SUB-GRANT AGREEMENT

MADE AND ENTERED INTO BETWEEN

Verhaert New Products and Services, a company incorporated and existing under the laws of Belgium, with registered offices at Hogenakkerhoekstraat 21, 9150 Kruibeke, Belgium, and registered with the Crossroads bank for enterprises under company number 0439 039 420, represented by Frederik Wouters, hereinafter referred to as the "Main Contractor"

AND

[Other party details, represented by [name], hereinafter called the “Start-up”]

WHEREAS:

The Main Contractor has entered into the Grant Agreement (Grant Agreement for an Action – 260-G/GRO/COPE/17/10039 “GA”) with the European Commission representing the European Union (hereinafter “the European Union”) for the implementation of the Copernicus Incubation Programme setting out, amongst others, terms and conditions applicable to the specific grants that may be awarded by the Main Contractor for specific actions under the Copernicus Incubation Programme.

In conformity with the rules of the Copernicus Incubation Programme the Start-up has been awarded a grant after a successful evaluation of the Start-up’s application.

Whereas in this Sub-grant Agreement the Parties wish to lay down the contractual arrangements between them, regarding this grant for the Start-up that will be used in accordance with this Sub-grant Agreement and to further specify certain rights and obligations pertaining thereto.

Therefore, the Parties agree as follows:

ARTICLE 1 – DEFINITIONS AND PRECEDENCE

1.1. "Effective Date" means [insert date].

1.2. “Grant Agreement” means the agreement Grant Agreement for an Action – 260-G/GRO/COPE/17/10039 entered into between the European Union and the Main Contractor.

1.3. “Grant” means the sum awarded to the Start-up in conformity with the Grant Agreement and this Sub-grant Agreement.

1.4. "Party" shall mean each party to this Sub-grant Agreement, while “Parties” means the Main Contractor and Start-up collectively.

1.5. “Sub-grant Agreement” shall mean the present contract and its Annexes.

1.6. "Work" means the work that has to be performed by the Start-up under this Sub-grant Agreement, as described in the application form attached as Annex 2.

1.7. "Eligible" means the tasks and costs that are allowed to be performed by the Start-up under this Sub-grant Agreement, as described in the application form attached as Annex 3.

In the event of a conflict of applicable terms and conditions, the terms and conditions that govern shall be determined by the following priority: (a) the Grant Agreement (b) this Sub-grant Agreement.
ARTICLE 2 - SUBJECT

The Main Contractor has, in conformity with the rules of the Copernicus Incubation Programme, awarded a grant under the terms and conditions of this Sub-grant agreement and of the Grant Agreement for the support of the Start-up.

The Start-up accepts the Grant by signing this agreement under the conditions applicable to it and agrees to use the Grant only in conformity with this Sub-grant Agreement.

All obligations of the Grant Agreement which are relevant for the use of the Grant shall be applicable to the Start-up, as if the Start-up was a party to the Grant Agreement. The Start-up undertakes to cooperate, perform and fulfil, promptly and on time, all of its obligations under the Grant Agreement and this Sub-grant Agreement as may be reasonably required from it and in good faith. The Start-up hereby expressly accepts being bound by the relevant provisions of the Grant Agreement which become an integral part of this Sub-grant Agreement.

ARTICLE 3 - DUTIES OF THE START-UP

The Start-up:

3.1. Shall use the Grant only for his Work to be executed in accordance with the timetable laid down in Annex 2. In doing so, the Start-up shall exercise all reasonable skill, care and diligence and shall carry out all of its responsibilities under this Sub-grant Agreement in accordance with recognised professional standards. The Start-up shall provide personnel, facilities, equipment and materials necessary for the proper performance of this Sub-grant Agreement.

3.2. Shall deliver on time to the Main Contractor all applicable reports, deliverables, data and other documents required under the Grant Agreement and the Sub-grant Agreement.

3.3. Shall inform the Main Contractor immediately of any change in its situation that could have an impact on the conditions applicable to the decision to award the Grant.

3.4. Shall inform the Main Contractor immediately of any proposed change in the list of task listed in the application documents. The start-up is not allowed to proceed with the implementation without a written permission of the Main Contractor.

3.5. Shall promptly notify the Main Contractor of any event which could result in any delay or discontinuity in the execution of the Work.

3.6. Shall refrain from using the Grant for non-eligible costs (Annex 3) as defined in the eligible cost list.

ARTICLE 4 - FINANCIAL PROVISIONS

4.1. The Main Contractor will pay to the Start-up the maximum amount of €........exclusive of VAT, being the maximum accepted amount of the Grant under the Grant Agreement. It is thereby understood that this amount covers eighty-five percent (85%) of the full amount of the costs, up to this maximum amount, as accepted by the European Union.

4.2. The Start-up shall issue timely invoices and other necessary documents to the Main Contractor in order to comply with the Grant Agreement. All invoices are payable within thirty (30) days after receipt of the invoice as specified below.

The payments shall be made in accordance with the Grant Agreement as follows: 50% in pre-financing and 50% after the acceptance of the final delivery.
4.3. The Main Contractor shall pay the Grant in accordance with the actual costs submitted by the Start-up, subject to acceptance of these costs and payment of the partial reimbursement thereof by the European Union under Grant Agreement. Cost statements of the Start-up based on accurate and reliable documentation evidencing the actual costs beared by the Start-up in connection with the Work shall be submitted with the invoices for their partial (85%) reimbursement.

4.4. In accordance with its own usual accounting and management principles and practices, the Start-up shall be solely responsible for justifying its costs with respect to the Grant towards the European Union. The Main Contractor shall not be in any way liable or responsible for such justification of costs towards the European Union. The Start-up thereby accepts that the Main Contractor will at all moments be allowed to control the justification given by the Start-up and the Start-up will provide the Main Contractor with all further justification documents and declarations as reasonably requested by the Main Contractor. The Start-up agrees that any lack of cooperation with these control activities will entitle the Main Contractor to suspend any further payments to the Start-up. In case incorrect information is provided by the Start-up, the Main Contractor is allowed to reclaim the related payments.

4.5. If the Start-up spends less than the maximum budget under Article 4.1, it will be funded proportionally in accordance with its actual duly justified eligible costs only and will refund without delay to the Main Contractor all sums received in excess of the reimbursement of eligible costs.

4.6. If the Start-up spends more than the maximum budget under Article 4.1, it will be funded only in respect of duly justified eligible costs up to an amount not exceeding the Grant.

4.7. The startup agrees that Under no circumstances it shall hold the European Commision liable for any damage or monetary claims whatsoever resulting from the implementation of the contract.

ARTICLE 5 - COORDINATOR

Vis-à-vis the European Union, the Main Contractor, shall act in the name and on behalf of the Start-up and shall be responsible for the follow-up and reporting towards the European Union. The Start-up shall provide at its costs all reasonable assistance required by the Main Contractor in that respect. The Main Contractor shall receive all reports and cost statements of the Start-ups and submit them to the European Union.

The Start-up will also provide the Main Contractor with all extra information requested by the European Union and/or the Main Contractor in order to allow them to control the execution of this Sub-grant Agreement.

The Main Contractor shall upon request or when necessary for the performance of the Project convene meetings between the Parties.

ARTICLE 6 – CONFIDENTIALITY, OWNERSHIP AND LICENSES

The Parties agree that the clauses on confidentiality and intellectual property rights of the Grant Agreement (i.e. Article II.6 and II.9) will also apply, mutatis mutandis, to this Sub-grant Agreement.

ARTICLE 7 - LIABILITIES

7.1. Without prejudice to Article 8.2, each Party undertakes to fully indemnify and hold harmless the other Party for any claim made against the former Party by any third party, when such claim applies to any wilful act or gross negligence under this Sub-grant Agreement.

7.2. In case of termination of the Grant Agreement, the liability of the Main Contractor shall never exceed the funding actually paid by the European Union in such case.

7.3. In no event shall either Party’s liability to the other exceed the portion of the maximum
compensation as mentioned in Article 4.1 actually paid by the European Union to the Main Contractor.

7.4. In no event shall either Party be liable for any indirect, incidental, consequential, special, exemplary, punitive damages including but not limited to lost profits, lost revenue or damage to reputation.

7.5 The Parties agrees that any false information provided by the Start-up during the selection procedure or during the execution of this Sub-grant Agreement, including the omission by the Start-up to inform the Main Contractor of any change in its situation that could impact the execution hereof, will constitute fraud and will entitle the Main Contractor and the European Union to start legal action against the Start-up and to claim compensation for all damages whereby none of the limitations of the Start-up’s liability as laid down in this Article 7 will apply.

ARTICLE 8 - TERM AND TERMINATION

8.1. This Sub-grant Agreement shall come into force as of the date of the Effective Date, and shall remain in effect for a period of one (1) year, unless earlier terminated in accordance with the provisions of Articles 11.2, 11.3 or 11.4 hereunder.

8.2. In the event that a Party fails to perform any of its obligations under this Sub-grant Agreement and, if such failure is capable of remedy, that Party does not remedy such failure within thirty (30) days after service on that Party of notice in writing from the other Party specifying the failure and requiring such remedy then, without prejudice to other rights or remedies it may have, the latter shall be entitled to terminate this Sub-grant Agreement forthwith by notice in writing to the other Party.

8.3 In the event that the Start-up goes bankrupt or goes into liquidation or passes a resolution, or has an order made against it, for winding up (other than for the purposes and followed by amalgamation or reconstruction as a solvent entity) or makes any arrangement or compromise with its creditors or suffers a receiver or administrator to be appointed then, without prejudice to any other rights or remedies it may have, the Main Contractor shall be entitled to terminate the present Sub-grant Agreement forthwith by notice in writing.

8.4 In the event that the Grant Agreement with the European Union terminates, the Main Contractor shall immediately inform the Start-up of the European Union’s decision and shall be entitled to terminate the present Sub-grant Agreement forthwith by notice in writing to the Start-up.

8.5 The provisions of Articles 6, 7, 8, and 9, of the present Sub-grant Agreement shall however remain in force after termination for whatever reason and shall survive termination of this Sub-grant Agreement.

8.6 In the event of termination of this Sub-grant Agreement, the Start-up shall promptly deliver to the Main Contractor all Foreground and all due reports and any other documents generated in the course of the Work up to the date of termination.

8.7. If this Agreement is terminated by the Main Contractor for the Start-up’s substantial breach pursuant to Article 8.2, the Main Contractor shall not be obligated to pay the total sum. In this event, the Main Contractor shall only pay the Start-up on the basis of the costs accepted and paid by the European Union. The Start-up shall reimburse to the Main Contractor the advance payments it has received except the amounts accepted and paid by the European Union.

ARTICLE 9 - LAWS - DISPUTES
All issues, questions and disputes concerning the validity, interpretation, enforcement, performance or termination of this Sub-grant Agreement shall be governed by and construed in accordance with Belgian law, and no effect shall be given to any other choice of law or any conflict-of-laws rules or provisions (Belgian, foreign or international) that could cause the laws of any jurisdiction other than Belgium to be applicable.

Both Parties agree to first endeavour to settle amicably any dispute concerning the validity, interpretation, enforcement, performance or termination of this Sub-grant Agreement.

In the absence of an amicable settlement within 45 days from a written notice specifying the nature of the dispute and sent to the defaulting Party, such dispute shall be submitted to the exclusive jurisdiction of the Courts of Antwerp (Belgium).

ARTICLE 10 - ASSIGNMENT AND SUBCONTRACTING - NATURE OF RELATIONSHIP BETWEEN THE PARTIES - INDEPENDENT CONTRACTORS

10.1. The Start-up shall not assign or transfer in whole or in part any of its rights or obligations under this Sub-grant Agreement without the Main Contractors express prior written consent.

10.2. None of the provisions of this Sub-grant Agreement can be interpreted as indicating consent by the Parties to form a partnership, joint venture or other association between the Parties, nor shall one Party be considered the agent or employee of the other, except and to the extent specifically provided in this Sub-grant Agreement. Each Party acknowledges that it has not been, is not and shall not be entitled to legally represent or bind the other Party, such as, for instance, by entering into agreements or understandings or by accepting or assuming other rights and obligations on behalf of the other Party, except and to the extent specifically provided in this Sub-grant Agreement.

Executed in two (2) originals, each Party acknowledging receipt of one (1) original.

Verhaert New Products and Services NV

Signature: ........................................

Date: ........................................

Name: Frederik Wouters

Title: Director

Signature: ........................................

Date: ........................................

Name: Akihiro Hasegawa

Title: ........................................

Annexes:

1. Relevant sections of the Grant agreement (Special conditions, General conditions)

2. Start-up’s Application (Start-up application & compliancy checklist, A start-up business pitch, funding request application, support documents (e.g cvs of the start-up team, …), application & compliancy checklist of the support programme where the start-up will be incubated, presentation/material of the partnering support programme)

3. Eligible / non eligible cost listing
ANNEX 3 - Eligible / non-eligible cost list

Start-up is aware of the following eligible and non-eligible cost definitions and will declare tasks & accordant costs consequently.

ELIGIBLE COSTS

- Prototyping and research expenses
- Company set-up, insurance, license and permit fees
- Equipment and supplies, in particular IT (servers, cloud services, software licenses...) and other technological expenses
- Office space (if not paid to the support programme)
- Intellectual Property Rights related expenses
- Advertising, promotion, communication and visit to clients
- Website and email domain, analytics services
- Business consultancy services, accounting, consulting or legal expertise
- Borrowing costs
- Employee-related costs, including recruiting expenses.

Costs are claimed according to the following conversion rate into EURO as specified in article 1.4.6 of the Grant Agreement: monthly accounting rate established by the Commission and published on its website.

NON-ELIGIBLE COSTS

Costs paid to the support programme (e.g. office space) are not eligible as part of the grant

Other non-eligible costs:
- return on capital;
- debt and debt service charges;
- provisions for losses or debts;
- interest owed;
- exchange losses;
- deductible VAT
- doubtful debts;
- costs declared by a beneficiary in the framework of another action receiving a grant financed from the Union budget (including grants awarded by a Member State and financed from the Union budget and grants awarded by other bodies than the Commission for the purpose of implementing the Union budget) ; in particular, indirect costs shall not be eligible under the grant for an action awarded to a beneficiary with already received an operating grant financed from the Union budget during the period in question
- contribution in kind from third parties;
- excessive and reckless expenditure.