on the basis of all accounting documents and any other documents relevant to the financing of the Project.

Verifications conducted by the entities mentioned above will be confidential with respect to third parties, without prejudice to the obligations of public law to which they are subject.

Article 25: Liability

The Lead Partner and the Partner agree that the Party cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the other Partner while the Project is being carried out or as a consequence of the Project.

The Lead Partner and the Partner agree that they will assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the part of the Project implemented under their own responsibility is carried out or as a consequence of that part of the Project.

The Parties shall be liable towards each other for damage caused by a breach of contract. The liability of either Party arising in any way out of the subject matter of the Partnership Agreement shall not extend to any indirect or consequential loss or damage. The liability of a Party shall in all cases be limited to the share of financing of the Party in breach in accordance with the Partnership Agreement. The limitations of liability set out herein shall not apply if the damage is caused by a wilful act or gross negligence.

The Parties shall not be liable for damage caused by any delay or failure in the performance of the other Parties. The Parties shall not be liable for damage caused by any delay or failure due to force majeure.

All claims against a Party shall be made no later than one (1) year as of the date the damage incurred or the date the aggrieved Party became aware of the damage. All claims for damages shall, however, be made no later than one (1) year as of the termination of the Partnership Agreement.

Article 26: Processing personal data

The Parties will guarantee that all natural persons participating in the Project or the Project activities have given their consent in advance to the collection, recording, storage and transfer of their personal data in the databases used by the programme authorities and management bodies.

Parties commit to follow the legislation of own countries and the Program documents and acts for protection of personal data collected during the Project implementation.

Article 27: Assignment

The Agreement and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Managing Authority. This Partnership Agreement shall only be amended in writing by means of an amendment to that effect signed by all Parties involved. The modifications may not relate to the nature of the Project, including its objectives and Results, or to increasing the Project budget. Information about any relevant changes to this Partnership Agreement must be provided to the Managing Authority.

Article 28: Changes in the Project Parties

The Partner agrees to withdraw from the Project only in case of exceptional and duly justified circumstances, for example in the case of *force majeure*. If the Partner intends to withdraw from the Project, it must send an official request to the Lead Partner in writing.

The Lead Partner will immediately inform the Managing Authority and all other Partners. The Lead Partner and the remaining Partners will try to find a rapid and efficient solution to ensure the Project continues to be implemented without any delay. Consequently, when a Partner withdraws from the Project, the remaining Partners will cover the contribution of the withdrawing Partner, either by assuming its tasks or by asking one or more new Partners to join the Project. Finally, the Lead Partner will issue a request for change to the Managing Authority in PROMAS, including technical and financial information about the causes of the withdrawal and the solution that has been identified, if any.

The Partner withdrawing from the Partnership has the right only to the part of the Grant that corresponds to the partial execution of the Project activities and to the expenditure that has been verified up to the date of its withdrawal. This amount will be included in a final report and will not affect the Lead Partner's right to claim full or partial repayment of amounts already paid, if the Partner's withdrawal is unjustified.

Article 29: Ending the Agreement

If a Party believes that this agreement can no longer be executed effectively or appropriately, it will consult the other Party. If there is no agreement on a solution, either the Partner or the Lead Partner may end the Grant Contract by serving two months' notice in writing, without being required to pay compensation.

The Parties shall have the right to terminate the Partnership Agreement with immediate effect, if a Party commits a fundamental breach of contract and does not correct the breach within thirty (30) days after having received a written notice thereof. The Partnership Agreement may be terminated without the consent of the Party in breach. The Party in breach shall lose all rights obtained according to the Partnership Agreement. The Party in breach shall return all the material and information it has received subject to the Partnership Agreement to the disclosing Party. Rights granted to the other Parties by the Party in breach in accordance with the Partnership Agreement, shall remain in force irrespective of the termination of the Partnership Agreement in respect of the Party in breach.

Additionally, The Lead Partner shall have the right to terminate the Partnership Agreement with immediate effect, if:

- a) the Partner has public payment default entries;
- b) the Partner is put into liquidation, undergoes a debt restructuring procedure, or is declared bankrupt;
- or
- c) Such obstacles or difficulties occur, which substantially amend or increase the workload of the Lead Partner, and which may not be deemed to have been known by the Lead Partner, and which the Lead Partner has not been able to reasonably eliminate.

If the Lead Partner terminates the Partnership Agreement due to reasons set forth in a) or b), the Partner shall pay its share of financing due by the date of termination.

If the termination of the Partnership Agreement or cancellation of the Project is due to a reason, for which the Partner is responsible, The Lead Partner shall be entitled for compensation for any damage or loss it is able to demonstrate due to the termination of the Partnership Agreement.

Article 30: Applicable law and settling disputes

If a dispute arises in the execution of this Partnership Agreement between the Lead Partner and the Partner, they will do everything possible to settle the dispute amicably. To this end, they will communicate their positions and any solution that they consider possible in writing.

The Lead Partner will immediately notify the Managing Authority of any disputes that arise during the Project implementation period.

If an amicable agreement cannot be reached, the dispute will be submitted to the South-Savo district court, and the applicable law shall be the Finnish legislation.

Article 31: Annexes

The following documents are annexed to the Partnership Agreement

Annex I Accepted project application for Project Race4Scale KS1907 and its Annex I (approved budget)

Article 32: Working language

The Partner will prepare its reports to the Lead Partner in the English language. Reports submitted to the Managing Authority must be written in English.

In case of several language versions, the English version shall prevail.

Signatures

The Parties assure that the persons who have signed the Partnership Agreement are authorised to sign the name of the organisation they represent here. The Partnership Agreement is executed in English in two (2) originals: one original being for Lead Partner and one for the Partner.

Legal representative of the Lead Partner

Name: ~~Heikki Saastamoinen~~ Kalevi Niemi

Position: ~~CEO, President~~ RDI Director

Date and place:

Signature:



Legal representative of the Partner

Name: Igor Solovev

Position: Principal

Date and place: 9.06.2020 Leningrad region,
Vsevolozhsk district, Kudrovo

Signature:

