Innovation and Networks Executive Agency

Department C - Connecting Europe Facility (CEF)

GRANT AGREEMENT
UNDER THE CONNECTING EUROPE FACILITY (CEF) - TRANSPORT SECTOR

AGREEMENT No INEA/CEF/TRAN/M2014/1057372

The **European Climate Infrastructure and Environment Executive Agency (CINEA)** ("the Agency"), under the powers delegated by the European Commission ("the Commission"), represented for the purposes of signature of this Agreement by the Director of the Agency, [redacted],

on the one part,

and

1. **Ministero delle Infrastrutture e della Mobilità Sostenibili (MIMS)**
Via Nomentana 2
00161 Roma
Italy

hereinafter referred to as "the coordinator", represented for the purposes of signature of this Agreement by Direttore generale - Direzione sviluppo del territorio, pianificazione e progetti internazionali, [redacted]

and the following other beneficiaries:

2. **Ministère de la Transition écologique et de la Cohésion des Territoires (MTECT)** – established in France
duly represented by the coordinator by virtue of the mandates included in Annex IV for the signature of this Agreement,

hereinafter referred to collectively as "the beneficiaries", and individually as "beneficiary" for the purposes of this Agreement where a provision applies without distinction between the coordinator or another beneficiary,

on the other part,

HAVE AGREED

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to the Special Conditions (hereinafter referred to as "the Special Conditions") and the following Annexes:

Annex I	Description of the action
Annex II	General Conditions (hereinafter referred to as "the General Conditions")
Annex III	Estimated budget of the action
Annex IV	Mandate provided to the coordinator by the other beneficiary
Annex V	Model final report
Annex VI	Model financial statement(s)
Annex VII	Model terms of reference for the certificate on the financial statements

which form an integral part of this Agreement, hereinafter referred to as "the Agreement".

The terms set out in the Special Conditions shall take precedence over those set out in the Annexes.

The terms of Annex II "General Conditions" shall take precedence over the other Annexes.

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SPECIAL CONDITIONS

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ARTICLE 1 – SUBJECT MATTER OF THE AGREEMENT

The Commission has decided to award a grant, under the terms and conditions set out in the Special Conditions, the General Conditions and the other Annexes to the Agreement, for the action entitled "**Cross Border Section of the New Lyon-Turin Rail Link Mont Cenis Base Tunnel (TBM)**" ("the action"), action number **2014-EU-TM-0401-M** as described in Annex I.

With the signature of the Agreement, the beneficiaries accept the grant and agree to implement the action, acting on their own responsibility.

ARTICLE 2 – ENTRY INTO FORCE OF THE AGREEMENT AND DURATION OF THE ACTION

2.1 The Agreement shall enter into force on the date on which the last party signs.

2.2 The action shall run from 01/01/2014 ("the starting date") until [redacted] ("the completion date").

ARTICLE 3 - MAXIMUM AMOUNT AND FORM OF THE GRANT

The grant for the action shall be of a **maximum amount of EUR 813,781,900.**

The grant shall take the form of:

(a) the reimbursement of the eligible costs of the action ("reimbursement of eligible costs"), which are estimated at EUR 1,897,712,457, according to the following conditions:

(a1) Reimbursement of 40% of the eligible costs for the direct costs of the following activities: Activity 6, Activity 7, Activity 8, Activity 9, Activity 10, Activity 11, Activity 12, Activity 13, Activity 14, Activity 15, Activity 16, Activity 17, Activity 18, Activity 19, Activity 20, Activity 21, Activity 22, Activity 23, Activity 24, Activity 25, Activity 26, Activity 27, Activity 28, Activity 29, Activity 30, Activity 31, Activity 32, Activity 33, which are
- (i) actually incurred ("reimbursement of actual costs")
- (ii) reimbursement of unit costs: not applicable
- (iii) reimbursement of lump sum costs: not applicable
- (iv) reimbursement of flat-rate costs: not applicable
- (v) declared on the basis of an amount per unit calculated in accordance with the beneficiary's usual cost accounting practices ("reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices") for personnel costs

(a2) Reimbursement of 50% of the eligible costs for the direct costs of the following activities: Activity 1, Activity 2, Activity 3, Activity 4, Activity 5, which are
- (i) actually incurred ("reimbursement of actual costs")
- (ii) reimbursement of unit costs: not applicable
- (iii) reimbursement of lump sum costs: not applicable
- (iv) reimbursement of flat-rate costs: not applicable

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(v) declared on the basis of an amount per unit calculated in accordance with the beneficiary's usual cost accounting practices ("reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices") for personnel costs

(b) unit contribution: not applicable

(c) lump sum contribution: not applicable

(d) flat-rate contribution: not applicable

ARTICLE 4 – ADDITIONAL PROVISIONS ON REPORTING, PAYMENTS AND PAYMENT ARRANGEMENTS

4.1 Reporting periods and payments

In addition to the provisions set out in Articles II.23 and II.24, the following reporting and payment arrangements shall apply:

4.1.1 Reporting periods

The action is divided into the following reporting periods:
- Reporting period 1 from the starting date of the action to 31 December 2014;
- Reporting period 2 from 1 January 2015 to 31 December 2015;
- Reporting period 3 from 1 January 2016 to 31 December 2016;
- Reporting period 4 from 1 January 2017 to 31 December 2017;
- Reporting period 5 from 1 January 2018 to 31 December 2018;
- Reporting period 6 from 1 January 2019 to 31 December 2019;
- Reporting period 7 from 1 January 2020 to 31 December 2020;
- Reporting period 8 from 1 January 2021 to 31 December 2021;
- Reporting period 9 from 1 January 2022 to 31 December 2022
- Last reporting period from 1 January 2023 to the completion date of the action.

4.1.2 Payments

Upon entry into force of the Agreement, the Agency shall make a first pre-financing payment of 40% of the amount of the first annual instalment of the maximum CEF contribution as indicated in Annex III to the coordinator in accordance with Article II.24.1.2.

At the end of each reporting period, except the last reporting period, the coordinator may submit a request for further pre-financing payment in accordance with Article II.23.1.2. The further pre-financing payment shall be calculated on the basis of 40% of the cumulated financing needs and in accordance with Article II.24.1.3. The Agency shall make the further pre-financing payment to the coordinator in accordance with Article II.24.1.3.

At the end of at least every two reporting periods, the coordinator shall submit a request for interim payment in accordance with Article II.23.2.1. The Agency shall make an interim payment to the coordinator in accordance with Article II.24.2.

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At the end of the last reporting period, the coordinator shall submit the request for payment of the balance in accordance with Article II.23.2.2. The Agency shall make the payment of the balance to the coordinator in accordance with Article II.24.3.

4.1.3 Ceiling for pre-financing and interim payments

The total amount of pre-financing and interim payments shall not exceed 80% of the maximum grant amount set out in Article 3.

4.2 Time limit for payments

The time limit for the Agency to make the interim payment(s) and payment of the balance is 90 days.

4.3 Language and submission means of requests for payment, reports and financial statements

All requests for payments, reports and financial statements shall be submitted in English.

The Action Status Report referred to in Article II.23.1 shall be submitted via TEN-Tec.

Other documents or, if applicable, scanned copies of the original signed paper versions and electronic files, shall be sent via e-mail to the address specified in Article 6.2.

ARTICLE 5 – BANK ACCOUNT FOR PAYMENTS

All payments shall be made to the coordinator's bank account as indicated below:

[redacted]

ARTICLE 6 - DATA CONTROLLER AND COMMUNICATION DETAILS OF THE PARTIES

6.1 Data controller

The entity acting as a data controller according to Article II.6 shall be the Director of the Agency.

6.2 Communication details of the Agency

Any communication addressed to the Agency by post or e-mail shall be sent to the following address:

European Climate, Infrastructure and Environment Executive Agency (CINEA)

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Department C - Connecting Europe Facility (CEF)
Unit B3 Transport
B-1049 Brussels
Fax: [redacted]
E-Mail addresses:
For general communication: [redacted]
For the submission of requests for payment, reports (except ASRs) and financial statements: [redacted]

Any communication addressed to the Agency by registered mail, courier service or hand-delivery shall be sent to the following address:

European Climate, Infrastructure and Environment Executive Agency (CINEA)
Avenue du Bourget, 1
B-1140 Brussels (Evere)

TEN-Tec shall be accessed via the following URL:
https://webgate.ec.europa.eu/tentec/

6.3 Communication details of the beneficiaries

Any communication from the Agency to the beneficiaries shall be sent to the following addresses:

For Ministero delle Infrastrutture e della Mobilità Sostenibili:
[redacted]
Via Nomentana 2, 00161 Roma, Italy
E-mail address: [redacted]

ARTICLE 7 – ENTITIES AFFILIATED TO THE BENEFICIARIES

Not applicable.

ARTICLE 8 - IMPLEMENTING BODIES DESIGNATED BY THE BENEFICIARIES

For the purpose of this Agreement, the following entity is considered as implementing body:
- Tunnel Euralpin Lyon Turin SAS, designated by MIMS and by MTECT.

ARTICLE 9 - MONO-BENEFICIARY GRANT

Not applicable.

ARTICLE 10 – ADDITIONAL PROVISIONS ON REIMBURSEMENT OF COSTS DECLARED ON THE BASIS OF THE BENEFICIARY'S USUAL COST ACCOUNTING PRACTICES

In addition to the conditions set out in Article II.20.5, where, in accordance with point (v) of Article 3(a)(a1) and (a2) the grant takes the form of the reimbursement of unit costs, lump

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sum costs or flat-rate costs declared by the beneficiary on the basis of its usual cost accounting practices, the beneficiary shall ensure that the cost accounting practices used are also in compliance with the conditions laid down in Commission Decision C(2016)478 of 3 February 2016.

ARTICLE 11 – ADDITIONAL PROVISIONS ON USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

In addition to the provisions of Article II.8.3, the beneficiaries shall warrant that the Agency has the rights to:

- summarise the results of the action and distribute the summary;
- extract a part (e.g. audio or video files) of, divide into parts or compile the results of the action.

ARTICLE 12 – OBLIGATION TO CONCLUDE AN INTERNAL CO-OPERATION AGREEMENT

Not applicable.

ARTICLE 13 - INAPPLICABILITY OF THE NO-PROFIT PRINCIPLE

Not applicable.

ARTICLE 14 - INELIGIBILITY OF VALUE ADDED TAX

By way of derogation from point (h) of Article II.19.2, amounts of value added tax (VAT) paid are not eligible for the following beneficiaries: Ministère de la Transition écologique et de la Cohésion des Territoires and Ministero delle Infrastrutture e della Mobilità Sostenibili.

ARTICLE 15 - SPECIAL PROVISIONS ON ELIGIBLE COSTS

Not applicable.

ARTICLE 16 – WAIVING OF THE OBLIGATION TO PROVIDE CERTIFICATES ON THE FINANCIAL STATEMENTS

Not applicable.

ARTICLE 17 - FINANCIAL SUPPORT TO THIRD PARTIES

Article II.11 is not applicable.

ARTICLE 18 — IMPLEMENTATION OF ACTION TASKS BY BENEFICIARIES NOT RECEIVING EU FUNDING

Not applicable.

ARTICLE 19 – SETTLEMENT OF DISPUTES WITH NON EU BENEFICIARIES

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Not applicable.

ARTICLE 20 – BENEFICIARIES WHICH ARE INTERNATIONAL ORGANISATIONS

Not applicable.

ARTICLE 21 – JOINT AND SEVERAL FINANCIAL LIABILITY FOR RECOVERIES

Not applicable.

SIGNATURES

For the coordinator

[redacted]

Done at Roma, on

For the Agency

[redacted]

Done at Brussels, on

In duplicate in English

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ANNEX I

DESCRIPTION OF THE ACTION

ARTICLE I.1 – IMPLEMENTATION OF THE TEN-T NETWORK

The action contributes to the implementation of:

– the core network
  - Corridor(s): Mediterranean.
  - Pre-identified section(s) on the core network corridor(s):
  - Lyon - Torino

ARTICLE I.2 – LOCATION OF THE ACTION

I.2.1 Member State(s): France, Italy

I.2.2 Region(s) (using the NUTS2 nomenclature): Rhône-Alpes (FR71), Piemonte (ITC1)

I.2.3 Third country(ies): not applicable

ARTICLE I.3 – SCOPE AND OBJECTIVES OF THE ACTION

The main goal of New Lyon-Turin Rail Link (NLTL) for creating a new rail infrastructure with optimal safety, technological and operational characteristics is to ensure a major axis along the Mediterranean corridor for both passenger and freight traffic.

Among the most important Trans European Transport Network infrastructure projects, the NLTL is indeed the only East-West or West-East passage through the Alps. Once completed, it will improve connection between France and Northern Italy, and link the Iberian Peninsula, North West Italy and South-East of Europe.
The overall objectives of the Action are to:

- Remove a bottleneck along a cross border section. The NLTL will offer a flat route, eliminating the current slopes of around 30 ‰ for freight trains crossing the Alps;
- Fill a missing link along transalpine and European traffic;
- Contribute to EU sustainable development objectives of reducing the levels of greenhouses gases by 20% by 2020 (based on 1990 levels), improving energy efficiency by 20% and reaching 20% of renewable energy in overall energy consumption by 2020. The base tunnel and its access lines will also allow to save the equivalent 3 million tons of equivalent CO2, reduce traffic congestion and any other risks on the intra-alpine and transalpine transport;
- Promoting transport efficiency: the flat route will shorten travelling time and reduce operating costs between St Jean de Maurienne and Susa by around 40% with the provision of vertical drop and route conditions similar to flat land railways (eliminating booster locomotives for heavy freight trains);
- Shift from road to rail the crossing of the Alps via the Mediterranean Corridor;
- Create a more favorable environment for private, public or private-public partnership

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investments.

As indicated in the 2012 binational French-Italian Treaty, NLTL is made of a:

- French section, from Saint-Didier-de-la-Tour to Montmélian (France);
- French-Italian common part, from Montmélian to Chiusa San Michele (Italy);
- Italian section, from Chiusa San Michele to Turin hub.

The Action is located along the cross border section (between Saint-Jean-de-Maurienne and Susa/Bussoleno) of the French-Italian common part. It includes the connection to the existing line in Saint-Jean-de-Maurienne railway station, the Mont-Cenis cross-border base tunnel (around. 57.5 km), Susa valley crossing, interconnection tunnel (approx. 2 km) and the entry into the existing Bussoleno railway station.

The existing line from Maurienne to Susa valley can transport rail traffic, but it is a mountain line, thus severely limiting wide gauge heavy freight, rolling motorway and high speed passenger trains. As a result, the majority of trade is transported by road. From 2002 to 2012, 68% of trade in the Ventimiglia – Tarvisio arch was carried out by road and only 32% by rail. Few roads cross the Alps, thus concentrating heavy vehicles traffic in a few valleys, creating heavy traffic jams during rush hour periods.

The cross border section will have a plain profile with three sections- Saint-Jean-de-Maurienne, Susa plain and Bussoleno – at open air. This is the best technical option to allow minimum inclination compatible with both high speed and mixed rail traffic and shortest alignments with reduced operating costs and travelling times. With the French and Italian section, it is expected to shift of one million heavy goods vehicles per year from road to rail between France and Italy thus considerably reducing environmental nuisances.

The scope of the Action includes studies and civil works. Ongoing studies and geological investigations will be completed, paving the way for preparatory works and the start of main civil works, which will then continue until their completion. Therefore, the Action is an intermediate phase of an overall infrastructure investment in this region.

ARTICLE I.4 – ACTIVITIES

I.4.1 Activities timetable

Activity number	Activity title	Indicative start date	Indicative end date	Milestone number
1	TELT Administrative costs for studies	01/01/2016	31/12/2017	[redacted]
2	Monitoring and follow-up of the descending shafts	01/01/2016	31/12/2021	
3	La Maddalena exploratory activities	01/01/2016	31/12/2022	
4	Exploratory activities from the foot of the Saint-Martin-la-Porte access tunnels	01/01/2016	[redacted]	
5	Final modifications of the reference design	01/01/2016	31/12/2020	
6	TELT Administrative costs for works	01/01/2018	[redacted]	

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Activity number	Activity title	Indicative start date	Indicative end date	Milestone number
7	Release of the land acquired for public purposes and demolitions	01/01/2014	[redacted]	[redacted]
8	Utilities diversions in France	01/01/2016	[redacted]	
9	Utilities diversions in Italy	01/01/2017	[redacted]	
10	Chiomonte Interchange	01/01/2017	[redacted]	
11	Relocation of A32 Autoport	01/01/2017	[redacted]	
12	Relocation of [redacted] « safe driving » track	01/01/2017	[redacted]	
13	Interconnection tunnel Susa-Bussoleno	01/10/2017	[redacted]	
14	Electric connection Susa-Venaus	01/10/2017	31/12/2022	
15	Avrieux shafts	01/01/2016	[redacted]	
16	Villard Clément cut and cover	01/10/2017	31/12/2022	
17	Electric connection for French worksites	01/01/2017	[redacted]	
18	Main civil works until 31/12/2018	01/01/2017	31/12/2018	
19	Civil works in Susa plain (o.w.2A)	01/01/2019	[redacted]	
20	Info point Henry Barrack (o.w. 2E)	01/01/2019	[redacted]	
21	Maddalena-Susa (o.w. 3-4)	01/01/2019	[redacted]	
22	Maddalena interconnecting Niches (o.w. 4A)	01/01/2019	[redacted]	

Activity number	Activity title	Indicative start date	Indicative end date	Milestone number
23	Modane and Maddalena (o.w.5)	01/01/2019	[redacted]	[redacted]
24	La Praz-Modane (o.w. 6)	01/01/2019	[redacted]	
25	St Martin la Porte-La Praz (o.w.7)	01/01/2019	[redacted]	
26	St Julien Montdenis (West entrance)-Saint Martin la Porte (o.w. 8)	01/03/2019	[redacted]	
27	St Jean de Maurienne [redacted] (o.w. 9B)	01/01/2018	[redacted]	
28	St Jean de Maurienne (TELT) (o.w. 9C)	31/07/2019	[redacted]	
29	Trimet and Villargondran dams (o.w. 9D)	01/01/2019	[redacted]	

Activity number	Activity title	Indicative start date	Indicative end date	Milestone number
				[redacted]
30	Arc Bridge (o.w. 9E)	01/01/2020	[redacted]	
31	Management of excavated materials-Italy (o.w. 10)	01/01/2019	[redacted]	
32	Management of excavated materials-France – (o.w.11)	01/01/2019	[redacted]	
33	Engineering and other costs not included in other OW	01/01/2019	[redacted]	

I.4.2 Activities description

Activity 1: TELT Administrative costs for studies

In 2002 LTF-SAS (now TELT) was set up to implement the studies, exploratory and geological investigation activities and preliminary works in compliance with article 5 & 6 of the 2001 Franco-Italian Treaty. TELT will manage the contracts signed for studies, exploratory and geological investigation activities. This activity covered administrative costs for studies activities as follows:

- Human resources, rental of TELT main offices in Torino and Le Bourget du Lac , vehicles, furniture, office supplies, IT systems, consultancy and regulatory controls, communication including the management of Modane information point;
- Specific studies to prepare future works and to successfully complete them;
- Preparation of the tender dossier for preparatory (activities 13-16) and main works;
- Study realized by TELT, public utility owners or infrastructure managers to prepare agreements for works covered by activities 10,11,12 and 17;
- Specific environmental procedures for each part of the foreseen worksites which could not be done before the beginning of works: vegetation clearing, preventive archeology, compensatory measures for wildlife, flora or human activities;
- Deepening of financial engineering and contractual studies.

The relative costs incurred before 31/12/2015 were supported by the TEN-T program, while

those incurred on 01/01/2016-31/12/2017 are supported by CEF.

This activity was completed at 31/12/2017.

Activity 2: Monitoring and follow-up of the descending shafts

Activity 2 concerns the maintenance (monitoring and follow-up) of: i) Villarodin-Bourget/Modane descending shafts until they are handed over (between 2021 and 2022) to the contractors of civil works at the base tunnel; and ii) Maddalena exploratory tunnel, once this latter is completed (end of Activity 3).

During the phase of works at the base tunnel, these descending shafts (together with la Praz, the other shaft already completed) will serve as access to the underground worksites. Once works are completed, these descending shafts will be used as safety and maintenance access.

This activity covers any contract (services, supplies and works) required for:
• surveillance;
• maintenance work on the equipment;
• monitoring any possible changes in the structure

Activity 3: La Maddalena exploratory activities

The 7.5 km La Maddalena exploratory tunnel of 6,30 m diameter was made up of a descending section leading to the axis of the base tunnel alignment, then a section parallel to the alignment of the base tunnel.

The purpose of the exploratory activities is to identify the geological, hydrogeological and geo-mechanic characteristics of the cross border section of the Ambin rock massif, where the future excavation of the base tunnel will cross the highest overburden. In large civil construction projects, it is essential to gather information about rock properties before the full excavations begin.

The exploratory activities identified the geological, hydrogeological and geo-mechanic characteristics of the cross border section of the Ambin rock massif, where the future excavation of the base tunnel will cross the highest overburden. In large civil construction projects, it is essential to gather information about rock properties before the full excavations begin and retrieved geological data allowed:

- evaluating the technical feasibility of future works;
- planning appropriate technical solutions for a timely and cost-effective implementing plan of future works;
- preparing tender of the future works (define terms of reference and decide the most appropriate financial package) at base tunnel Maddalena-Susa (activity 22, operational worksites 3-4).

At the end of 2015, around 4 km of tunnel were completed under 2007-EU-06010-P Action, co-funded under TEN-T program.

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From 01/01/2016 until 21/07/2017, this activity covered the completion of the geological investigations. Investigations included test drilling cores, seismic studies, and outcrop investigations to explore rock types, structure, and physical properties and any geological investigation to understand how the Ambin mountain massif reacts while tunnel boring machines (TBM) perform.

As from 21/07/2017, the activity also included operations to clear the worksite and contracts on project management, safety coordination, environmental monitoring, disposal of the excavated material (not included in activity 32), monitoring of the structure until the achievement of the construction.

The activity was completed at 31/12/2019.

Activity 4: Exploratory activities from the foot of the Saint-Martin-la-Porte access tunnels

This activity covers the exploratory and geological investigations activities at the second branch of the existing access tunnel and more than 10 km exploratory tunnel (south tube).

The worksite of this Activity has been divided into 5 sections: 1, 2, 3A, 3B and 4.

Until 30/09/2019, this activity covered:

- Section 3 A: crossing the Houiller section with a small diameter at first and later enlarging to reach the same diameter as the base tunnel. This section is completed;
- Sections 1 and 4: setting up several caverns at the foot of the existing Saint-Martin-La-Porte and La Praz access tunnels for logistic purposes to mount and dismantle the TBM. These sections are completed;
- Section 2: exploratory and geological investigations activities with a hard rock TBM with segmental lining for the 9 km long section between the feet of these two access tunnels. This section is completed.

Excavations investigated the geological, hydrogeological and geo-mechanic characteristics of the section in the Houiller rock massif, where the excavation of the base tunnel will cross the weakest ground conditions. In large civil construction projects, it is essential to gather information about rock properties before the full excavations begin and retrieved geological data allowed:

- evaluate the technical feasibility of future works;
- plan appropriate technical solutions for a timely and cost-effective implementing plan of future works;
- prepare tender of the future works (define technical specification of the tender dossier and decide the most appropriate financial package) at base tunnel Saint Martin la Porte (activity 26, operational worksite 7).

The activity also covered all the complementary activities such as the disposal of material which cannot be reused or the temporary stocking of other types of material, as well as related contracts (project management, safety coordination, environmental monitoring, insurance...).

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As from 30/09/2019, this activity covers engineering and excavation costs for the section 3B. This 1.4 km second branch of the Saint-Martin-La-Porte access tunnel towards the west, surrounds the most critical section (Houiller rock massif) between the base of the current access tunnel and the one completed in September 2019.

This section will have a small diameter at first and later enlarging to reach the same diameter as the base tunnel. This second branch and the exploratory tunnel will verify the existence of plurimetric carboniferous levels, evaluate soil behaviour when excavated under real overburden, assess the fractures containing water and soil behaviour eastbound from Brequin-Orelle geological unit. They will also test and adapt excavation method.

At the end of the Action, the second branch of the access tunnel and the exploratory tunnel will be completed, and the following objectives will be reached:
- check the existence of plurimetric carboniferous levels
- evaluate soil behaviour when excavated under real overburden
- experiment and if necessary adapt excavation method
- characterize the fractures containing water
- investigate the soil behaviour eastbound from Brequin-Orelle geological unit by crossing this geological area in full section.

Cost incurred before 31/12/2015 were co-funded by TEN-T 2007-EU-06010-P Action and those incurred from 01/01/2016 are co-funded by the CEF program.

<u>Activity 5</u>: Final modifications of the reference design

The activity covers the revision of final design studies in Italy (Progetto Definitivo) and of the Reference design studies in France (Projet de référence), as required by the national administrative approval procedures. It also covers the development of several recommendations issued by the first phase of the cost certification (done by an external third party in June 2015).

In 2018, the final design studies on open air works alignment in Italy (variante) were modified and the main excavation site of the Base Tunnel in Italy was moved from Susa to Chiomonte. In France, the reference design (Projet de référence) in France were complemented by studies done by [redacted]

Both studies were included in the tender dossiers for future works.

Costs incurred before the 31/12/2015 were co-funded by TEN-T 2007-EU-06010-P Action and those incurred after the 01/01/2016 are co-funded by the CEF program.

The activity was completed at 31/12/2019.

<u>Activity 6</u>: TELT Administrative costs for works

In order to successfully complete works activities TELT will support project management

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costs such as:

- project management (maîtrise d'ouvrage) to coordinate management of different parts of the project and monitor compatibility between civil engineering and the equipment;
- updating the traffic forecasts, the economic studies and the financial studies to specify the type of contract needed for building the equipment;
- actions linked to rail safety leading to an authorization for operation;
- insurance for buildings, vehicles, Directors and officers liability insurance
- the administrative work of TELT for the preparation of tenders for civil works at base tunnel (the preparation of tender documents by the contractors is included in the scope of the respective activities);
- Human resources, rental of TELT main offices in Torino and Le Bourget du Lac, vehicles, furniture, office supplies, IT systems, consultancy, regulatory controls performed in TELT headquarters of Torino and Le Bourget du Lac, communication including the management of Modane information point;
- for activities 10 (Chiomonte Interchange, o.w. 4C) and 11 (New Autoport o.w. 2C) tasks for monitoring the technical implementation and their spending profile, as indicated in the agreements signed with [redacted]
- for activity 12 (New "Safe driving" track, o.w. 2D) tasks for monitoring the technical implementation and their spending profile, as indicated in the agreements signed with [redacted]

<u>Activity 7</u>: Release of the land acquired for public purposes and demolitions

This activity isn't related to the purchase of land (not eligible under CEF) but the operations required to prepare the land for the worksites: temporary occupation, servitudes, demolishing buildings, fencing off activities to secure the sites before the start of works, depolluting, demining, etc. It covers all the work contracts and/or agreements with public utilities' owners.

By the end of the Action, the following objectives will be reached:

- In France, approximately 45 buildings in the Saint Jean de Maurienne basin (Saint Jean de Maurienne, Villargondran, Saint Julien Mondenis) will be demolished (50% by the end of 2019). Demolitions in the plain of Saint Jean de Maurienne phases 1-2-3-4 are also included;
- In Italy, areas in sites of Chiomonte, Giaglione (by February 2020), San Didero-Bruzolo, Torrazza Piemonte, and Salbertrand (by February 2020) will be temporarily occupied.

<u>Activity 8</u>: Utilities diversions in France

This activity covers engineering and works costs linked to agreements with public utility owners to deviate those utilities whose alignment is interfering with the open air works (other than canals and roads which are included in Activity 10 to 34): electricity lines, gas pipes, water, drains, telecommunications, optic fiber. These deviations are a precondition to release future work sites and allow to begin the construction activities.

This activity also covers any other contract related to these works. These deviations involve

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all public and private suppliers relating mainly to dry networks, as follows:

- Electrical supply networks: [redacted]
- Fibre networks: [redacted]
- Phone networks: [redacted]
- Gas networks: [redacted]

The following objectives will be reached by the end of the Action:

1. Agreement owner [redacted] (in Villarodin Bourget and Modane municipalities): the diversion of electricity line « 63kV Aussois Terres Froides » will allow works of the "Moulin" platform and use the site of "Tierces". The electric airline will be replaced by an underground line on 3,8 km. This deviation is carried out in coordination with the 20kV Enedis deviation Fréjus;
2. Agreement owner [redacted] (in Villarodin Bourget municipalities) will cover studies for the electric deviation. Completed at 31/12/2016;
3. Agreement owner [redacted] (in Villarodin Bourget and Modane municipalities): the diversion of electricity line « 20 kV Fréjus » will works of the "Moulin" platform and use of the site of "Tierces". The electric airline will be replaced by an underground line on 7,3 km;
4. Agreement owner [redacted] (in Saint Julien Montdenis municipality): The derivation of telephony and optical fiber networks under RD 1006 and A43 are required as a result of construction of the Covered Trench;
5. Agreement owner [redacted] (in Saint Julien Montdenis municipality): The deviation of HTA power grids (20KV) along the RD1006 is required to construct the Villard Clément Cut and Cover. Such deviation will be done in coordination with the Villard Clément Cut and Cover.
6. Agreement owner [redacted] (in Saint Julien Montdenis municipality): the deviation of Optical Fibre Network will allow building the Villard Clément Cut and Cover;
7. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): will cover studies for the diversion of the gas transmission network and the studies on the impact of [redacted] work for TELT on the gas network;
8. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): the relocation of 20 kV electrical supply station will allow works on the new line. Completed at 31/12/2017;
9. Agreement owner [redacted] (in Saint Jean de Maurienne and Villargondran municipalities): studies for the derivations of telephony networks and optics fibers will allow works in the Saint Jean de Maurienne Basin.
10. Agreement owner [redacted] (in Saint Jean de Maurienne and Villargondran municipalities): the derivations of telephony networks and optics fibers will allow works in the Saint Jean de Maurienne Basin. Deviations works (Derivation optic fiber - route Amoudon to Villargondran; Derivation SRP - rue Louis Sibué - zone Ouest Arvan - Saint Jean de Maurienne; Derivation networks - zone Ouest Arvan - Saint Jean de Maurienne; Diversion resumption cabling - front of station - rue Bastille - Saint Jean deMaurienne) are carried out according to the planning of the main work.
11. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): studies on the deviation of the 42KV Chaudannes Arvan electric line will increase the power of this electric line to cope with works on the new rail line;
12. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): the deviation of the 42KV Chaudannes Arvan electric line will increase the power of this electric and cope with works on the new rail line;

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13. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): the deviations of optic fiber networks will allow works on the Bastille sector;
14. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): the deviations of optic fiber networks will allow works on Saint Jean de Maurienne. Deviations works are carried out according to the planning of the main work;
15. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): the derivation of HTA (20KV) and low voltage grids in Saint Jean de Maurienne will allow main works. Deviations works (deviation rue de l'Artisan, rue de l'Arc, municipality Saint-Jean Maurienne and Villargondran, rue Libération, rue Louis Sibué, rue de la Bastille, rue René Cassin, land pqrcel Martinet, RD81, sector old Resses, deviation Bastille post and construction of new Bastille) are carried out according to the planning of the main work (first phase until 31/12/2021);
16. Agreement owner [redacted] (in Saint Jean de Maurienne Saint-Julien-Montdenis and Villargondran municipalities): the deviation by grounding of the 150KV overhead electric line will allow main works;
17. Agreement owner [redacted] (in Saint Jean de Maurienne Saint-Julien-Montdenis and Villargondran municipalities); the deviation by grounding of the 42KV and 63 KV overhead electric lines which gene for the main works.
18. Agreement owner [redacted] (in Saint Jean de Maurienne municipality): studies for the deviation by grounding of the 42KV and 63 KV overhead electric lines which impact main works.Completed at 31/12/2018;
19. Agreement owner [redacted] (in Villargondran municipality): studies for the deviation Electrical networks by raising 2 pylons. It is necessary to upgrade the too low overhead lines that interfere with the construction work of the Electric Sub-Station on the site of the "plan des Epines";
20. Agreement owner [redacted] (in Villargondran municipality): the electrical networks will be deviated by raising 2 pylons. It is necessary to upgrade the too low overhead lines that interfere with the construction work of the Electric Sub-Station on the site of the "plan des Epines";
21. Agreement owner [redacted] (in Villargondran municipality): supply for the deviation Electrical networks by raising 2 pylons. It is necessary to upgrade the too low overhead lines that interfere with the construction work of the Electric Sub-Station on the site of the "plan des Epines";
22. Agreement owner [redacted] (in Saint Julien Montdenis municipality): studies for the deviation of the power line in the ILLAZ sector, to allow Illaz railway branch line;
23. Agreement owner [redacted] (in Saint Julien Montdenis municipality): the derivation of the [redacted] 42KV power line by air or underground to create branch line to the Illaz sector for the loading of materials.

Due to the high number of interferences with existing networks, the complex phase-out at the same time as the progress of the main works and the modest reference amount, general milestones are indicated for this activity for each year of implementation. A detailed progress report on the resolution of interferences will be provided at the end of each year as mean of verification.

<u>Activity 9</u>: Utilities diversions in Italy

This activity covers engineering and works costs linked to agreements with public utility

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owners to deviate those utilities whose alignment is interfering with the open air works (other than canals and roads which are included in Activity 10 to 34): electricity lines, gas pipes, water, drains, telecommunications and optic fibres. These deviations are a precondition to release the future working sites and allow the start of the construction activities. This activity also covers any other contract related to these works.

The following objectives will be reached by the end of the Action:

1. Agreement owner [redacted] (in Torrazza Piemonte, San Didero, Bruzolo municipalities): the power lines in San Didero and Bruzolo will be deviated to allow building roundabout of access to the New Autoport. In Torrazza the connection from the railway to the deposit will be also done;
2. Agreement owner [redacted] (in Torrazza Piemonte municipality): the medium pressure gas pipeline will be deviated to allow the beginning of the deposit;
3. Agreement owner [redacted] (Chiomonte municipality): the deviation of the section of the interfering aerial cable 50 Kv Power line Chiomonte-Susa will allow to extend the worksite for the Base Tunnel;
4. Agreement owner [redacted] (Torrazza Piemonte, San Didero and Bruzolo municipalities): the deviation of water mains in San Didero and Bruzolo will allow the construction of roundabout of access to the New Autoporto. For the deviation of Torrazza the deviation will connect the railway to the deposit;
5. Agreement owner [redacted] (in Torrazza Piemonte San Didero, Bruzolo and Salbertrand municipalities): the deviation of telephone lines and fiber optic cables in San Didero and Bruzolo will allow the construction of roundabout of access to the New Autoporto. The deviation in Torrazza will allow the connection from the railway to the deposit. In Salbertrand the deviation is necessary to prepare works site logistics;
6. Agreement owner [redacted]: the deviation of an electrical line will allow preparing works site logistics;
7. Agreement owner [redacted]: the deviation of underground power lines will allow preparing works site logistics;
8. Agreement owner [redacted]: the deviation of water mains and sewerages will allow preparing works site logistics;
9. Agreement owner [redacted] (San Didero and Bruzolo municipalities): the deviation of gas pipeline will allow the construction of roundabout of access to the New Autoporto;
10. Agreement owner [redacted] (San Didero and Bruzolo municipalities): the deviation of an [redacted] power line will allow starting the construction of the New Autoporto.

This activity covers not only the main agreements with public utility owners but also any other contract related to these works. For each utility, the activity covers:

- The construction of a new network section (on the new roads and tracks or out of the working sites areas) to supply and maintain the functionality;
- The removal of any network interfering with the works;
- Engineering supervision;
- Tests related to the deviation works supported by the utility operators.

Due to the high number of interferences with existing networks, the complex phase-out at the same time as the progress of the main works and the modest reference amount, general milestones are indicated for this activity for each year of implementation. A detailed progress

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report on the resolution of interferences will be provided at the end of each year as mean of verification.

Activity 10: Chiomonte Interchange

This activity, under [redacted] responsibility, covers the construction of the new interchange in Chiomonte which will connect the A32 motorway to the worksite of La Maddalena, where the worksite for the excavation of Clarea ventilation shaft and underground safety area will be located.

This interchange will be used by heavy-goods vehicles to supply material to the worksite and carry the excavation materials to the processing plant in Susa valley without using local roads. Chiomonte interchange will also connect the above indicated worksites from/to Torino. This activity includes:

- detailed design (under [redacted] responsibility), which was completed on 16/07/2018;
- tendering the works contract (under [redacted] responsibility). Works tender was launched on 20/11/2019;
- works for widening Clarea viaduct (track side Torino) and start of works of the Chiomonte interchange (under [redacted] responsibility).

An agreement between TELT and [redacted] (to monitor technical implementation and spending profile of tasks done by [redacted]) will include specific clauses to control the good progress of the works and the respect of the planned costs.

At the end of the Action, works for widening the Clarea viaduct (track side Torino) and the foundations construction of Chiomonte interchange will be completed. This Activity coveres the "structural extension" phase and does not include the finishing works (paving the road, testing etc.).

Activity 11: Relocation of A32 Autoport

In Susa valley, the alignment of the new high speed line will interfere with the A32 motorway, operated by the [redacted]. The activity covers any contracts of engineering and works linked to the relocation of the Autoporto (A32 truck parking area) and other supporting facilities associated with the A32 motorway. They will be moved to a suitable place. This activity includes:

- detailed design (under [redacted] responsibility) which was completed on 28/11/2018;
- tendering the works contract (under [redacted] responsibility). Works tender was launched on 29/01/2020;
- start of works for the new Autoport and construction of [redacted] operation control buidling (under [redacted] responsibility).

An agreement between TELT and [redacted] (to monitor technical implementation and spending profile of tasks done by [redacted]) will include specific clauses to control the good progress of the works and the respect of the planned costs.

At the end of the Action, [redacted] Operation Control Building will be completed. This Activity

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stops at the "structural extension" phase. The Activities does not included the finishing works (paving the road, testing etc.).

Activity 12: Relocation of [redacted] « safe driving » track

In Susa valley, the alignment of the new high speed line will interfere with the driving training centre operated by [redacted], which will be relocated into a more suitable place. The Italian government asked to relocate this cars safety track to Buttigliera. [redacted] completed the Project Design (Progetto Definitivo) in May 2019.

The [redacted] will manage all contracts. An agreement between between TELT and [redacted] (to monitor technical implementation and spending profile of tasks done by [redacted] will include specific clauses to control the good progress of the contracts and the respect of the planned costs.

This activity covers the detailed design studies (under [redacted] responsibility). At the end of the Action, the detailed studies on relocating [redacted] cars safety track to Buttigliera will be completed. Works are outside the scope of the Action.

Activity 13: Interconnection tunnel Susa-Bussoleno

This activity aims at preparing the construction of the 2 km Susa-Bussoleno interconnection tunnel, along which a part of the material excavated from the base tunnel will be hauled to disposal sites. For environmental reasons, a large part of the material excavated from the base tunnel will be reused to construct the base tunnel itself, while the remaining part will be carried to disposal sites by train.

The Activity aims also at preparing the connection with the historical railway line, construction of two bridges over Dora Riparia river (about 75 m length), a box shaped underpass on state road SS24, and the demolition of three interfering buildings.

This activity includes the preparation of tenders for works supervision, construction management, civil works, including complementary fencing off activities for the site during the works. The final objective of this activity is the sending of the proposal of contract award to the Contracts Commission.

At the end of the Action, the proposed civil works contract award will be sent to the Contract Commission. Works are outside the scope of the Action.

Activity 14: Electric connection Susa-Venaus

An electric connection must be set up between Venaus and Susa to supply the worksites with the appropriate level of power to allow the tunnel boring machine operating from Susa and the structure entering into operation. Works will include electric substations, cables connections, interface with the national electric network in Chiomonte. After the completion of the construction works at the base tunnel, this new electric line will be used to supply

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energy for operating equipment.

This Activity includes one agreement with [redacted] to provide the necessary power to Chiomonte worksite, particularly for the use of TBM (tunnel boring machines) and the final electrical supply for the historical railway and the local electrical network as required by CIPE. Works are related to the construction of electric substations, cables connections, interface with the national electric network in Chiomonte.

[redacted] (local public supplier) will be responsible for:

- Detail design and approval procedures;
- Diversion of [redacted] 32 kV cables;
- Realisation of electrical substation 132/15 kV;
- Realisation of cable connection to [redacted] (Chiomonte)

At the end of the Action, works for electrical power supply for Chiomonte will be completed.

<u>Activity 15</u>: Avrieux shafts

The ventilation scheme of the base tunnel includes a double flow plant in Villarodin-Bourget/Modane. This activity covers the realisation of four vertical shafts (length 500 m each one) that will allow air supply. These shafts will also be used during the construction stage of the underground Modane safety area and the base tunnel from the Modane/Villarodin-Bourget access tunnel.

This activity covers the first part (BC1) of an operational worksite that is divided in three parts:

- BC1: four 500 m-high vertical shafts of an internal diameter of 6.0 m will allow air entering into the base tunnel. These shafts will also be used during the construction stage of the Modane underground safety area and base tunnel from the Modane/Villarodin-Bourget access tunnel (as several excavation fronts will be active simultaneously, ventilation requirements will be relevant);
- BC2: two main tubes (approxiamtely 750m each) will be constrcuted as safety area;
- BC3: construction with traditional methods of double tubes towards La Praz.

This activity includes BC01 works' contracts and all contracts necessary to implementation of their technical scope (works supervision and construction management, complementary fencing off activities for the sites during the works, etc.), as follows:

1. Detailed and execution studies to be completed and approved;
2. Completion of ongoing works tender with the signature of the works' contract;
3. Verification of site and equipment conditions to be delivered to main works contractor;
4. construction of the four ventilation shafts and other miscellaneous works (putting layers of different material covering the inside surface of the shafts);
5. works supervision and construction management, complementary fencing off activities for the sites during the works etc).

The start of preliminary works with the preparation of the construction site is planned by end of august 2020. These preliminary works include:

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- external work at the site installations (protection of cliffs and embankments, earthwork, burial of platform networks);
- site installations on the Avrieux platform (access path, block protection nets, earthwork, supporting walls, acoustic hangar, installations);
- site installations on the Tierces, Moulins site;
- ventilation, cooling and drainage installations required for the works;
- upgrade work on the drift;
- provision of refuge chambers required at the start of the works;
- excavation works at the cavern at the shaft base, the ventilation shaft, connecting gallery and other activities depending on the company's works programme.
- realization of Piste A43, access to the site by the highway for all the site needs :
  - o open air works: earthworks / road works / drainage (lot 1)
  - o excavation work on a 195-m tunnel and associated roadworks (lot 2)

The start of the excavation works of excavation shafts (P1) is planned by 31/01/2021.

The following BC1 works will be completed by the end of the Action:
- Construction of the four ventilation shafts and layers of different material covering the inside surface of three shafts;
- Tunnel boring machine assembly cavern;
- Logistic cavern;
- Connecting tunnel between technical and logistic cavern.

Activities linked to the building security area (also those included into the BC1) and works for BC2 and BC3 (included PMC activities) are outside the scope of the Action.

Activity 16: Villard Clément cut and cover

At the west entrance of the base tunnel in Villard-Clément, just after crossing the Arc River with a new bridge, the new high speed line will interfere with the A43 motorway and RD1006 road.

This activity covers the construction of a cut and cover section (4 box shaped underpass), under the A43 motorway and RD1006 road, which will require the temporary shift of both A43 motorway and RD1006 road. This cut and cover will allow the traffic along the motorway and national road during the construction phase and once the new high speed line will enter into service.

This activity includes engineering and civil works' contracts (shift of the highways, civil and protection works) and all contracts necessary to implementation of their technical scope (works supervision and construction management, complementary fencing off activities for the sites during the works, etc.).

Works started in February 2019, the activity will be completed at the end of the Action.

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Activity 17: Electric connection for French worksites

This activity covers agreements with French national or local electric power suppliers ([redacted], [redacted] to provide the necessary power to the Villarodin-Bourget/Modane, La Praz and Saint-Jean-de-Maurienne worksites, particularly for the use of tunnel boring machines. Agreements will provide for engineering and works for the construction of electric substations and cables connections with the national electric networks.

This activity covers not only the main agreements with French electric power suppliers, but also any other contract related to these works.

At the end of the Action, the following agreements will be completed:

1. Agreement owner [redacted] (in Villarodin-Bourget municipality): creating the electrical transformer station 63/20 KV for the electrical supply of the site in a first stage, then the auxiliaries High Voltage and for the power supply electric traction of the base tunnel in the operating phase in a second stage;
2. Agreement owner [redacted] (in Villarodin-Bourget municipality): building a temporary electrical connection for the construction of the Avrieux shafts, on the site "le Moulin (completed at 31/12/2018);
3. Agreement owner [redacted] (in Avrieux municipality): bringing Electrical power supply for the Avrieux shaft construction site;
4. Agreement owner [redacted] (Saint-André (La Praz municipality): bringing electric power supply for the La Praz construction site;
5. Agreement owner [redacted] (Saint Julien Montdenis municipality): connecting the electrical power supply of the Villard-Clément construction site for excavation of the base tunnel entrance in the traditional method: supply of 5.8 MW;
6. Agreement owner [redacted] (Saint Jean de Maurienne and Villargondran municipalities) : power supply to the electrical substation for: 1. Electric power supply for the 1500 V Railway Traction; and 2. Electrical power supply for base tunnel auxiliaries (Lighting and tunnel ventilation);
7. Agreement owner [redacted] (Saint Julien Montdenis municipality): Electrical distribution network connection for electrical power supply to the construction site of the covered trench in Villard Clément, and for the power supply electric traction of the base tunnel in the operating phase in a second.

Activity 18: Main civil works until 31/12/2018

This activity covers the civil and environmental engineering works for the base tunnel until 31/12/2018. It includes the implementation of all contracts necessary for works supervision and construction management, complementary fencing off activities for the sites during the works, etc. The administrative costs incurred by TELT for tenders are included in activity 6.

At 31/12/2018 the following objectives have been achieved:

- award in April 2018 of the contract for project management ("Maître d'oeuvre") of civil works at the Base Tunnel in French side ;
- completion of the PRO phase (project studies) for all civil works;
- completion of the technical specifications (DCE, Dossier de Consultation des Entreprises)

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of civil works tender;
- drafting by the "Maître d'oeuvre" and the Security Coordinator of the tender dossier of works at Niches for interchange of La Maddalena (anticipatory works of the Base tunnel in the Italian side),
- start of the preparatory works for security fences, lighting, video surveillance, support for law enforcement and maintenance of the outdoor systems and in underground in la Maddalena area;
- Signature of an Operational Partnership Agreement between TELT and [redacted] The agreement transfers project ownership from TELT to [redacted]au for work on the cross-border section of the line, interfacing with the National Rail Network (in the basin of Saint Jean de Maurienne). It also defines roles and responsibilities of each party, the scope of [redacted] intervention, the budget and operational planning of batches 9B (civil engineering in Saint Jean de Maurienne), 12B (outfitting of the existing line in Saint Jean de Maurienne), 12Y (Saint Avre) and 12Z (Hermillon).

During this period, the services delivered by [redacted] on these batches were financed through the following five financing agreements:
- Agreement no.1: feasibility study from the relocation of facilities necessary for freight traffic in Maurienne (completed in 2016);
- Agreement no.2: studies supplementing the Final Revision of the Reference Project and the PRO level studies for the first phase of work (completed in 2017);
- Agreement no.3: real estate acquisitions required at Saint Avre and Hermillon still not made until 2018. This activity isn't related to the purchase of land (not eligible under CEF) but the eligible operations such as temporary occupations of land.
- Agreement no.4: PRO studies for phases 2 - 5 of the work. Of the 33 tenders being planned for this initial work phase, 3 have been notified, consultation is underway for 19, and DCEs are being drawn up for 3 as of 31/12/2018.
- Agreement no.5: works, project management and Project Ownership during the work phase.

<u>Activity 19</u>: Civil works in Susa plain (o.w.2A)

This activity aims at preparing the open-air civil works in Susa plain to realize the NLTL infrastructure works between the east entrance of the base tunnel and the west entrance of the interconnection tunnel, to allow the traffic along the future new high-speed line and to integrate the new functionalities.

This Activity only covers engineering activities to prepare the several tenders for the following civil works. At the end of the Action, the tenders of the following works will be launched and the proposed contract award for the following works will be sent to the Contract Commission:
- Fences and security systems in construction site areas;
- Dismantling of the areas of the Autoport and the [redacted] safe driving center, including the demolition of existing buildings;
- NLTL railway embankment and related secondary works for completion between the east entrance of the base tunnel and the west entrance of the interconnection tunnel;
- NLTL technical and security area;
- Bridge on Dora River;

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- Railway buildings serving the NLTL;
- Susa International Station;
- Interference resolution work:
  - o utilities
  - o [redacted]Bussoleno-Susa railway line (carried out by [redacted]
  - o Adaptation of the roads SS24 and SS25 and local roads
  - o Adaptation of A32 motorway and construction of new Susa Est interchange (carried out by [redacted].

At the end of the Action, the proposal of contract award for the above mentioned works will be sent to the Contract Commission.

Activity 20: Info point Henry Barrack (o.w. 2E)

The Henry Barrack building is owned by the Italian State and is currently partly used by the Guardia di Finanza. Part of the building will be renovated and transformed into a TELT Info Point for the duration of the NLTL works. Once the NLTL works will be completed, the premises used for Info point will be returned to the Guardia di Finanza.

The Activity only covers detailed studies for designing the future renovation work and the preparation of the tender documents for the works; all activities of the compulsory HSE (Health, Security and Environment) assistance contract in the design phase are included herewith.
The Henry Barrack is owned by the Italian State and is currently partly used by the Guardia di Finanza

Activity 21: Maddalena-Susa (o.w. 3-4)

This Activity will cover the excavation of the base tunnel along the section Chiomonte - Clarea and Chiomonte-Susa Est.

Maddalena 1 is the geognostic tunnel realized during the period 2012-2017.

Reference design studies foresee a new access tunnel, Maddalena 2, which will be used as TBM (tunnel boring machines) access and assembly cavern. From Maddalena 2 TBM assembly cavern , the mechanized excavation is foreseen toward Susa (two tubes of 9.430 m). The Clarea security site and logistic cavern to assembly TBM will be bored with traditional method.

Clarea safety area and ventilation shaft will be excavated from La Maddalena gallery and will serve as one of the safety area and ventilation shafts for the base tunnel.

This activity covers the implementation of works' direction (maîtrise d'œuvre) whose tender dossiers were prepared under Activity 18 and procurement procedure under Activity 6. Works direction contract was awarded in October 2019.

This Activity includes both engineering costs and the first part of the works. At the end of the

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Action, the following will be achieved:

- detail design of worksites and of the dedicated and customized TBM which will be used exclusively for these construction works;
- worksite preparation (gates, fencing, offices, roads, …);
- Pile retain wall (berlinese method) bulkhead protecting the excavation of the entrance to the Maddalena 2 gallery;
- Excavations with traditional methods of earthworks activities for access tunnel (Maddalena 2). They cover the initial reinforcement and excavation of the entrance of the interconnecting tunnel between La Maddalena 1 and Clarea Safety Area;
  - initial reinforcement, excavations and supporting structures of the entrance to the Maddalena 2 gallery;
  - the interconnecting niche between the existing Maddalena 1 gallery and the connection gallery which will serve as an access for rescue vehicles ;
- Order of TBM, construction and its set up in supplier's factory. They are purchased directly from the group of companies awarded of the tender and used exclusively for the operational worksite covered by the contract.

<u>Activity 22</u>: Maddalena interconnecting Niches (o.w. 4A)

22 niches interconnecting niches (length 33-65 m with interdistance of about 400 m) along the exploratory tunnel of La Maddalena will be excavated. Until the pk 2+220, 8 niches allow vehicles to circulate in both directions in the tunnel; other 14 niches will be used for the storage of green rocks during the excavation of the base tunnel.
This Activity includes both engineering costs and works. The activity covers also the follow up of tender procedure for civil works and works direction (maîtrise d'œuvre), whose tenders were prepared under Activities 6 and 18. The works contract was signed on 08/01/2020.

The following objectives will be reached:
- Relocate existing equipment and build temporary road platform;
- Excavate the 22 niches and complete the first phase lining (and other lining phases if needed);
- Worksite maintenance and support to police and military service (fencing installation, security equipment installation to guarantee the correct worksite public order):
  - realization and extension of the enclosures with accompanying lighting and video surveillance in the area of the La Maddalena site;
  - railway and drainage works for the implementation of the excavation sites for the base tunnel and the La Maddalena security area;
  - maintenance of the existing installations in the Maddalena 1 gallery (underground pumping station and existing equipment maintenance), which is outside the scope of Activity 3;
  - bulkhead work for the protection of future excavations of the base tunnel entrance connected to tracks/visitor spaces.

<u>Activity 23</u>: Modane and Maddalena (o.w.5)

The base tunnel civil works along the section Villarodin-Bourget/Modane include:

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1. excavation of a double tube section in mechanized excavation towards "La Maddalena" (2 tubes of 18.751m);
2. excavation of a double tube section in traditional towards "La Praz";
3. construction of Modane security area (approx. 750m).

This Activity includes both engineering costs and works, whose tenders were prepared under Activities 6 and 18 (this latter until 31/12/2018). Detailed design studies were approved and the works' tender was launched in March 2019.

At the end of the Action, the following objectives will be achieved:

- The Contractor (of the civil works) execution studies;
- The Contractor (of the civil works) design of the two dedicated and customized TBMs which will be used exclusively for these construction works;
- Order of the TBM (tunnel boring machines), construction and its set up in the supplier's factory;
- Worksite preparation: mobilization of material, human resources, upgrading the La Praz drift, installation of the external site, installation of platforms, ventilation, cooling and drainage installations required for underground works, installations to remove excavation materials;
- Design and order of the WURM (a workstation that is a part of TBM backup and is used for lining installation. This unit is used in case of open face shield TBMs to proceed simultaneously with excavation and lining activities with an evident schedule optimization in work completion) construction and its set up in the supplier's factory;
  •

The TBM and the self-supporting tunnel lining equipment (WURM) are purchased directly from the group of companies awarded of the tender and used exclusively for the operational worksite covered by the contract.

<u>Activity 24</u>: La Praz-Modane (o.w. 6)

La Praz Modane will cover the excavation of the base tunnel along the section La Praz - Villarodin-Bourget/Modane, as follows:

1. Excavation of a double tube section in mechanized towards La Praz length (2 tubes of 9.717 m);
2. Excavation of La Praz security site in traditional excavation (approx. 750m);
3. Construction of and access adit (final connection with intertube tunnel) and technical cavern construction

This Activity includes both engineering costs and works, whose tenders are managed under A.6 and, until 31/12/2018, under A.18. Detailed design studies were approved and the works' tender was launched in March 2019

At the end of the Action, the following objectives will be achieved:

- Contractor (of the civil works) execution studies and their approval;
- Contractor (of the civil works) design of the two dedicated and customized TBMs, which

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will be used exclusively for this section of the base tunnel;
- Order of the TBMs (tunnel boring machines), construction and set up in supplier's factory. They are purchased directly from the group of companies awarded of the tender and used exclusively for the operational worksite covered by the contract;
- preliminary works from access tunnel La Praz to prepare underground worksite at the foot of La Praz access tunnel: initial reinforcements, supports and pre-treatment regularization of the connection gallery for the realization of the gallery for the concrete plant, technical gallery and the line galleries of said security area (even tracks, odd tracks) for a total lenght of at least 1,800 m
- Completion of at least 360m of the adit tunnel gallery with traditional method;
- Completion of at least 173 m of the technical cavern;
- Completion of at least 1,267 m of intertube tunnels, up and down lines, including assembly caverns and the launch of TBMs.

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<u>Activity 25</u>: St Martin la Porte-La Praz (o.w.7)

The Activity covers the base tunnel activities and the section along Saint Martin La Porte - La Praz, as follows:
1. excavation of a single tube section in mechanized towards la Praz and unpair tube (8,439 m);
2. excavation of a double tube section in conventional excavation towards west entrance (2 tubes of 2,145 m);
3. excavation of a single tube in conventional excavation through the geological formation productive Houiller (1,769 m)

This Activity includes both engineering costs and works, whose tenders are managed under A.6 and, until 31/12/2018, under A.18. Detailed design studies were approved and the works' tender was launched in March 2019.

At the end of the Action, the following will be achieved:

- Contractor (of the civil works) execution studies and their approval;
- Contractor (of the civil works) design of the two dedicated and customized TBMs, which will be used exclusively for this section of the base tunnel;
- Order of the TBMs (tunnel boring machines), constructions and set up in supplier's factory. They are purchased directly from the group of companies awarded of the tender and used exclusively for the operational worksite covered by the contract;
- worksite installation: mobilization of human resources and material, installing the external site, installation of platforms, ventilation, cooling and drainage installations required for underground works, installations to remove excavation materials (conveyor belt, etc.).
- Excavation with conventional method covering the connecting galleries and logistic access for a total of at least 250 m in the Saint Martin La Porte drift area.

<u>Activity 26</u>: St Julien Montdenis (West entrance)-Saint Martin la Porte (o.w. 8)

The excavation of the base tunnel along this section will include the excavation from west

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entrance of two tubes of about 3 km with traditional methods.

This Activity includes both engineering costs and works, whose tenders are managed under A.6 and, until 31/12/2018, under A.18. Detailed design studies were approved and the works' tender was launched in March 2019.

At the end of the Action, the following objectives will be achieved:

- Contractor (of civil works contract) execution studies and their approval;
- Preliminary works on west worksite of Villard Clement (completion of the structure supporting the entry of the tunnel):
  - site installations (installation of the external site, installation of platforms, ventilation, cooling and drainage installations required for underground works, installations to remove excavation materials to the Les Resses temporary storage site);
  - earthwork and consolidation work on the west cut and cover tunnel;
  - installation of the industrial site at the Les Resses temporary storage site for excavation materials;
- Excavation with traditional method of at least 300m for each two tubes of the base tunnel from west entrance.

Activity 27: St Jean de Maurienne [redacted] (o.w. 9B)

In Saint Jean de Maurienne basin, civil works at the base tunnel will interfere with the national railway network. The required deviations will be done by [redacted] as indicated in agreements signed under the scope of A.6 and A.18.

According to the current studies prepared by the [redacted] the French public railway company, these works will be implemented in 6 phases.

Phase 1 and anticipated phase 2 (2A)
In Phase 1, the work symplify the Saint-Jean-de-Maurienne track plan and rebuildexisting functionalities : Buildings (PAI LH, FSA LH,...) and substation.
At Saint-Avre, works cover the relocation of the relay and freight facilities, 7 km downstream in the Maurienne valley, and require the creation of an even bundle of 5 remotely controlled tracks, 3 of which are made available to a Railway Company.
The gypsum loading facilities are moved to the Hermillon site, 2 km downstream in the Maurienne valley.

Some works related to phase 2 are carried out at the same time of phase 1: these are the "anticipated phase 2" works, better defined by the name of phase 2A: temporary PEM, base works, PRA Cassin, RD81,...The objective of this phase is to allow the start of civil engineering works related to phase 2.

Phase 2
Phase 2 consists mainly of creating the platform for the future new line within the Saint Jean de Maurienne Plain, to temporary relocate the historical line on this new platform.

Phase 3

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The objectives of this phase 3 are to re-establish the TRIMET plant service road in a definitive situation and move the RD1006 to allow the start of work on the creation of the platform of the historic line.

Phase 4
Phase 4 consists mainly of creating the new platform for the historic line.
The objectives of this phase are to allow:
the movement of the historic line to its final location;
- access to the base tunnel of the cross-border section from track 1RN.

Phase 5
Phase 5 consists of completing the Lyon-Turin infrastructure to allow work trains access to the base tunnel of the cross-border section.

Phase 6
This phase, outside the scope of [redacted], aims to bring the base tunnel of the cross-border section into service.

The scope of this activity during the period of validity of the Amendment to the Grant Agreement is the implementation of phases 1 and 2A.

During the anticipated phases 1 and 2A, work is being done to recreate the existing functionalities (marshalling yard, freight, loading Gypsum, railway station, bus station, roads, technical buildings, etc.) to allow the start of phase 2 on the New Line in 2022-2023.

Until end of 2018, the existing functionalities (marshalling yard, freight, loading Gypsum, railway station, bus station, roads, technical buildings, etc.) have been relocated to allow the start of phase 2 on the New Line in 2022-2023.

From 2019 to 2023 the mains works are those of phases 1 and 2A, consisting of lightening the Saint-Jean-de-Maurienne station's lane plan, thanks in particular to the relocation of certain railway functions to the Saint-Avre and Hermillon sites. The objective of this phase is to allow the start of civil engineering works related to phase 2.

This Activity includes both engineering costs and works. At the end of the Action, the following civil engineering works of of phases 1 and 2A will be completed:

- temporary railway station (Pôle d'Echange Multimodal);

Area Saint Avre CO12Y
- Earthworks Saint Avre;
- "PAI" Saint Avre;
- Railway Equipment;
- Transfer of logistics activities.

Area Hermillon CO12Z
- authorization "silos";
- Earthworks Hermillon;

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- PAI Hermillon;
- railway equipment;
- Gypse station.

Area Saint Jean de Maurienne CO9B

- Completion of detailed design studies for phase 1M4 (final design Saint Avre and Hermillon), Phase 2 anticipée M6 (final design phase 2A) and Phase 2M6 (final design phases 2, 3, 4, 5 except railway equipment);
- Release of environmental and building authorization;
- Completion of deviation works and works at electric station and worksite;
- End of construction of the PAI LH building;
- End of construction of buildings FSA LH/GA1/GA2;
- End of construction "PRA René Cassin";
- End of construction roads and networks Ouest Arvan (Bastille-Cassin-Sibué);
- End of construction roads and networks area Amoudon/plan des Epines (RD81).

Activity 28: St Jean de Maurienne (TELT) (o.w. 9C)

Works in the plain of Saint Jean de Maurienne cover the construction of the international station and the associated road works, external arrangements and diversions of interfering networks. This will be done under TELT responsibility.

This Activity includes both engineering and preparatory works (tender prepared under A.6 and, until 31/12/2018, under A.18), covering a road connection between the West zone rotunda (at the level of the SDIS building offices and fire station of Saint Jean de Maurienne) and the RD906, providing access to the Saint Jean de Maurienne passenger building. The design of the multi modal railway station was approved on June 2015.

PMC tender was published in July 2019. At the end of the Action, the following will be completed:

- Design study of multi modal railway station (Pôle d'Echange Multimodal);
- Earth moving and construction of the related roadways;
- Detours and organization of the connecting networks;
- Road platform;
- Organization of the access roads for the north entrance to the rotunda of the city;
- Roundabout;
- Organization of the pedestrian and bicycle areas;
- Horizontal and vertical road signaling;
- Urban lighting.

Activity 29: Trimet and Villargondran dams (o.w. 9D)

Works will consolidate the river embankment in front of the entry of the base tunnel, in Villargondran. It requires displacements and creations of various networks.

This activity includes civil works and engineering contracts and all other contracts necessary

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for the implementation of their technical scope (works supervision and construction management, complementary fencing off activities for the sites during the works, etc.).

The activity covers the follow up of tender procedure for civil works, whose tender dossier was prepared under A. 6 and, until 31/12/2018 under A.18. Lot 1 contract was signed in September 2019 and works started in October 2019.

Lot 1 works cover:
- Reinforcement of the dyke by reinforcing the existing wall (by nailing on a line of about 500m).
- backfilling at the rear (creation of a platform (approximately 200,000m3) and
- laying of riprap (linear of about 800m)),
- construction of the embankment for the displacement of the RD1006 from the bridge over the Arc towards Saint Jean de Maurienne (linear of about 400m),
- rerouting and networking
- relocation and re-creation of the Saint Jean de Maurienne/Villargondran/Saint Julien Montdenis water supply valve chamber

Lot 2 works cover:
- the rerouting of the RD 1006
- the creation of networks,
- the construction of pavements and networks on the platform under the station.

At the end of the Action, both lots 1 and 2 will be completed.

Activity 30: Arc Bridge (o.w. 9E)

The Arc Bridge is a bow string structure with a span of 135 metres allowing the new line to cross the river "Arc" before entering the base tunnel on the French side.

This activity includes engineering costs only, covering the design studies of the bridge, whose tenders were prepared under A.6 and until 31/12/2018 under A.18

Activity 31: Management of excavated materials-Italy (o.w. 10)

The Activity concerns the Salbertrand industrial plant for material processing, the transportation, embankment and disposal of non-reusable part and the construction of Torrazza and Caprie technical areas equipped for the management of excavated materials.

The management of excavated materials ([redacted]) is one of the most critical activity inside the construction of NLTL. The management strategy of excavated materials is intended to reduce negative impacts of transports by reducing, as much as possible logistic by trucks, using in particular material handling by train and to prevent pollution by using high performing vehicles.

Salbertrand industrial plant will receive the material excavated in civil works at base tunnel in Italy. From Salbrertrand the excavated material will be transported by railway to Torrazza

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and Caprie technical areas, where it will be processed for further uses. The non-reusable material will be stocked in Salbrertrand.

Following the beginning of excavating operations, [redacted] coming from all outdoor and underground constructions sites (Maddalena 2 e 1 bis tunnels, Connection 1 e 2, Base and Interconnection Tunnels, will be moved by trucks to the Salbertrand Area where plans for treating materials (STM) and railway connections will be installed. Treated and classified materials will be then transported to their different final destinations, according with the logistic organization defined by the project itself.

This activity covers the follow up of tender procedure for works and works' direction (maitrise d'œuvre), whose tender dossier was prepared under A.6 and, until 31/12/2018, A.18.

The contract for works direction has been awarded on 04/02/2020.

Activity 32: Management of excavated materials-France – (o.w.11)

The Activity covers the works related to management of excavated materials produced by the civil works.

From worksites, the excavated material will be transported through Illaz and Modane rail connection to deposit sites.

This activity covers works for using the excavated material and the disposal of its non-reusable parts and includes works contracts and all contracts necessary to implementation of their technical scope. It includes both engineering and works costs.

The activity covers the follow up of tender procedure for works' direction (maitrise d'œuvre), whose tender dossier was prepared under A.6 and, until 31/12/2018, under A.18.

At the end of the Action, the following will be achieved:

- Signature of the works' direction (maitrise d'œuvre). Tender was published in March 2018;
- Signature of the agreement with [redacted] for works on railway connections;
- Signature of civil works contract;
- Completion of preliminary works: earth removal operations, movement of material to organize the areas, organization of surface water and hydraulic organization of watercourses;
- Order of STM (Selective treatment of materials machine) located in Illaz and Modane;
- Construction of technical area equipped for the management of excavated materials (Illaz).

Activity 33: Engineering and other costs not included in other OW

- This activity concerns services, studies and works that are not directly linkable at the different operational worksites, such as: Engineering functional studies related to transport, traffic, security;

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- Engineering technical studies or audit aimed at checking the engineer (MOE) and the sub-contractors design and planning.
- Technical environmental studies and monitoring;
- Technical studies for supply of rail traction.

All the above engineering services will be entrusted to specialist companies external to TELT through tenders and will not be included in the project management costs envisaged in Activity 6.

At the end of the Action, the following contracts will be signed:
- coordination of security during execution on the French side;
- preparation of the executive project of environmental monitoring on the Italian side;
- ante operam environmental monitoring and the water law on the French side;
- engineering technical studies or audit aimed at checking the engineer (MOE) and the sub-contractors design and planning;
- execution of the environmental monitoring plan ante operam, in course of work and post operam on the Italian side;
- coordination of security during execution on the Italian side;
- environmental coordination of the activities on the Italian side ;
- studies for the creation of an electrical substation for the supply of rail traction in the middle of the base tunnel;
- studies for the creation of an electrical substation for the supply of rail traction at the entrance of the base tunnel.

ARTICLE I.5 – MILESTONES AND MEANS OF VERIFICATION

Milestone number	Milestone description	Indicative completion date	Means of verification
1	Approval of the 2016 accounts of TELT	31/12/2016	Statutory auditors report
2	Approval of the 2017 accounts of TELT	31/12/2017	Statutory auditors report
3	Production of monitoring reports in 2019	31/12/2019	Publication of the report
4	Production of monitoring reports in 2020	31/12/2020	Publication of the report
5	Completion of the first part of La Maddalena gallery contract	26/08/2016	Transfer protocol of partial reception
6	Production of monitoring reports in 2021	31/12/2021	Publication of the December Report
7	End of activities	31/12/2019	Official report by works' supervisor
8	Start of geological investigations with TBM at Saint Martin la Porte gallery (part 2)at Saint Martin la Porte gallery (part 2)	07/09/2016	Official report by works' supervisor
9	Completion of the SMP investigation by Completion of the	15/09/2019	Official report by works supervisor

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Milestone number	Milestone description	Indicative completion date	Means of verification
	SMP investigation by by TBM (part 2)		
10	Breakthrough P2	15/09/2019	Official report by works supervisor
11	Start "contre-attaque" part 3b	31/12/2019	Official report by works'supervisor
12	Part. 3b – 400 m before breakthrough	01/07/2020	Official report by works'supervisor
13	Part. 3b – 700 m before breakthrough	31/03/2021	Official report by works supervisor
14	Completion of Saint Martin La Porte exploratory tunnel	28/04/2022	Official report by works supervisor
15	Completion of Saint Martin La Porte exploratory tunnel testing activities	31/12/2022	Official report by works supervisor
16	Completion of the modified reference project	31/12/2019	Transfer protocol of reception by TELT
17	Approval of the 2019 TELT accounts	01/04/2019	Statutory auditors report
18	Approval of the 2020 TELT accounts	23/04/2021	Statutory auditors report
19	Approval of the 2021 TELT accounts	20/04/2022	Statutory auditors report
20	Approval of the 2022 TELT accounts	[redacted]	Statutory auditors report
21	Signature of the AFITF Conventions	12/03/2020	Contract signed
22	Signature of the "Contratto di Programma" TELT MIMS FS	21/05/2021	Contract signed
23	Signature of the AFITF Conventions	19/02/2021	Contract signed
24	Signature of the agreement with Sitaf for activity 10 (Chiomonte Interchange, o.w.4C)	31/12/2019	Contract signed
25	Signature of the agreement with [redacted] for activity 11 (New Autoport o.w.2C)	06/08/2020	Contract signed
26	Signature of the agreement with [redacted] (final design) for activity 12 (New "Safe driving" track, o.w. 2D)	28/02/2019	Contract signed
27	Start of works for demolition	15/01/2019	Official report by works supervisor
28	Temporary occupations of areas in sites of Chiomonte-Giaglione	22/06/2020	Signature of the final deeds of

Milestone number	Milestone description	Indicative completion date	Means of verification
	(phase 1)		transfer of ownership in Italy
29	Temporary occupations of areas in sites of Chiomonte-Giaglione (phase 2), Torrazza Piemonte, Salbertrand	31/12/2021	Signature of the final deeds of transfer of ownership in Italy
30	End of demolitions works phase 1, 2 and 3	30/04/2021	Official report by works supervisor
31	End of demolitions works phase 4	[redacted]	Official report by works supervisor
32	Finalising works agreements 1	27/12/2016	Contract signed
33	Start of works on the deviation	15/07/2019	Notice to proceed start works
34	Progress in utilities diversions 2020	31/12/2020	TELT Report
35	Progress in utilities diversions 2021	31/12/2021	TELT Report
36	Progress in utilities diversions 2022	31/12/2022	TELT Report
37	Finalising works agreements 3,10	31/12/2019	Contract signed
38	Start of works on the deviation	31/05/2019	Notice to proceed start works
39	End of works on the deviation	[redacted]	Official report by works supervisor
40	Progress in utilities diversions 2020	31/12/2020	TELT Report
41	Progress in utilities diversions 2021	31/12/2021	TELT Report
42	Progress in utilities diversions 2022	31/12/2022	TELT Report
43	Tender publication	20/11/2019	Publication of JOUE
44	Start of evaluation of applicants qualification	19/02/2020	Transfer protocol of reception by TELT
45	Start of construction work for the Chiomonte Interchange	22/06/2020	Start of fencing activities in the worksite; Notice to proceed start works
46	Foundation construction – end of activities	[redacted]	Official report by works supervisor
47	End of widening activities for viaduct Clarea (track side Torino)		Official report by works supervisor
48	Tender publication	29/01/2020	Publication of JOUE
49	Start of construction works for the new Autoport	13/04/2021	Start of fencing activities in the

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Milestone number	Milestone description	Indicative completion date	Means of verification
			worksite; Notice to proceed start works
50	Start of building [redacted] PCC (civil work -operation control building)	01/11/2022	Notice to proceed start works
51	End of the main civil works [redacted] (except finishing works and other works identified in the activity description)	[redacted]	Official report by works supervisor
52	Delivery of the final project by [redacted]	27/05/2019	Transfer protocol of reception by TELT
53	Send New Project to CIPE	31/08/2022	Transfer protocol of reception by TELT
54	Agreement signature for detailed design execution	[redacted]	Contract signed
55	Tender for PMC assistance contract	10/04/2019	Publication of the JOUE
56	Closure of the tender (receipt of candidatures)	24/05/2019	Transfer protocol of reception by TELT
57	Approval of contract award from TELT Board	15/12/2021	Resolution of the TELT Board
58	Tender for main works	[redacted]	Publication of the JOUE
59	Proposal of contract award sent to Contracts Commission	[redacted]	Report of the evaluation committee
60	Signature of agreement with [redacted]	31/12/2019	Contract signed
61	Final design approval by TELT	31/03/2020	Report of the evaluation committee
62	Completion of works for electrical power supply for Chiomonte	[redacted]	Official report by works supervisor
63	Tender notice publication for the civil works	30/03/2018	Publication of the OJUE
64	Receipt of technical and financial bids from selected candidates	31/01/2019	Report of the evaluation committee
65	Proposal of contract award to Contracts Commission	07/03/2020	Report of the evaluation committee
66	Approval of contract award from TELT Board	07/05/2020	Resolution of the TELT Board
67	Start of works on worksite	27/08/2020	Notice to proceed start works

Milestone number	Milestone description	Indicative completion date	Means of verification
68	Start of excavation of shafts (P1)	01/10/2022	Official report by works supervisor
69	Start of excavation of shafts (P3)	[redacted]	Official report by works supervisor
70	End of excavation of shafts	[redacted]	Official report by works supervisor
71	Signature of the contract	28/01/2019	Contract signed
72	Start of work on worksite	28/02/2019	Notice to proceed start works
73	Temporary shift of RD 1006 (departmental road with national stakes)	09/08/2019	Official report by works supervisor
74	Temporary shift of Highway A43	31/10/2019	Official report by works supervisor
75	End of construction plots 1, 2, 3 box shaped underpass	08/09/2020	Official report by works supervisor
76	End of works	30/11/2022	Official report by works supervisor
77	[redacted] (63/20KV) Finalizing studies and works agreement 1	01/01/2017	Convention signed
78	[redacted] (63/20KV) Start of works/studies	01/11/2020	Official report by works supervisor
79	[redacted] (63/20KV) material ordered	31/12/2020	Official report by works supervisor
80	[redacted] (63/20KV) building completed and delivered	[redacted]	Official report by works supervisor
81	[redacted] (63/20KV) End of works/studies	[redacted]	Official report by works supervisor
82	[redacted] Finalizing studies and works agreements 6	11/07/2017	Convention signed
83	[redacted] Start of works/studies	01/01/2018	Convention signed
84	[redacted] – signature of connection agreement	30/06/2020	Convention signed
85	[redacted] Start of Works	02/05/2020	Official report by works supervisor
86	[redacted] at Saint-Julien-Montdenis-start of trenching in l'Arc	02/05/2020	Official report by works supervisor
87	[redacted] at Saint-Julien-Montdenis – start of cables laying	30/09/2022	Official report by works supervisor
88	[redacted] End of	[redacted]	Official report by works supervisor

Milestone number	Milestone description	Indicative completion date	Means of verification
	works/studies		
89	[redacted] at Saint-Julien-Montdenis Finalizing studies and works agreements 5	29/06/2020	Convention signed
90	[redacted] at Saint-Julien-Montdenis Start of works/studies	30/07/2020	Notice to proceed start works
91	[redacted] at Saint-Julien-Montdenis-orders for materials	29/06/2020	Official report by works supervisor
92	[redacted] at Saint-Julien-Montdenis – commissioning of [redacted] installations	30/09/2022	Official report by works supervisor
93	[redacted] at Saint-Julien Montdenis - End of work	[redacted]	Official report by works supervisor
94	Tender for PMC assistance contract	10/04/2019	Publication of the JOUE
95	Closure of the tender (receipt of candidatures)	24/05/2019	Transfer protocol of reception by TELT
96	DCE sent to selected candidates	21/04/2020	Letter to candidates
97	Approval of contract award from TELT Board	15/12/2021	Resolution of the TELT Board
98	PMC contract award	06/04/2022	Contract signed
99	Tender for main works	[redacted]	Publication of the JOUE
100	DCE sent to candidates	[redacted]	Letter to candidates
101	Proposal of contract award sent to Contracts Commission	[redacted]	Report of the evaluation committee
102	Tender for PMC assistance contract Henry Barrack	07/02/2020	Publication of the JOUE
103	1st order to PMC	01/10/2020	Order of service
104	Tender for HSE assistance contract Henry Barrack	29/02/2020	Publication of the JOUE
105	1st order to HSE	24/11/2020	Order of service
106	Tender for main works	[redacted]	Publication of the JOUE
107	Proposal of contract award sent to Contracts Commission	16/05/2019	Report of the evaluation committee
108	Reply from the Contract Commission	02/07/2019	Notice from the Contract Commission

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Milestone number	Milestone description	Indicative completion date	Means of verification
109	Approval of contract award from TELT	25/06/2019	Board Resolution of the TELT Board
110	PMC contract award	18/10/2019	Contract signed
111	Main works Tender notice publication	28/06/2019	Publication of the JOUE
112	Closure of the tender (receipt of candidatures)	25/09/2019	Transfer protocol of reception by TELT
113	DCE sent to selected candidates	15/10/2021	Letter to candidates
114	Main works contract award	[redacted]	Contract signed
115	Order for TBM 1	[redacted]	Order of service
116	Set up of TBM in supplier's factory	[redacted]	Transfer Protocol of Reception by MOE
117	DCE sent to selected candidates	25/04/2019	Letter to candidates
118	Receipt of technical and financial bids from selected candidates	05/07/2019	TELT Report
119	Proposal of contract award sent to Contracts Commission	15/10/2019	Report of the evaluation committee
120	Reply from the Contract Commission	04/12/2019	Notice from the Contract Commission
121	Approval of contract award from TELT Board	12/12/2019	Resolution of the TELT Board
122	Contract award (by urgency anti-mafia procedure)	08/01/2020	Contract signed
123	1st Order to contractor	17/02/2020	Order of service
124	Send project to ministries to validation	29/05/2020	Transmission letter of TELT
125	Ministries Approval and start of works	17/12/2020	Letter of approval of the ministries and order to proceed with the work
126	End of excavation of 1st 5 niches	15/12/2021	Official report by works supervisor
127	End of niches excavation (22 niches)	[redacted]	Official report by works supervisor
128	End of works (niches excavation, 1st phase lining, etc.)	[redacted]	Official report by works supervisor
129	Tender notice publication for the	12/03/2019	Publication of the

Milestone number	Milestone description	Indicative completion date	Means of verification
	civil works		JOUE
130	Closure of the tender (receipt of candidatures)	28/05/2019	Transfer protocol of reception by TELT
131	DCE sent to selected candidates	12/12/2019	Letter to candidates
132	Receipt of technical and financial bids from selected candidates	18/06/2020	TELT Report
133	Proposal of contract award sent to Contracts Commission	24/02/2021	Report of the evaluation committee
134	Reply from the Contract Commission	28/05/2021	Notice from the Contract Commission
135	Approval of contract award from TELT Board	07/07/2021	Resolution of the TELT Board
136	Signature of the contract	09/09/2021	Contract signed
137	Order of TBM1 & TBM2	31/12/2022	Order of service
138	Set up of TBMs in supplier's factory	[redacted]	Transfer Protocol of Reception by MOE
139	Set up of WURM in supplier's factory	[redacted]	Transfer Protocol of Reception by MOE
140	Tender notice publication for the civil works	12/03/2019	Publication of the JOUE
141	Closure of the tender (receipt of candidatures)	28/05/2019	Transfer protocol of reception by TELT
142	DCE sent to selected candidates	12/12/2019	Letter to candidates
143	Receipt of technical and financial bids from selected candidates	29/06/2020	TELT Report
144	Proposal of contract award sent to Contracts Commission	11/03/2021	Report of the evaluation committee
145	Reply from the Contract Commission	28/05/2021	Notice from the Contract Commission
146	Approval of contract award from TELT Board	07/07/2021	Resolution of the TELT Board
147	Signature of the contract	09/09/2021	Contract signed
148	Order of TBMs	31/07/2022	Order of service

Milestone number	Milestone description	Indicative completion date	Means of verification
149	Set up of TBMs in supplier's factory	31/12/2022	Transfer Protocol of Reception by MOE
150	End of access adit tunnel gallery and Excavation of technical cavern	18/01/2023	Official report by works supervisor
151	Tender notice publication for the civil works	12/03/2019	Publication of the JOUE
152	Closure of the tender (receipt of candidatures)	28/05/2019	Transfer protocol of reception by TELT
153	DCE sent to selected candidates	12/12/2019	Letter to candidates
154	Receipt of technical and financial bids from selected candidates	29/06/2020	TELT Report
155	Proposal of contract award sent to Contracts Commission	11/03/2021	Report of the evaluation committee
156	Reply from the Contract Commission	28/05/2021	Notice from the Contract Commission
157	Approval of contract award from TELT Board	07/07/2021	Resolution of the TELT Board
158	Signature of the contract	09/09/2021	Contract signed
159	Order of TBM	31/07/2022	Order of service
160	Set up of TBM in supplier's factory	[redacted]	Transfer Protocol of Reception by MOE
161	Tender notice publication for the civil works	12/03/2019	Publication of the JOUE
162	Closure of the tender (receipt of candidatures)	28/05/2019	Transfer protocol of reception by TELT
163	DCE sent to selected candidates	12/12/2019	Letter to candidates
164	Receipt of technical and financial bids from selected candidates	29/06/2020	TELT Report
165	Proposal of contract award sent to Contracts Commission	11/03/2021	Report of the evaluation committee
166	Reply from the Contract Commission	28/05/2021	Notice from the Contract Commission
167	Approval of contract award from TELT Board	07/07/2021	Resolution of the TELT Board

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Milestone number	Milestone description	Indicative completion date	Means of verification
168	Signature of the contract	09/09/2021	Contract signed
169	Start of works	18/10/2021	Notice to proceed start works
170	Start of excavation conventional tunneling	18/11/2022	Official report by works supervisor
171	Conventional excavation, at least 300 m for each tube reached by excavation conventional tunneling	[redacted]	Official report by works supervisor
172	Signature Convention CFI 4 (financing agreement for design Phase 2 to 5 and preparation of tenders)	12/06/2019	Convention signed
173	Signature Convention CFI 5 (financing agreement for payment of works and management of works)	23/07/2018	Convention signed
174	End of construction Earthworks Saint Avre	27/11/2020	Official report by works supervisor
175	End of construction "PAI" Saint Avre	07/12/2020	Official report by works supervisor
176	End of construction Railway Equipment	15/11/2021	Official report by works supervisor
177	Transfer activity logistics	[redacted]	Official report by works supervisor
178	Building authorization "silos"	09/09/2021	Official report by works supervisor
179	End of construction Earthworks Hermillon	[redacted]	Official report by works supervisor
180	End of construction PAI Hermillon	04/02/2021	Official report by works supervisor
181	End of construction Rail equipment	[redacted]	Official report by works supervisor
182	End of construction Gypse station	[redacted]	Official report by works supervisor
183	Environmental authorization "Ouest Arvan"	20/02/2020	Official report by works supervisor
184	Environmental authorization "Est Arvan "	24/02/2021	Official report by works supervisor
185	Building authorization "PEM Transitoire"	29/10/2019	Official report by works supervisor
186	Building authorization "FSA LH "	12/03/2018	Official report by works supervisor
187	Completion detailed design "Phase 1 M4"	28/09/2018	Official report by works supervisor
188	Completion detailed design		Official report by

Milestone number	Milestone description	Indicative completion date	Means of verification
	"Phase 2 anticipée M6"	15/10/2019	works supervisor
189	Completion detailed design "Phase 2 M6" (except railway equipments)	28/08/2020	Official report by works supervisor
190	End of construction "Digue des Resses "	13/12/2019	Official report by works supervisor
191	End of construction "PAI LH"	06/11/2020	Official report by works supervisor
192	End of construction "FSA LH /GA1/GA2"	26/02/2021	Official report by works supervisor
193	End of construction "PEM transitoire"	19/05/2022	Official report by works supervisor
194	End of construction "PRA René Cassin"	23/11/2020	Official report by works supervisor
195	End of construction roads and networks Ouest Arvan (Bastille-Cassin-Sibué)	07/12/2021	Official report by works supervisor
196	End of construction roads and networks area Amoudon/plan des Epines (RD81)	[redacted]	Official report by works supervisor
197	Tender notice publication for the PMC	31/07/2019	Publication of the JOUE
198	Closure of the tender (receipt of candidatures)	08/10/2019	Transfer protocol of reception by TELT
199	Proposal of contract award sent to Contracts Commission	10/09/2021	Report of the evaluation committee
200	Approval of contract award from TELT Board	26/11/2021	Resolution of the TELT Board
201	Contract award for designer PEM	15/04/2022	Contract signed
202	End of preparatory work with interventions on road RD 906	[redacted]	Official report by works supervisor
203	DCE sent to selected candidates	18/02/2019	Letter to candidates
204	Receipt of technical and financial bids from selected candidates ("lot 01")	01/04/2019	TELT Report
205	Proposal of contract award sent to Contracts Commission	08/06/2019	Report of the evaluation committee
206	Reply from the Contract Commission	15/07/2019	Notice from the Contract Commission
207	Approval of contract award from TELT Board	15/09/2019	Resolution of the TELT Board

Milestone number	Milestone description	Indicative completion date	Means of verification
208	Signature of the contract ("lot 01")	06/09/2019	Contract signed
209	Start of work on worksite "lot 01"	08/10/2019	Notice to proceed start works
210	Start of networks works	15/10/2019	Official report by works supervisor
211	Start of shoreline protection works	02/12/2019	Official report by works supervisor
212	Start of backfill works	02/12/2019	Official report by works supervisor
213	Signature of the contract lot 02	16/12/2021	Contract signed
214	Completion of work "lot 01 and lot 02"	[redacted]	Official report by works supervisor
215	Tender notice publication for the works supervision "MOE CO9E" civil works	22/07/2020	Publication of the JOUE
216	Proposal of contract award sent to Contracts Commission	31/05/2022	Report of the evaluation committee
217	Signature of the contract	15/09/2022	Contract signed
218	End of the design of the Bridge	[redacted]	Transfer protocol of reception by TELT
219	DCE sent to selected candidates	25/06/2019	Letter to candidates
220	Receipt of technical and financial bids from selected candidates	19/09/2019	TELT Report
221	Proposal of contract award sent to Contracts Commission	19/12/2019	Report of the evaluation committee
222	Reply from the Contract Commission	31/01/2020	Notice from the Contract Commission
223	Approval of contract award from TELT Board	04/02/2020	Resolution of the TELT Board
224	PMC contract award	23/04/2020	Contract signed
225	Tender for main Works	01/07/2019	Publication of the JOUE
226	Closure of the tender (receipt of candidatures)	25/09/2019	Transfer protocol of reception by TELT
227	Approval of DCE and candidatures by CdC	26/09/2020	Notice from the Contract Commission

Milestone number	Milestone description	Indicative completion date	Means of verification
228	DCE sent to selected candidates	05/11/2021	Letter to candidates
229	Main works contract award	[redacted]	Contract signed
230	Order of Selective treatment of materials machine (Salbertrand)	[redacted]	Order of service
231	DCE sent to selected candidates	16/07/2019	Letter to candidates
232	Receipt of technical and financial bids from selected candidates	21/10/2019	TELT Report
233	Proposal of contract award sent to Contracts Commission	28/02/2020	Report of the evaluation committee
234	Reply from the Contract Commission	23/09/2020	Notice from the Contract Commission
235	Approval of contract award from TELT Board	06/10/2020	Resolution of the TELT Board
236	Signature of the contract	03/12/2020	Contract signed
237	Signature of convention for work for railway connection [redacted]	18/05/2021	Convention signed
238	Start of work for "worksite preparation"	04/02/2021	Notice to proceed start works
239	Completion of work "worksite preparation"	15/07/2022	Official report by works supervisor
240	Tender notice publication for the civil works CO11	29/11/2020	Publication of the JOUE
241	Closure of the tender (receipt of candidatures)	08/02/2021	Transfer protocol of reception by TELT
242	DCE sent to selected candidates	14/03/2022	Letter to candidates
243	Main works contract award	[redacted]	Contract signed
244	Order of Selective treatment of materials machine (Illaz and Modane)	31/12/2022	Order of service
245	Start of construction of STM "Illaz" on worksite	[redacted]	Notice to proceed start works
246	Edition of annual report from TELT for 2019	31/12/2019	TELT Report
247	Edition of annual report from TELT for 2020	31/12/2020	TELT Report
248	Edition of annual report from	31/12/2021	TELT Report

Milestone number	Milestone description	Indicative completion date	Means of verification
	TELT for 2021		
249	Edition of annual report from TELT for 2022	31/12/2022	TELT Report
250	Signature of the contract for the coordination of security during execution on the French side	24/07/2019	Contract signed
251	Signature of the contract for the preparation of the executive project of environmental monitoring on the Italian side	29/01/2019	Contract signed
252	Signature of the contract for the ante operam environmental monitoring and the water law on the French side	06/03/2019	Contract signed
253	Signature of the contract for the engineering technical studies or audit aimed at checking the engineer (MOE) and the sub-contractors design and planning	19/06/2019	Contract signed
254	Signature of the contract for the execution of the environmental monitoring plan ante operam, in course of work and post operam on the Italian side	15/04/2020	Contract signed
255	Signature of the contract for the coordination of security during execution on the Italian side	30/05/2020	Contract signed
256	Signature of the contract for the environmental coordination of the activities on the Italian side	15/07/2020	Contract signed
257	Agreement for the studies for the creation of an electrical substation for the supply of rail traction in the middle of the base tunnel - Intermediary phase report	31/12/2022	Convention signed
258	Agreement for the studies for the creation of an electrical substation for the supply of rail traction at the entrance of the base tunnel - Intermediary phase report	31/12/2022	Convention signed
259	Approval of the 2023 TELT accounts	[redacted]	Statutory auditors report
260	Progress in utilities diversions2023	[redacted]	TELT Report
261	Edition of Annual report from TELT for 2023	[redacted]	TELT Report

Milestone number	Milestone description	Indicative completion date	Means of verification
262	Approval by CIPESS of the third construction Lot	[redacted]	Deliberation from CIPESS
263	Progress in utilities diversions 2023	[redacted]	Official report by works supervisor

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ANNEX II
GENERAL CONDITIONS

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PART A – LEGAL AND ADMINISTRATIVE PROVISIONS

ARTICLE II.1 – GENERAL OBLIGATIONS AND ROLES OF THE BENEFICIARIES

II.1.1 General obligations and role of the beneficiaries

The beneficiaries shall:

(a) be jointly and severally responsible for carrying out the action in accordance with the terms and conditions of the Agreement;

(b) be responsible for complying with any legal obligations incumbent on them jointly or individually under applicable EU, international and national law;

(c) make appropriate internal arrangements for the proper implementation of the action, consistent with the provisions of this Agreement; where provided for in the Special Conditions, those arrangements shall take the form of an internal co-operation agreement between the beneficiaries.

II.1.2 General obligations and role of each beneficiary

Each beneficiary shall:

(a) inform the coordinator immediately of any change likely to affect or delay the implementation of the action of which the beneficiary is aware;

(b) inform the coordinator immediately of any change in its legal, financial, technical, organisational or ownership situation or of its affiliated entities and of any change in its name, address or legal representative or of its affiliated entities;

(c) submit in due time to the coordinator:

(i) the data needed to draw up the reports, financial statements and other documents provided for in the Agreement;

(ii) all the necessary documents in the event of audits, checks or evaluation in accordance with Article II.27*;*

(iii) any other information to be provided to the Agency according to the Agreement, except where the Agreement requires that such information is submitted directly by the beneficiary to the Agency.

II.1.3 General obligations and role of the coordinator

The coordinator shall:

(a) monitor that the action is implemented in accordance with the Agreement;

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(b) be the intermediary for all communications between the beneficiaries and the Agency, except where provided otherwise in the Agreement, and, in particular, the coordinator shall:

(i) immediately provide the Agency with the information related to any change in the name, address, legal representative as well as in the legal, financial, technical, organisational or ownership situation of any of the beneficiaries or of its affiliated entities, or to any event likely to affect or delay the implementation of the action, of which the coordinator is aware;

(ii) bear responsibility for supplying all documents and information to the Agency which may be required under the Agreement, except where provided otherwise in the Agreement; this includes responsibility for submitting the deliverables identified in Annex I, in accordance with the timing and conditions set out in it; where information is required from the other beneficiaries, the coordinator shall bear responsibility for obtaining and verifying this information before passing it on to the Agency;

(c) make the appropriate arrangements for providing any financial guarantees required under the Agreement;

(d) establish the requests for payment in accordance with the Agreement;

(e) ensure that all the appropriate payments are made to the other beneficiaries without unjustified delay;

(f) bear responsibility for providing all the necessary documents in the event of checks and audits initiated before the payment of the balance, and in the event of evaluation in accordance with Article II.27.

The coordinator shall not subcontract any part of its tasks to the other beneficiaries or to any other party.

ARTICLE II.2 – COMMUNICATIONS BETWEEN THE PARTIES

II.2.1 Form and means of communications

Any communication relating to the Agreement or to its implementation shall be made in writing (in paper or electronic form), shall bear the number of the Agreement and shall be made using the communication details identified in Article 6.

Electronic communications shall be confirmed by an original signed paper version of that communication if requested by any of the parties provided that this request is submitted without unjustified delay. The sender shall send the original signed paper version without unjustified delay.

Formal notifications shall be made by registered mail with return receipt or equivalent, or by equivalent electronic means.

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II.2.2 Date of communications

Any communication is deemed to have been made when it is received by the receiving party, unless the agreement refers to the date when the communication was sent.

Electronic communication is deemed to have been received by the receiving party on the day of successful dispatch of that communication, provided that it is sent to the addressees listed in Article 6. Dispatch shall be deemed unsuccessful if the sending party receives a message of non-delivery. In this case, the sending party shall immediately send again such communication to any of the other addresses listed in Article 6. In case of unsuccessful dispatch, the sending party shall not be held in breach of its obligation to send such communication within a specified deadline.

Mail sent to the Agency using the postal services is considered to have been received by the Agency on the date on which it is registered by the department identified in Article 6.2.

Formal notifications made by registered mail with return receipt or equivalent, or by equivalent electronic means, shall be considered to have been received by the receiving party on the date of receipt indicated on the return receipt or equivalent.

ARTICLE II.3 – LIABILITY FOR DAMAGES

II.3.1 The Agency shall not be held liable for any damage caused or sustained by any of the beneficiaries, including any damage caused to third parties as a consequence of or during the implementation of the action.

II.3.2 Except in cases of force majeure, the beneficiaries shall compensate the Agency for any damage sustained by it as a result of the implementation of the action or because the action was not implemented or implemented poorly, partially or late.

ARTICLE II.4 - CONFLICT OF INTERESTS

II.4.1 The beneficiaries shall take all necessary measures to prevent any situation where the impartial and objective implementation of the Agreement is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest ("conflict of interests").

II.4.2 Any situation constituting or likely to lead to a conflict of interests during the implementation of the Agreement shall be notified to the Agency, in writing, without delay. The beneficiaries shall immediately take all the necessary steps to rectify this situation. The Agency reserves the right to verify that the measures taken are appropriate and may require additional measures to be taken within a specified deadline.

ARTICLE II.5 – CONFIDENTIALITY

II.5.1 The Agency and the beneficiaries shall preserve the confidentiality of any information and documents, in any form, which are disclosed in writing or orally in relation to the implementation of the Agreement and which are explicitly indicated in writing as

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confidential.

II.5.2 The beneficiaries shall not use confidential information and documents for any reason other than fulfilling their obligations under the Agreement, unless otherwise agreed with the Agency in writing.

II.5.3 The Agency and the beneficiaries shall be bound by the obligations referred to in Articles II.5.1 and II.5.2 during the implementation of the Agreement and for a period of five years starting from the payment of the balance, unless:

(a) the party concerned agrees to release the other party from the confidentiality obligations earlier;

(b) the confidential information becomes public through other means than in breach of the confidentiality obligation through disclosure by the party bound by that obligation;

(c) the disclosure of the confidential information is required by law.

ARTICLE II.6 – PROCESSING OF PERSONAL DATA

II.6.1 Processing of personal data by the Agency

Any personal data included in the Agreement shall be processed by the Agency pursuant to Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 on the protection of individuals with regard to the processing of personal data by the Community institutions and bodies and on the free movement of such data.

Such data shall be processed by the data controller identified in Article 6.1 solely for the purposes of the implementation, management and monitoring of the Agreement, without prejudice to possible transmission to the bodies charged with the monitoring or inspection tasks in application of Union law.

The beneficiaries shall have the right of access to their personal data and the right to rectify any such data. Should the beneficiaries have any queries concerning the processing of their personal data, they shall address them to the data controller, identified in Article 6.1.

The beneficiaries shall have the right of recourse at any time to the European Data Protection Supervisor.

II.6.2 Processing of personal data by the beneficiaries

Where the Agreement requires the processing of personal data by the beneficiaries, the beneficiaries may act only under the supervision of the data controller identified in Article 6.1, in particular with regard to the purpose of the processing, the categories of data which may be processed, the recipients of the data and the means by which the data subject may exercise his or her rights.

The access to data that the beneficiaries grant to their personnel shall be limited to the extent

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strictly necessary for the implementation, management and monitoring of the Agreement.

The beneficiaries undertake to adopt appropriate technical and organisational security measures having regard to the risks inherent in the processing and to the nature of the personal data concerned, in order to:

(a) prevent any unauthorised person from gaining access to computer systems processing personal data, and especially:

  (i) unauthorised reading, copying, alteration or removal of storage media;

  (ii) unauthorised data input as well as any unauthorised disclosure, alteration or erasure of stored personal data;

  (iii) unauthorised persons from using data-processing systems by means of data transmission facilities;

(b) ensure that authorised users of a data-processing system can access only the personal data to which their access right refers;

(c) record which personal data have been communicated, when and to whom;

(d) ensure that personal data being processed on behalf of third parties can be processed only in the manner prescribed by the Agency;

(e) ensure that, during communication of personal data and transport of storage media, the data cannot be read, copied or erased without authorisation;

(f) design their organisational structure in such a way that it meets data protection requirements.

ARTICLE II.7 – VISIBILITY OF UNION FUNDING

II.7.1 Information on Union funding and use of European Union emblem

Unless the Agency requests or agrees otherwise, any communication or publication related to the action, made by the beneficiaries jointly or individually, including at conferences, seminars or in any information or promotional materials (such as brochures, leaflets, posters, presentations, etc.), shall indicate that the action has received funding from the Union and shall display the European Union emblem.

When displayed in association with another logo, the European Union emblem must have appropriate prominence.

The obligation to display the European Union emblem does not confer to the beneficiaries a right of exclusive use. The beneficiaries shall not appropriate the European Union emblem or any similar trademark or logo, either by registration or by any other means.

For the purposes of the first, second and third subparagraphs and under the conditions

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specified therein, the beneficiaries are exempted from the obligation to obtain prior permission from the Agency to use the European Union emblem.

II.7.2 Disclaimers excluding Agency responsibility

Any communication or publication related to the action, made by the beneficiaries jointly or individually in any form and using any means, shall indicate that it reflects only the author's view and that the Agency is not responsible for any use that may be made of the information it contains.

ARTICLE II.8 – PRE-EXISTING RIGHTS AND OWNERSHIP AND USE OF THE RESULTS (INCLUDING INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS)

II.8.1 Ownership of the results by the beneficiaries

Unless stipulated otherwise in the Agreement, ownership of the results of the action, including industrial and intellectual property rights, and of the reports and other documents relating to it, shall be vested in the beneficiaries.

II.8.2 Pre-existing industrial and intellectual property rights

Where industrial and intellectual property rights, including rights of third parties, exist prior to the conclusion of the Agreement, the beneficiaries shall establish a list which shall specify all rights of ownership and use of the pre-existing industrial and intellectual property rights and disclose it to the Agency at the latest before the commencement of implementation.

The beneficiaries shall ensure that they or their affiliated entities have all the rights to use any pre-existing industrial and intellectual property rights during the implementation of the Agreement.

II.8.3 Rights of use of the results and of pre-existing rights by the Agency

Without prejudice to Articles II.1.1, II.3 and II.8.1, the beneficiaries grant the Agency the right to use the results of the action for the following purposes:

(a) use for its own purposes, and in particular, making available to persons working for the Agency, Union institutions, other Union agencies and bodies and to Member States' institutions, as well as copying and reproducing in whole or in part and in unlimited number of copies;

(b) distribution to the public, and in particular, publication in hard copies and in electronic or digital format, publication on the internet, including on the Europa website, as a downloadable or non-downloadable file, broadcasting by any kind of technique of transmission, public display or presentation, communication through press information services, inclusion in widely accessible databases or indexes;

(c) translation;

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(d) giving access upon individual requests without the right to reproduce or exploit, as provided for by Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents;

(e) storage in paper, electronic or other format;

(f) archiving in line with the document management rules applicable to the Agency;

(g) rights to authorise or sub-licence the modes of exploitation set out in points (b) and (c) to third parties.

Additional rights of use for the Agency may be provided for in the Special Conditions.

The beneficiaries shall warrant that the Agency has the right to use any pre-existing industrial and intellectual property rights, which have been included in the results of the action. Unless specified otherwise in the Special Conditions, those pre-existing rights shall be used for the same purposes and under the same conditions applicable to the rights of use of the results of the action.

Information about the copyright owner shall be inserted when the result is divulged by the Agency. The copyright information shall read: "© – [*year*] – [*name of the copyright owner*]. All rights reserved. Licenced to the Innovation and Networks Executive Agency under conditions.".

ARTICLE II.9 – AWARD OF CONTRACTS NECESSARY FOR THE IMPLEMENTATION OF THE ACTION

II.9.1 Where the implementation of the action requires the procurement of goods, works or services, the beneficiaries shall award the contract to the tender offering best value for money or, as appropriate, to the tender offering the lowest price. In doing so, they shall avoid any conflict of interests.

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the contractor.

II.9.2 Beneficiaries acting in their capacity of contracting authorities within the meaning of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts or contracting entities within the meaning of Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors shall abide by the applicable national public procurement rules.

II.9.3 The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any procurement contract contains provisions stipulating that the contractor has no

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rights vis-à-vis the Agency under the Agreement.

II.9.4 The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5 and II.8 are also applicable to the contractor.

II.9.5 Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.9.1, the costs related to the contract concerned shall be ineligible;

- If a beneficiary breaches any of its obligations under Article II.9.2, II.9.3 or II.9.4, the grant may be reduced in proportion to the seriousness of the breach of obligations.

Where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution, if a beneficiary breaches any of its obligations under Article II.9.1, II.9.2, II.9.3 or II.9.4, the grant may be reduced in proportion to the seriousness of the breach of obligations.

ARTICLE II.10 – SUBCONTRACTING OF TASKS FORMING PART OF THE ACTION

II.10.1 A "subcontract" is a procurement contract within the meaning of Article II.9, which covers the implementation by a third party of tasks forming part of the action as described in Annex I.

II.10.2 Beneficiaries may subcontract tasks forming part of the action, provided that, in addition to the conditions specified in Article II.9.1, the following conditions are complied with:

(a) subcontracting only covers the implementation of a limited part of the action;

(b) recourse to subcontracting is justified having regard to the nature of the action and what is necessary for its implementation;

(c) not applicable;

(d) any recourse to subcontracting, if not provided for in Annex I, is communicated by the coordinator and approved by the Agency without prejudice to Article II.12.2.

II.10.3 Beneficiaries acting in their capacity of contracting authorities within the meaning of Directive 2004/18/EC of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public work contracts, public supply contracts and public service contracts or contracting entities within the meaning of Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors shall abide by the applicable

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national public procurement rules.

II.10.4 The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any subcontract contains provisions stipulating that the subcontractor has no rights vis-à-vis the Agency under the Agreement.

II.10.5 The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.7 and II.8 are also applicable to the subcontractor.

II.10.6 Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.10.2, the costs related to the subcontract concerned shall be ineligible;

- If a beneficiary breaches any of its obligations under Article II.10.3, II.10.4 or II.10.5, the grant may be reduced in proportion to the seriousness of the breach of obligations.

Where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution if a beneficiary breaches any of its obligations under Article II.10.2, II.10.3, II.10.4 or II.10.5, the grant may be reduced in proportion to the seriousness of the breach of obligations.

ARTICLE II.11 - FINANCIAL SUPPORT TO THIRD PARTIES

II.11.1 Where the implementation of the action requires giving financial support to third parties, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:

(a) the maximum amount of financial support, which shall not exceed EUR 60 000 for each third party except where the financial support is the primary aim of the action as specified in Annex I;

(b) the criteria for determining the exact amount of the financial support;

(c) the different types of activity that may receive financial support, on the basis of a fixed list;

(d) the definition of the persons or categories of persons which may receive financial support;

(e) the criteria for giving the financial support.

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the third parties receiving financial support.

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II.11.2 By way of derogation from Article II.11.1, in case the financial support takes the form of a prize, the beneficiaries shall give such financial support in accordance with the conditions specified in Annex I, which shall at least contain:

(a) the conditions for participation;

(b) the award criteria;

(c) the amount of the prize;

(d) the payment arrangements.

The beneficiaries shall ensure that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the third parties receiving a prize.

II.11.3 The beneficiaries shall ensure that the conditions applicable to them under Articles II.3, II.4, II.5, II.7 and II.8 are also applicable to the third parties receiving financial support.

II.11.4 Where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

- If a beneficiary breaches any of its obligations under Article II.11.1 or II.11.2, the costs related to the financial support shall be ineligible;

- If a beneficiary breaches any of its obligations under Article II.11.3, the grant may be reduced in proportion to the seriousness of the breach of obligations.

Where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution if a beneficiary breaches any of its obligations under Article II.11.1 II.11.2 or II.11.3, the grant may be reduced in proportion to the seriousness of the breach of obligations.

ARTICLE II.12 – AMENDMENTS TO THE AGREEMENT

II.12.1 Any amendment to the Agreement shall be made in writing.

II.12.2 An amendment may not have the purpose or the effect of making changes to the Agreement which would call into question the decision awarding the grant or be contrary to the equal treatment of applicants.

II.12.3 Any request for amendment shall be duly justified and shall be sent to the other party in due time before it is due to take effect, and in any case three months before the end of the period set out in Article 2.2, except in cases duly substantiated by the party requesting the amendment and accepted by the other party.

II.12.4 A request for amendment on behalf of the beneficiaries shall be submitted by the coordinator. If a change of coordinator is requested without its agreement, the

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request shall be jointly submitted by all other beneficiaries or shall be submitted by a beneficiary acting on behalf of all beneficiaries.

II.12.5 Amendments shall enter into force on the date on which the last party signs or on the date of approval of the request for amendment.

Amendments shall take effect on a date agreed by the parties or, in the absence of such an agreed date, on the date on which the amendment enters into force.

ARTICLE II.13 – ASSIGNMENT OF CLAIMS FOR PAYMENTS TO THIRD PARTIES

II.13.1 Claims for payments of the beneficiaries against the Agency may not be assigned to third parties, except in duly justified cases where the situation warrants it.

The assignment shall only be enforceable against the Agency if it has accepted the assignment on the basis of a written and reasoned request to that effect made by the coordinator on behalf of the beneficiaries.

In the absence of such an acceptance, or in the event of failure to observe the terms thereof, the assignment shall have no effect on the Agency.

II.13.2 In no circumstances shall such an assignment release the beneficiaries from their obligations towards the Agency.

ARTICLE II.14 – FORCE MAJEURE

II.14.1 "*Force majeure*" shall mean any unforeseeable exceptional situation or event beyond the parties' control, which prevents either of them from fulfilling any of their obligations under the Agreement, which was not attributable to error or negligence on their part or on the part of subcontractors, affiliated entities, implementing bodies or third parties involved in the implementation and which proves to be inevitable in spite of exercising all due diligence. Any default of a service, defect in equipment or material or delays in making them available, unless they stem directly from a relevant case of force majeure, as well as labour disputes, strikes or financial difficulties cannot be invoked as *force majeure*.

II.14.2 A party faced with *force majeure* shall formally notify the other party without delay, stating the nature, likely duration and foreseeable effects.

II.14.3 The parties shall take the necessary measures to limit any damage due to *force majeure*. They shall do their best to resume the implementation of the action as soon as possible.

II.14.4 The party faced with *force majeure* shall not be held to be in breach of its obligations under the Agreement if it has been prevented from fulfilling them by *force majeure*.

ARTICLE II.15 – SUSPENSION OF THE IMPLEMENTATION OF THE ACTION

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II.15.1 Suspension of the implementation by the beneficiaries

The coordinator, on behalf of the beneficiaries, may suspend the implementation of the action or any part thereof, if exceptional circumstances make such implementation impossible or excessively difficult, in particular in the event of *force majeure*. The coordinator shall inform the Agency without delay, giving all the necessary reasons and details and the foreseeable date of resumption.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c) or (d) of Article II.16.3.1, the coordinator shall, once the circumstances allow resuming the implementation of the action, inform the Agency immediately and present a request for amendment of the Agreement as provided for in Article II.15.3.

II.15.2 Suspension of the implementation by the Agency

II.15.2.1 The Agency may suspend the implementation of the action or any part thereof:

(a) if the Agency has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Agreement or if a beneficiary fails to comply with its obligations under the Agreement;

(b) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant;

(c) if the Agency suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred; or

(d) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action; or

(e) if the Agency does not receive all the documents required under Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, Directive 2009/147/EC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, Directive 2000/60/EC establishing a framework for Community policy in the field of water, or any other relevant environmental legislation as listed in the application form (the section concerning compliance with Union policy on environmental protection).

II.15.2.2 Before suspending the implementation the Agency shall formally notify the

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coordinator of its intention to suspend, specifying the reasons thereof, and, in the cases referred to in points (a), (b), (d) and (e) of Article II.15.2.1, the necessary conditions for resuming the implementation. The coordinator shall be invited to submit observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the coordinator, the Agency decides to stop the suspension procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the suspension procedure, it may suspend the implementation by formally notifying the coordinator thereof, specifying the reasons for the suspension and, in the cases referred to in points (a), (b), (d) and (e) of Article II.15.2.1, the definitive conditions for resuming the implementation or, in the case referred to in point (c) of Article II.15.2.1, the indicative date of completion of the necessary verification.

The coordinator shall inform the other beneficiaries immediately. The suspension shall take effect five calendar days after the receipt of the notification by the coordinator or on a later date, where the notification so provides.

In order to resume the implementation, the beneficiaries shall endeavour to meet the notified conditions as soon as possible and shall inform the Agency of any progress made in this respect.

Unless the Agreement or the participation of a beneficiary is terminated in accordance with Articles II.16.1, II.16.2 or points (c), (i), (j), (k) or (m) of Article II.16.3.1, the Agency shall, as soon as it considers that the conditions for resuming the implementation have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof and invite the coordinator to present a request for amendment of the Agreement as provided for in Article II.15.3.

II.15.3 Effects of the suspension

If the implementation of the action can be resumed and the Agreement is not terminated, an amendment to the Agreement shall be made in accordance with Article II.12 in order to establish the date on which the action shall be resumed, to extend the duration of the action and to make any other modifications that may be necessary to adapt the action to the new implementing conditions.

The suspension is deemed lifted as from the date of resumption of the action agreed by the parties in accordance with the first subparagraph. Such a date may be before the date on which the amendment enters into force.

Any costs incurred by the beneficiaries, during the period of suspension, for the implementation of the suspended action or the suspended part thereof, shall not be reimbursed or covered by the grant.

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The right of the Agency to suspend the implementation is without prejudice to its right to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.3 and its right to reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26.

Neither party shall be entitled to claim compensation on account of a suspension by the other party.

ARTICLE II.16 – TERMINATION OF THE AGREEMENT

II.16.1 Termination of the Agreement by the coordinator

In duly justified cases, the coordinator, on behalf of all beneficiaries, may terminate the Agreement by formally notifying the Agency thereof, stating clearly the reasons and specifying the date on which the termination shall take effect. The notification shall be sent before the termination is due to take effect.

If no reasons are given or if the Agency considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the Agreement shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.16.4.1.

II.16.2 Termination of the participation of one or more beneficiaries by the coordinator

In duly justified cases, the participation of any one or several beneficiaries in the Agreement may be terminated by the coordinator, acting on request of that beneficiary or those beneficiaries, or on behalf of all the other beneficiaries. When notifying such termination to the Agency, the coordinator shall include the reasons for the termination of the participation, the opinion of the beneficiary or beneficiaries the participation of which is terminated, the date on which the termination shall take effect and the proposal of the remaining beneficiaries relating to the reallocation of the tasks of that beneficiary or those beneficiaries or, where relevant, to the nomination of one or more replacements which shall succeed that beneficiary or those beneficiaries in all their rights and obligations under the Agreement. The notification shall be sent before the termination is due to take effect.

If the coordinator's participation is terminated without its agreement, the formal notification must be done by another beneficiary (acting on behalf of the other beneficiaries).

If no reasons are given or if the Agency considers that the reasons exposed cannot justify the termination, it shall formally notify the coordinator, specifying the grounds thereof, and the participation shall be deemed to have been terminated improperly, with the consequences set out in the fourth subparagraph of Article II.16.4.1.

Without prejudice to Article II.12.2, an amendment to the Agreement shall be made, in order to introduce the necessary modifications.

II.16.3 Termination of the Agreement or the participation of one or more beneficiaries by the Agency

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II.16.3.1 The Agency may decide to terminate the Agreement or the participation of any one or several beneficiaries participating in the action, in the following circumstances:

(a) if a change to the beneficiary's legal, financial, technical, organisational or ownership situation is likely to affect the implementation of the Agreement substantially or calls into question the decision to award the grant;

(b) if, following the termination of the participation of any one or several beneficiaries, the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;

(c) if the beneficiaries do not implement the action as specified in Annex I or if a beneficiary fails to comply with another substantial obligation incumbent on it under the terms of the Agreement;

(d) in the event of *force majeure*, notified in accordance with Article II.14, or in the event of suspension by the coordinator as a result of exceptional circumstances, notified in accordance with Article II.15, where resuming the implementation is impossible or where the necessary modifications to the Agreement would call into question the decision awarding the grant or would result in unequal treatment of applicants;

(e) if a beneficiary is declared bankrupt, is being wound up, is having its affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of any other similar proceedings concerning those matters, or is in an analogous situation arising from a similar procedure provided for in national legislation or regulations;

(f) if a beneficiary or any related person, as defined in the second subparagraph, have been found guilty of professional misconduct proven by any means;

(g) if a beneficiary is not in compliance with its obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which it is established or in which the action is implemented;

(h) if the Agency has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed fraud, corruption, or are involved in a criminal organisation, money laundering or any other illegal activity detrimental to the Union's financial interests;

(i) if the Agency has evidence that a beneficiary or any related person, as defined in the second subparagraph, have committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the Agreement, including in the event of submission of false information or

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failure to submit required information in order to obtain the grant provided for in the Agreement;

(j) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant;

(k) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action;

(l) if the action has not started within two years of the starting date set out in Article 2.2 or, for grants for studies, if the action has not started within one year of the starting date set out in Article 2.2;

(m) if the Agency does not receive all the documents required under Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, Directive 2009/147/EC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, Directive 2000/60/EC establishing a framework for Community policy in the field of water, or any other relevant environmental legislation as listed in the application form (the section concerning compliance with Union policy on environmental protection).

For the purposes of points (f), (h) and (i), "any related person" shall mean any natural person who has the power to represent the beneficiary or to take decisions on its behalf.

II.16.3.2 Before terminating the Agreement or the participation of any one or several beneficiaries, the Agency shall formally notify the coordinator of its intention to terminate, specifying the reasons thereof and inviting the coordinator, within 45 calendar days from receipt of the notification, to submit observations on behalf of all beneficiaries and, in the case of point (c) of Article II.16.3.1, to inform the Agency about the measures taken to ensure that the beneficiaries continue to fulfil their obligations under the Agreement.

If, after examination of the observations submitted by the coordinator, the Agency decides to stop the termination procedure, it shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the termination procedure, it may terminate the Agreement or the participation of any one or several beneficiaries by formally notifying the coordinator thereof, specifying the reasons for the termination.

In the cases referred to in points (a), (b), (c), (e), (g) and (k) of Article II.16.3.1,

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the formal notification shall specify the date on which the termination takes effect. In the cases referred to in points (d), (f), (i), (j), (l) In the cases referred to in points (d), (f), (h), (i), (j), (l) and (m) of Article II.16.3.1, the termination shall take effect on the day following the date on which the formal notification was received by the coordinator.

II.16.4 Effects of termination

II.16.4.1 Where the Agreement is terminated, payments by the Agency shall be limited to the amount determined in accordance with Article II.25 on the basis of the eligible costs incurred by the beneficiaries and the actual level of implementation of the action on the date when the termination takes effect. Costs relating to current commitments, which are not due for execution until after the termination, shall not be taken into account. The coordinator shall have 60 days from the date when the termination of the Agreement takes effect, as provided for in Articles II.16.1 and II.16.3.2, to produce a request for payment of the balance in accordance with Article II.23.2. If no request for payment of the balance is received within this time limit, the Agency shall not reimburse or cover any costs which are not included in a financial statement approved by it or which are not justified in an ASR or the final report approved by it. In accordance with Article II.26, the Agency shall recover any amount already paid, if its use is not substantiated by ASRs or the final report and, where applicable, by the financial statements approved by the Agency.

Where the participation of a beneficiary is terminated, the beneficiary concerned shall submit to the coordinator an ASR and, where applicable, a financial statement covering the period from the end of the last reporting period according to Article 4.1.1 for which a report has been submitted to the Agency to the date on which the termination takes effect. The ASR and the financial statement shall be submitted in due time to allow the coordinator to draw up the corresponding payment request. Only those costs incurred by the beneficiary concerned up to the date when termination of its participation takes effect shall be reimbursed or covered by the grant. Costs relating to current commitments, which were not due for execution until after the termination, shall not be taken into account. The request for payment for the beneficiary concerned shall be included in the next payment request submitted by the coordinator in accordance with the schedule laid down in Article 4.

Where the Agency, in accordance with point (c) of Article II.16.3.1, is terminating the Agreement on the grounds that the coordinator has failed to produce the request for payment and, after a reminder, has still not complied with this obligation within the deadline set out in Article II.23.3, the first subparagraph shall apply, subject to the following:

(a) there shall be no additional time period from the date when the termination of the Agreement takes effect for the coordinator to produce a request for payment of the balance in accordance with Article II.23.2; and

(b) the Agency shall not reimburse or cover any costs incurred by the

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beneficiaries up to the date of termination or up to the end of the period set out in Article 2.2, whichever is the earlier, which are not included in a financial statement approved by it or which are not justified in an ASR approved by it.

In addition to the first, second and third subparagraphs, where the Agreement or the participation of a beneficiary is terminated improperly by the coordinator within the meaning of Articles II.16.1 and II.16.2, or where the Agreement or the participation of a beneficiary is terminated by the Agency on the grounds set out in points (c), (f), (h), (i), (j), (k) and (m) of Article II.16.3.1, the Agency may also reduce the grant or recover amounts unduly paid in accordance with Articles II.25.4 and II.26, in proportion to the gravity of the failings in question and after allowing the coordinator, and, where relevant, the beneficiaries concerned, to submit their observations.

II.16.4.2 Where the Agency, in accordance with point (l) of Article II.16.3.1, is terminating the Agreement on the ground that the action has not started by the set deadline, the following shall apply:

(a) the coordinator shall not produce a request for payment of the balance; and

(b) the final amount of the grant shall be EUR 0 (zero euro). The Agency shall recover any amounts unduly paid in accordance with Article II.26.

II.16.4.3 Neither party shall be entitled to claim compensation on account of a termination by the other party.

ARTICLE II.17 – ADMINISTRATIVE AND FINANCIAL PENALTIES

II.17.1 By virtue of Articles 109 and 131(4) of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and with due regard to the principle of proportionality, a beneficiary which has committed substantial errors, irregularities or fraud, has made false declarations in supplying required information or has failed to supply such information at the moment of the submission of the application or during the implementation of the grant, or has been found in serious breach of its obligations under the Agreement shall be liable to:

(a) administrative penalties consisting of exclusion from all contracts and grants financed by the Union budget for a maximum of five years from the date on which the infringement is established and confirmed following a contradictory procedure with the beneficiary; and/or

(b) financial penalties of 2% to 10% of the estimated CEF contribution it is entitled to receive, as indicated in Table 3 of Annex III as last amended or, if the grant takes exclusively the form of a lump sum, of the maximum amount of the grant as set out in Article 3.

In the event of another infringement within five years following the establishment of

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the first infringement, the period of exclusion under point (a) may be extended to 10 years and the range of the rate referred to in point (b) may be increased to 4% to 20%.

II.17.2 The Agency shall formally notify the beneficiary concerned of any decision to apply such penalties.

The Agency is entitled to publish such decision under the conditions and within the limits specified in Article 109(3) of Regulation (EU, Euratom) No 966/2012.

An action may be brought against such decision before the General Court of the European Union, pursuant to Article 263 of the Treaty on the Functioning of the European Union ("TFEU").

ARTICLE II.18 – APPLICABLE LAW, SETTLEMENT OF DISPUTES AND ENFORCEABLE DECISION

II.18.1 The Agreement is governed by the applicable Union law complemented, where necessary, by the law of Belgium.

II.18.2 Pursuant to Article 272 TFEU, the General Court or, on appeal, the Court of Justice of the European Union, shall have sole jurisdiction to hear any dispute between the Union and any beneficiary concerning the interpretation, application or validity of this Agreement, if such dispute cannot be settled amicably.

II.18.3 By virtue of Article 299 TFEU, for the purposes of recoveries within the meaning of Article II.26 or financial penalties, the Commission may adopt an enforceable decision to impose pecuniary obligations on persons other than States. An action may be brought against such decision before the General Court of the European Union pursuant to Article 263 TFEU.

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PART B – FINANCIAL PROVISIONS

ARTICLE II.19 – ELIGIBLE COSTS

II.19.1 Conditions for the eligibility of costs

"Eligible costs" of the action are costs actually incurred by the beneficiary which meet the following criteria:

(a) they are incurred in the period set out in Article 2.2, with the exception of costs relating to the request for payment of the balance and the corresponding supporting documents referred to in Article II.23.2.

Costs of contracts for goods, works or services or of subcontracts are considered to be incurred when the contract or subcontract (or a part of it) is executed, i.e. when the goods, works or services (including studies) are supplied, delivered or provided;

(b) they are indicated in the estimated budget of the action set out in Annex III;

(c) they are incurred in connection with the action as described in Annex I and are necessary for its implementation; in particular, for the costs of contracts for goods, the goods are supplied in a Member State or in any other countries where the action is implemented as described in Annex I; for the costs of contracts for works, the works are delivered in a Member State or in any other countries where the action is implemented as described in Annex I; for the costs of contracts for services (including studies), the services provided concern a Member State or any other countries where the action is implemented as described in Annex I;

(d) they are identifiable and verifiable, in particular being recorded in the accounting records of the beneficiary and determined according to the applicable accounting standards of the country where the beneficiary is established and with the usual cost accounting practices of the beneficiary;

(e) they comply with the requirements of applicable tax and social legislation; and

(f) they are reasonable, justified, and comply with the principle of sound financial management, in particular regarding economy and efficiency.

II.19.2 Eligible direct costs

"Direct costs" of the action are those specific costs which are directly linked to the implementation of the action and can therefore be attributed directly to it. They may not include any indirect costs.

To be eligible, direct costs shall comply with the conditions of eligibility set out in Article II.19.1.

In particular, the following categories of costs are eligible direct costs, provided that they satisfy the conditions of eligibility set out in Article II.19.1 as well as the following

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conditions:

(a) the costs of personnel working under an employment contract with the beneficiary or an equivalent appointing act and assigned to the action, comprising actual salaries plus social security contributions and other statutory costs included in the remuneration, provided that these costs are in line with the beneficiary's usual policy on remuneration; those costs may also include additional remunerations, including payments on the basis of supplementary contracts regardless of the nature of those contracts, provided that they are paid in a consistent manner whenever the same kind of work or expertise is required, independently from the source of funding used;

The costs of natural persons working under a contract with the beneficiary other than an employment contract may be assimilated to such costs of personnel, provided that the following conditions are fulfilled:

(i) the natural person works under the instructions of the beneficiary and, unless otherwise agreed with the beneficiary, in the premises of the beneficiary;

(ii) the result of the work belongs to the beneficiary; and

(iii) the costs are not significantly different from the costs of staff performing similar tasks under an employment contract with the beneficiary;

(b) costs of travel and related subsistence allowances, provided that these costs are in line with the beneficiary's usual practices on travel;

(c) the full costs of purchase of equipment and other assets shall be eligible, provided that they are treated as capital expenditure in accordance with the tax and accounting rules applicable to the beneficiary and are recorded in the fixed assets account of its balance sheet and if the asset has been purchased in accordance with Article II.9.1.

The costs of rental or lease of equipment or other assets are also eligible, provided that these costs do not exceed the depreciation costs of similar equipment or assets and are exclusive of any finance fee;

(d) costs of consumables and supplies, provided that they are purchased in accordance with the first subparagraph of Article II.9.1 and are directly assigned to the action;

(e) costs arising directly from requirements imposed by the Agreement (dissemination of information, specific evaluation of the action, audits, translations, reproduction), including the costs of requested financial guarantees, provided that the corresponding services are purchased in accordance with the first subparagraph of Article II.9.1;

(f) costs entailed by service contracts, including costs of environmental studies on the protection of the environment and on compliance with the relevant Union law, provided that the corresponding services are purchased in accordance with the first subparagraph of Article II.9.1 and costs entailed by subcontracts within the meaning of Article II.10, provided that the conditions laid down in Article II.10.2 are met;

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(g) costs of financial support to third parties within the meaning of Article II.11, provided that the conditions laid down in Article II.11.1 or II.11.2 are met;

(h) duties, taxes and charges paid by the beneficiary, notably non-deductible value added tax (VAT), provided that they are included in eligible direct costs, and unless specified otherwise in the Agreement.

II.19.3 Indirect costs

"Indirect costs" of the action are those costs which are not specific costs directly linked to the implementation of the action and can therefore not be attributed directly to it. They may not include any costs identifiable or declared as eligible direct costs.

Indirect costs shall not be eligible.

II.19.4 Ineligible costs

In addition to any other costs which do not fulfill the conditions set out in Article II.19.1, the following costs shall not be considered eligible:

(a) return on capital;

(b) debt and debt service charges;

(c) provisions for losses or debts;

(d) interest owed;

(e) doubtful debts;

(f) exchange losses;

(g) costs of transfers from the Agency charged by the bank of a beneficiary;

(h) costs declared by the 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 a grant for an action awarded to a beneficiary which already receives an operating grant financed from the Union budget during the period in question;

(i) contributions in kind from third parties;

(j) excessive or reckless expenditure;

(k) deductible VAT;

(l) costs of land and building acquisition (including expropriation costs).

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ARTICLE II.20 – IDENTIFIABILITY AND VERIFIABILITY OF THE AMOUNTS DECLARED

II.20.1 Reimbursement of actual costs

Where, in accordance with Article 3(a)(i), the grant takes the form of the reimbursement of actual costs, the beneficiary must declare as eligible costs the costs it actually incurred for the action.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the costs declared, such as contracts, invoices and accounting records. In addition, the beneficiary's usual accounting and internal control procedures must permit direct reconciliation of the amounts declared with the amounts recorded in its accounting statements as well as with the amounts indicated in the supporting documents.

II.20.2 Reimbursement of pre-determined unit costs or pre-determined unit contribution

Where, in accordance with Article 3(a)(ii) or (b), the grant takes the form of the reimbursement of unit costs or of a unit contribution, the beneficiary must declare as eligible costs or as requested contribution the amount obtained by multiplying the amount per unit specified in Article 3(a)(ii) or (b) by the actual number of units used or produced.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the number of units declared. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared per unit.

II.20.3 Reimbursement of pre-determined lump sum costs or pre-determined lump sum contribution

Where, in accordance with Article 3(a)(iii) or (c), the grant takes the form of the reimbursement of lump sum costs or of a lump sum contribution, the beneficiary must declare as eligible costs or as requested contribution the global amount specified in Article 3(a)(iii) or (c), subject to the proper implementation of the corresponding tasks or part of the action as described in Annex I.

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, to prove the amount declared as lump sum.

II.20.4 Reimbursement of pre-determined flat-rate costs or pre-determined flat-rate contribution

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Where, in accordance with Article 3(a)(iv) or (d), the grant takes the form of the reimbursement of flat-rate costs or of a flat-rate contribution, the beneficiary must declare as eligible costs or as requested contribution the amount obtained by applying the flat rate specified in Article 3(a)(iv) or (d).

If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the eligible costs or requested contribution to which the flat rate applies. However, the beneficiary does not need to identify the actual eligible costs covered or to provide supporting documents, notably accounting statements, for the flat rate applied.

II.20.5 Reimbursement of costs declared on the basis of the beneficiary's usual cost accounting practices

Where, in accordance with Article 3(a)(v), the grant takes the form of the reimbursement of unit costs declared on the basis of the beneficiary's usual cost accounting practices, the beneficiary must declare as eligible costs the amount obtained by multiplying the amount per unit calculated in accordance with its usual cost accounting practices by the actual number of units used or produced. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the number of units declared.

Where, in accordance with Article 3(a)(v), the grant takes the form of the reimbursement of lump sum costs declared on the basis of the beneficiary's usual cost accounting practices, the beneficiary must declare as eligible costs the global amount calculated in accordance with its usual cost accounting practices, subject to the proper implementation of the corresponding tasks or part of the action. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the proper implementation.

Where, in accordance with Article 3(a)(v), the grant takes the form of the reimbursement of flat-rate costs declared on the basis of the beneficiary's usual cost accounting practices, the beneficiary must declare as eligible costs the amount obtained by applying the flat rate calculated in accordance with its usual cost accounting practices. If requested to do so in the context of the checks or audits described in Article II.27, the beneficiary must be able to provide adequate supporting documents to prove the eligible costs to which the flat rate applies.

In all three cases provided for in the first, second and third subparagraphs, the beneficiary does not need to identify the actual eligible costs covered, but it must ensure that the cost accounting practices used for the purpose of declaring eligible costs are in compliance with the following conditions:

(a) the cost accounting practices used constitute its usual cost accounting practices and are applied in a consistent manner, based on objective criteria independent from the source of funding;

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(b) the costs declared can be directly reconciled with the amounts recorded in its general accounts; and

(c) the categories of costs used for the purpose of determining the costs declared are exclusive of any ineligible cost or costs covered by other forms of grant in accordance with Article 3.

ARTICLE II.21 – ELIGIBILITY OF COSTS OF ENTITIES AFFILIATED TO THE BENEFICIARIES AND OF IMPLEMENTING BODIES DESIGNATED BY THE BENEFICIARIES

II.21.1 Where the Special Conditions contain a provision on entities affiliated to the beneficiaries or a provision on implementing bodies, costs incurred by such an entity or body are eligible, provided that they satisfy the same conditions under Articles II.19 and II.20 as apply to the beneficiary, and that the beneficiary to which the entity is affiliated or by which the implementing body is designated ensures that the Agency, the Commission, the European Anti-Fraud Office (OLAF) and the European Court of Auditors may exercise their rights under Article II.27 also towards the entity or body.

II.21.2 The beneficiary to which the entity is affiliated or by which the implementing body is designated shall ensure that the conditions applicable to it under Articles II.3, II.4, II.5, II.7, II.9 and II.10 are also applicable to the entity or body.

II.21.3 The beneficiaries shall retain sole responsibility for carrying out the action and for compliance with the provisions of the Agreement. The beneficiaries shall ensure that any agreement or contract with an affiliated entity or implementing body contains provisions stipulating that the affiliated entity or implementing body has no right vis-à-vis the Agency under the Agreement.

ARTICLE II.22 – BUDGET TRANSFERS

The estimated budget set out in Table 2 of Annex III may be adjusted by transfers of amounts between beneficiaries and between budget categories, without this adjustment being considered as an amendment of the Agreement within the meaning of Article II.12, provided that the action is implemented as described in Annex I.

The beneficiaries may not however adjust amounts which, in accordance with Article 3(a)(iii) or (c), take the form of lump sums.

By way of derogation from the first subparagraph, should beneficiaries want to modify the value of the estimated CEF contribution that each of them is entitled to as referred to in point (b) of Article II.17.1 and point (c) of II.26.3, the coordinator shall request an amendment in accordance to Article II.12.

ARTICLE II.23 – TECHNICAL AND FINANCIAL REPORTING – REQUESTS FOR PAYMENT AND SUPPORTING DOCUMENTS

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II.23.1 Action Status Reports - Requests for further pre-financing payments and supporting documents

II.23.1.1 The coordinator shall submit an Action Status Report (ASR) no later than 31 March following the end of each reporting period.

The ASR shall be drawn up in accordance with the template provided by the Agency via TEN-Tec and include the following:

(a) the Agreement number, the action number, the transport mode and the project of common interest it relates to;

(b) the name and contact details of the author of the ASR;

(c) information on the progress achieved by the action;

(d) the updated indicative breakdown by activity of the estimated eligible costs of the action referred to in Annex III, including:

i. the estimated eligible costs incurred for the implementation of the action during the previous reporting periods,

ii. the updated estimated eligible costs to be incurred for the implementation of the action during the on-going reporting period and for each of the next reporting periods;

(e) the financing needs per reporting period calculated as the amount obtained by application of the reimbursement rate(s) set out in Article 3 to the eligible costs referred to in indents (i) and (ii) of point (d);

(f) the cumulated financing needs until the end of the on-going reporting period;

(g) information on the contracts awarded for the implementation of the action and on compliance with the requirements set out in Articles II.9 and II.10;

(h) environmental information;

(i) information about measures taken to publicise the action;

(j) for beneficiaries established in the European Union, the certification by the Member State in which the beneficiary is established that the information provided in the ASR is full, reliable and true; in exceptional cases, at the request of the beneficiary, the certification may be provided by the Member State in which the action is implemented;

(k) in the first ASR, information on implementation schedule (such as critical path, key performance rates and risk analysis), governance and monitoring of the action (such as organisational structure, internal coordination, communication and reporting, and decision making process), and other relevant administrative provisions (such as quality controls and audits);

(l) in subsequent ASRs, information on any modifications and, if applicable, on the progress of implementation of the arrangements referred to in point (k).

II.23.1.2 Where Article 4.1 provides for further pre-financing payments, the coordinator may submit a request for a further pre-financing payment together with the ASR referred to in Article II.23.1.1.

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The request for a further pre-financing payment shall be accompanied by:

(a) a statement on the amount of the previous pre-financing payments used to cover costs of the action;

(b) where required by Article 4.1, a financial guarantee.

II.23.2 Interim and final reports - Requests for interim payments or for payment of the balance and supporting documents

II.23.2.1 Interim reports - Requests for interim payments and supporting documents

The coordinator shall submit a request for interim payment at least every two reporting periods. The request for interim payment shall be submitted within 8 months following the end of the reporting period.

The request for interim payment shall be accompanied by the following documents:

(a) an interim financial statement drawn up in accordance with Annex VI and containing a consolidated statement of the eligible costs incurred for the implementation of the action during the reporting period or the two reporting periods covered as well as a breakdown of the eligible costs incurred by each beneficiary, its affiliated entities and its implementing bodies;

(b) unless the Special Conditions provide otherwise, for each beneficiary for which the total contribution in the form of reimbursement of actual costs is at least EUR 750 000 and which requests a reimbursement in that form of at least EUR 325 000 (when adding all previous reimbursements in that form for which a certificate on the financial statements has not been submitted), a certificate on the financial statements and underlying accounts ("certificate on the financial statements").

This certificate shall be produced by an approved auditor or, in case of public bodies, by a competent and independent public officer and drawn up in accordance with Annex VII. It shall certify that the costs declared in the interim financial statement by the beneficiary concerned, its affiliated entities or its implementing bodies for the categories of costs reimbursed on the basis of actual costs are real, accurately recorded and eligible in accordance with the Agreement.

The coordinator shall certify that the information provided in the request for interim payment is full, reliable and true. It shall also certify that the costs declared in the interim financial statement are real and eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27.

II.23.2.2 Final report - Request for payment of the balance and supporting documents

The coordinator shall submit a request for payment of the balance within 12 months following the completion date of the action as referred to in Article 2.2.

The request for payment of the balance shall be accompanied by the following documents:

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(a) the final report drawn up in accordance with Annex V and containing the following:

(i) the Agreement number, the action number, the transport mode and the project of common interest it relates to;

(ii) the name and contact details of the author of the report;

(iii) the objectives of the action (if any deviation is reported);

(iv) technical information on how the action was implemented and fulfilled its objectives;

(v) information on the contracts awarded for the implementation of the action and on compliance with the requirements set out in Articles II.9 and II.10;

(vi) environmental information;

(vii) information about measures taken to publicise the action;

(viii) information on other sources of Union funds (CEF, ERDF, Cohesion Fund, H2020, TEN-T, EIPA, etc.) that have been used for the global project (e.g. previous or subsequent phases not covered by this Agreement).

(b) the final financial statement drawn up in accordance with Annex VI and containing:

(i) a consolidated statement of the eligible costs incurred for the implementation of the action during the last reporting period or the last two reporting periods since the last interim financial statement as well as a breakdown of the eligible costs incurred by each beneficiary, its affiliated entities and its implementing bodies;

(ii) a summary financial statement ("summary financial statement"); this statement must include a consolidated financial statement and a breakdown of the amounts declared or requested by each beneficiary, its affiliated entities and its implementing bodies, aggregating the financial statements already submitted previously and indicating the receipts referred to in Article II.25.3.2 for each beneficiary, its affiliated entities and its implementing bodies; it must be drawn up in accordance with Annex VI.

(c) for beneficiaries established in the European Union, the certification by the Member State in which the beneficiary is established that i) the information provided is full, reliable and true and ii) the costs declared in the final financial statement are real and eligible in accordance with this Agreement; in exceptional cases, at the request of the beneficiary, the certification may be provided by the Member State in which the action is implemented;

(d) unless the Special Conditions provide otherwise, for each beneficiary for which the total contribution in the form of reimbursement of actual costs is at least EUR 750 000 and which requests a reimbursement in that form of at least EUR 325 000 (when adding all previous reimbursements in that form for which a certificate on the financial statements has not been submitted) a certificate on the financial statements and underlying accounts ("certificate on the financial statements").
This certificate shall be produced by an approved auditor or, in case of public bodies,

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by a competent and independent public officer and drawn up in accordance with Annex VII. It shall certify that the costs declared in the final financial statement by the beneficiary concerned, its affiliated entities and its implementing bodies for the categories of costs reimbursed on the basis of actual costs are real, accurately recorded and eligible in accordance with the Agreement. It shall also certify that all the receipts referred to in Article II.25.3.2 have been declared.

The coordinator shall certify that the information provided in the request for payment of the balance is complete, reliable and true. It shall also certify that the costs incurred can be considered eligible in accordance with the Agreement and that the request for payment is substantiated by adequate supporting documents that can be produced in the context of the checks or audits described in Article II.27. In addition, it shall certify that all the receipts referred to in Article II.25.3.2 have been declared.

II.23.3 Non-submission of documents

Where the coordinator has failed to submit a request for interim payment or payment of the balance accompanied by the documents referred to above by the deadline set out in Article II.23.2 and where the coordinator still fails to submit such a request within 60 days following a written reminder sent by the Agency, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in the third and the fourth subparagraphs of Article II.16.4.1.

II.23.4 Currency for requests for payment and financial statements and conversion into euro

Requests for payment and financial statements shall be drafted in euro.

Beneficiaries with general accounts in a currency other than the euro shall convert costs incurred in another currency into euro at the average of the daily exchange rates published in the C series of *Official Journal of the European Union*, determined over the corresponding reporting period. Where no daily euro exchange rate is published in the *Official Journal of the European Union* for the currency in question, conversion shall be made at the average of the monthly accounting rates established by the Commission and published on its website (http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm), determined over the corresponding reporting period.

Beneficiaries with general accounts in euro shall convert costs incurred in another currency into euro according to their usual accounting practices.

ARTICLE II.24 – PAYMENTS AND PAYMENT ARRANGEMENTS

II.24.1 Pre-financing

II.24.1.1 The pre-financing is intended to provide the beneficiaries with a float. It remains the property of the Union until it is cleared against interim payments or payment of the balance to the coordinator.

Where payment of pre-financing is conditional on receipt of a financial guarantee,

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the financial guarantee shall fulfill the following conditions:

(a) it is provided by an approved bank or an approved financial institution. The guarantee shall be denominated in euros. Where a beneficiary is established in a third country, the Agency may agree that a bank or a financial institution established in that third country may provide the guarantee if it considered that the bank or financial institution offers equivalent security and characteristics as those offered by a bank or financial institution established in a Member State. At the request of the coordinator and acceptance by the Agency, the financial guarantee may be replaced by a joint and several guarantee by a third party;

(b) the guarantor stands as first-call guarantor and does not require the Agency to have recourse against the principal debtor (i.e. the beneficiary concerned); and

(c) it provides that it remains in force until the pre-financing is cleared against interim payments or payment of the balance by the Agency and, in case the payment of the balance is made in the form of a debit note, three months after the debit note is notified to the coordinator. The Agency shall release the guarantee within the following month.

II.24.1.2 First pre-financing payment

Without prejudice to Article II.24.5, where Article 4.1 provides for a first pre-financing payment upon entry into force of the Agreement or following a later date, the Agency shall pay to the coordinator within 30 days following that date or, where required by Article 4.1, following receipt of the request for pre-financing payment or of the financial guarantee, whichever is the latest.

II.24.1.3 Further pre-financing payments

Where Article 4.1.2 provides for further pre-financing payments, the amount of the further pre-financing payment shall be calculated as follows:

(a) the percentage specified in Article 4.1.2 shall be applied to the cumulated financing needs referred to in point (f) of Article II.23.1.1;

(b) the total amount of previous pre-financing payments already made shall be deducted from the amount obtained in accordance with point (a);

(c) where the statement on the amount of the previous pre-financing payments used submitted in accordance with Article II.23.1.2 shows that less than 70 % of the total amount of the previous pre-financing payments already made has been used, the amount obtained in accordance with points (a) and (b) shall be reduced by the difference between the 70 % threshold and the amount used;

(d) the amount obtained in accordance with points (a), (b) and (c) shall be limited to the difference between the ceiling for pre-financing and interim payments set out in Article 4.1.3 and the total amount of pre-financing and interim payments already made.

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Without prejudice to Articles II.24.4 and II.24.5, the Agency shall pay to the coordinator the amount due as further pre-financing payment within 60 days following receipt of the request for further pre-financing payment and of documents referred to in Article II.23.1.1 or, where required by Article 4.1, following receipt of the financial guarantee.

II.24.2 Interim payments

Interim payments are intended to reimburse the eligible costs incurred in implementing the action during the corresponding reporting periods.

Without prejudice to Articles II.24.4 and II.24.5, on receipt of the documents referred to in Article II.23.2, the Agency shall pay to the coordinator the amount due as interim payment within the time limit specified in Article 4.2.

This amount shall be determined following approval of the request for interim payment and the accompanying documents and of the ASR for the reporting period or the two reporting periods covered. Approval of those documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

The amount due as interim payment shall be determined as follows:

(a) the following amounts, which depend on the form of the grant, shall be added:

(i) where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate(s) specified in that Article to the eligible costs of the action approved by the Agency for the concerned reporting period(s) and the corresponding categories of costs, beneficiaries, affiliated entities and implementing bodies;

(ii) where, in accordance with Article 3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency for the concerned reporting period(s) and for the corresponding beneficiaries, affiliated entities and implementing bodies;

(iii) where, in accordance with Article 3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies, subject to approval by the Agency of the proper implementation during the concerned reporting period(s) of the corresponding tasks or part of the action in accordance with Annex I;

(iv) where, in accordance with Article 3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the concerned reporting period(s) and the corresponding beneficiaries, affiliated

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entities and implementing bodies.

(b) the interim payment shall clear 100% of the pre-financing payments already made for the reporting periods covered by the request for interim payment or previous interim payments and which have not been cleared against previous interim payments. The amount of the pre-financing payments to be cleared shall be deducted from the amount obtained in accordance with point (a);

(c) the amount obtained in accordance with points (a) and (b) shall be limited to the difference between the ceiling for pre-financing and interim payments set out in Article 4.1.3 and the total amount of the pre-financing and interim payments already made.

II.24.3 Payment of the balance

The payment of the balance, which may not be repeated, is intended to reimburse or cover after the end of the period set out in Article 2.2 the remaining part of the eligible costs incurred by the beneficiaries for its implementation. Where the total amount of earlier payments is greater than the final amount of the grant determined in accordance with Article II.25, the payment of the balance may take the form of a recovery as provided for by Article II.26.

Without prejudice to Articles II.24.4 and II.24.5, on receipt of the documents referred to in Article II.23.2, the Agency shall pay the amount due as the balance within the time limit specified in Article 4.2.

This amount shall be determined following approval of the request for payment of the balance and of the accompanying documents and in accordance with the fourth subparagraph. Approval of the request for payment of the balance and of the accompanying documents shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information they contain.

The amount due as the balance shall be determined by deducting, from the final amount of the grant determined in accordance with Article II.25, the total amount of pre-financing and interim payments already made.

II.24.4 Suspension of the time limit for payment

The Agency may suspend the time limit for payment specified in Articles 4.2 and II.24.1.3, at any time by formally notifying the coordinator that its request for payment cannot be met, either because it does not comply with the provisions of the Agreement, or because the appropriate supporting documents have not been produced, or because there is doubt about the eligibility of the costs declared in the financial statement.

The coordinator shall be notified as soon as possible of any such suspension, together with the reasons thereof.

Suspension shall take effect on the date when notification is sent by the Agency. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further verification, including

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on-the-spot checks, is carried out. Where the suspension exceeds two months, the coordinator may request a decision by the Agency on whether the suspension is to be continued.

Where the time limit for payment has been suspended following the rejection of one of the ASRs, the final report or one of the financial statements provided for by Article II.23 and the new report or statement submitted is also rejected, the Agency reserves the right to terminate the Agreement in accordance with Article II.16.3.1(c), with the effects described in Article II.16.4.

II.24.5 Suspension of payments

II.24.5.1 The Agency may, at any time during the implementation of the Agreement, suspend the pre-financing payments, interim payments or payment of the balance for all beneficiaries, or suspend the pre-financing payments or interim payments for any one or several beneficiaries:

(a) if the Agency has evidence that a beneficiary has committed substantial errors, irregularities or fraud in the award procedure or in the implementation of the grant, or if a beneficiary fails to comply with its obligations under the Agreement;

(b) if the Agency has evidence that a beneficiary has committed systemic or recurrent errors, irregularities, fraud or breach of obligations under other grants funded by the Union or by the European Atomic Energy Community which were awarded to that beneficiary under similar conditions, provided that those errors, irregularities, fraud or breach of obligations have a material impact on this grant;

(c) if the Agency suspects substantial errors, irregularities, fraud or breach of obligations committed by a beneficiary in the award procedure or in the implementation of the Agreement and needs to verify whether they have actually occurred; or

(d) following an evaluation of the progress of the project, in particular in the event of major delays in the implementation of the action; or

(e) if the Agency does not receive all the documents required under Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, Directive 2009/147/EC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, Directive 2000/60/EC establishing a framework for Community policy in the field of water, or any other relevant environmental legislation as listed in the application form (the section concerning compliance with Union policy on environmental protection).

II.24.5.2 Before suspending payments, the Agency shall formally notify the coordinator of its intention to suspend payments, specifying the reasons thereof and, in the cases referred to in points (a), (b), (d) and (e) of Article II.24.5.1, the necessary conditions for resuming payments. The coordinator shall be invited to make any

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observations on behalf of all beneficiaries within 30 calendar days from receipt of this notification.

If, after examination of the observations submitted by the coordinator, the Agency decides to stop the procedure of payment suspension, the Agency shall formally notify the coordinator thereof.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the procedure of payment suspension, it may suspend payments by formally notifying the coordinator, specifying the reasons for the suspension and, in the cases referred to in points (a), (b), (d) and (e) of Article II.24.5.1, the definitive conditions for resuming payments or, in the case referred to in point (c) of Article II.24.5.1, the indicative date of completion of the necessary verification.

The coordinator shall inform the other beneficiaries immediately. The suspension of payments shall take effect on the date when the notification is sent by the Agency.

In order to resume payments, the beneficiaries shall endeavour to meet the notified conditions as soon as possible and shall inform the Agency of any progress made in this respect.

The Agency shall, as soon as it considers that the conditions for resuming payments have been met or the necessary verification, including on-the-spot checks, has been carried out, formally notify the coordinator thereof.

During the period of suspension of payments and without prejudice to the right to suspend the implementation of the action in accordance with Article II.15.1 or to terminate the Agreement or the participation of a beneficiary in accordance with Article II.16.1 and Article II.16.2, the coordinator is not entitled to submit any requests for payments or, where the suspension concerns the pre-financing payments or interim payments for one or several beneficiaries only, any requests for payments and supporting documents relating to the participation of the concerned beneficiary or beneficiaries in the action.

The corresponding requests for payments and supporting documents may be submitted as soon as possible after resumption of payments or may be included in the first request for payment due following resumption of payments in accordance with the schedule laid down in Article 4.1.

II.24.6 Notification of amounts due

The Agency shall formally notify the amounts due, specifying whether it is a further pre-financing payment, an interim payment or the payment of the balance. In the case of payment of the balance, it shall also specify the final amount of the grant determined in accordance with Article II.25.

II.24.7 Interest on late payment

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On expiry of the time limits for payment specified in Articles 4.2 and II.24.1, and without prejudice to Articles II.24.4 and II.24.5, the beneficiaries are entitled to interest on late payment at the rate applied by the European Central Bank for its main refinancing operations in euros ("the reference rate"), plus three and a half points. The reference rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the *Official Journal of the European Union*.

The first subparagraph shall not apply where all beneficiaries are Member States of the Union, including regional and local government authorities and other public bodies acting in the name and on behalf of the Member State for the purpose of this Agreement.

The suspension of the time limit for payment in accordance with Article II.24.4 or of payment by the Agency in accordance with Article II.24.5 may not be considered as late payment.

Interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article II.24.9. The interest payable shall not be considered for the purposes of determining the final amount of grant within the meaning of Article II.25.3.

By way of derogation from the first subparagraph, when the calculated interest is lower than or equal to EUR 200, it shall be paid only upon request submitted by the coordinator within two months of the late payment.

II.24.8 Currency for payments

Payments by the Agency shall be made in euro.

II.24.9 Date of payment

Payments by the Agency shall be deemed to be effected on the date when they are debited to the Agency's account.

II.24.10 Costs of payment transfers

Costs of the payment transfers shall be borne in the following way:

(a) costs of transfer charged by the bank of the Agency shall be borne by the Agency;

(b) costs of transfer charged by the bank of a beneficiary shall be borne by the beneficiary;

(c) all costs of repeated transfers caused by one of the parties shall be borne by the party which caused the repetition of the transfer.

II.24.11 Payments to the coordinator

The Agency shall make all payments to the coordinator. Payments to the coordinator shall discharge the Agency from its payment obligation.

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ARTICLE II.25 – DETERMINING THE FINAL AMOUNT OF THE GRANT

II.25.1 Calculation of the final amount

Without prejudice to Articles II.25.2, II.25.3 and II.25.4, the final amount of the grant shall be determined as follows:

(a) where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs, the amount obtained by application of the reimbursement rate(s) specified in that Article to the eligible costs of the action approved by the Agency for the corresponding categories of costs, beneficiaries, affiliated entities and implementing bodies;

(b) where, in accordance with Article 3(b), the grant takes the form of a unit contribution, the amount obtained by multiplying the unit contribution specified in that Article by the actual number of units approved by the Agency for the corresponding beneficiaries, affiliated entities and implementing bodies;

(c) where, in accordance with Article 3(c), the grant takes the form of a lump sum contribution, the lump sum specified in that Article for the corresponding beneficiaries, affiliated entities and implementing bodies, subject to approval by the Agency of the proper implementation of the corresponding tasks or part of the action in accordance with Annex I;

(d) where, in accordance with Article 3(d), the grant takes the form of a flat-rate contribution, the amount obtained by applying the flat rate referred to in that Article to the eligible costs or to the contribution accepted by the Agency for the corresponding beneficiaries, affiliated entities and implementing bodies.

Where Article 3 provides for a combination of different forms of grant, these amounts shall be added.

II.25.2 Maximum amount

The total amount paid by the Agency for the action may in no circumstances exceed the maximum amount of the grant specified in Article 3.

Where the amount determined in accordance with Article II.25.1 exceeds this maximum amount, the final amount of the grant shall be limited to the maximum amount specified in Article 3.

II.25.3 No-profit rule and taking into account of receipts

II.25.3.1 The grant may not produce a profit for the beneficiaries, unless specified otherwise in the Special Conditions. "Profit" shall mean a surplus of the receipts over the eligible costs of the action.

II.25.3.2 The receipts to be taken into account are the consolidated receipts established,

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generated or confirmed on the date on which the request for payment of the balance is drawn up by the coordinator, which fall within one of the following two categories:

(a) income generated by the action; or

(b) financial contributions specifically assigned by the donors to the financing of the eligible costs of the action reimbursed by the Agency in accordance with Article 3(a)(i).

II.25.3.3 The following shall not be considered as receipts to be taken into account for the purpose of verifying whether the grant produces a profit for the beneficiaries:

(a) financial contributions referred to in point (b) of Article II.25.3.2, which may be used by the beneficiaries to cover costs other than the eligible costs under the Agreement;

(b) financial contributions referred to in point (b) of Article II.25.3.2, the unused part of which is not due to the donors at the end of the period set out in Article 2.2.

II.25.3.4 The eligible costs to be taken into account are the consolidated eligible costs approved by the Agency for the categories of costs reimbursed in accordance with Article 3(a).

II.25.3.5 Where the final amount of the grant determined in accordance with Articles II.25.1 and II.25.2 would result in a profit for the beneficiaries, the profit shall be deducted in proportion to the final rate of reimbursement of the actual eligible costs of the action approved by the Agency for the categories of costs referred to in Article 3(a)(i). This final rate shall be calculated on the basis of the final amount of the grant in the form referred to in Article 3(a)(i), as determined in accordance with Articles II.25.1 and II.25.2.

II.25.4 Reduction for poor, partial or late implementation, or breach of contractual obligations

If the action is not implemented properly in accordance with Annex I, or if any beneficiary fails to comply with any other obligations under this Agreement, the Agency may reduce the grant amount set out in Article 3 in proportion to the improper implementation of the action or to the seriousness of the breach of obligations.

This includes the case where the Agency does not receive all the documents required under Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, Directive 2009/147/EC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora, Directive 2000/60/EC establishing a framework for Community policy in the field of water, or any other relevant environmental legislation as listed in the application form (the section concerning compliance with Union policy on environmental protection).

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ARTICLE II.26 – RECOVERY

II.26.1 Recovery at the time of payment of the balance

Where the payment of the balance takes the form of a recovery, the Agency shall formally notify the coordinator of its intention to recover the amount unduly paid:

(a) specifying the amount due and the reasons for recovery;

(b) inviting the coordinator to make any observations within a specified period ; and

(c) requesting the coordinator to submit a report on the distribution of payments to the beneficiaries within a specified period.

If no observations have been submitted or if, despite the observations submitted by the coordinator, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the coordinator a debit note ("debit note"), specifying the terms and the date for payment.

If the coordinator does not repay the Agency by the date specified in the debit note and has not submitted the report on the distribution of payments, the Agency or the Commission shall recover the amount due from the coordinator in accordance with Article II.26.3, even if it has not been the final recipient of the amount due.
If the coordinator does not repay the Agency by the date specified in the debit note but has submitted the report on the distribution of payments made to the beneficiaries, the Agency shall recover the amount due from the beneficiary which has been the final recipient of the amount due.

For that purpose, the Agency shall:

(a) where, in accordance with Article 3(a), the grant takes the form of the reimbursement of eligible costs:

(i) identify the beneficiaries for which the amount calculated as follows is negative:

{{{ {Beneficiary's costs (including the costs of its affiliated entities and implementing bodies if applicable) declared in the final financial statement and approved by the Agency multiplied by the reimbursement rate(s) set out in Article 3(a) for the beneficiary concerned}

divided by

the amount calculated according to Article II.25.1}

multiplied by

the final grant amount calculated according to Article II.25},

minus

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the pre-financing and interim payments received by the beneficiary}

(ii) formally notify to each beneficiary identified according to point (i) a debit note specifying the terms and date for payment. The amount of the debit note shall be calculated as follows:

{ {amount calculated according to point (i) for the beneficiary concerned

divided by

the sum of the amounts calculated according to point (i) for all the beneficiaries identified according to point (i) }

multiplied by

the amount set out in the debit note formally notified to the coordinator }

(b) where, in accordance with Article 3(b), (c) or (d) the grant takes the form of a unit, lump sum or flat-rate contribution, formally notify to each beneficiary a debit note specifying the terms and date for payment. The amount of the debit note shall be calculated as follows:

{ {the pre-financing and interim payments received by the beneficiary

divided by

the total amount of pre-financing and interim payments paid by the Agency}

multiplied by

the amount set out in the debit note formally notified to the coordinator };

(c) where Article 3 provides for a combination of different forms of grant, these amounts shall be added.

If the beneficiary concerned does not repay the Agency by the date specified in the debit note, the Agency or the Commission shall recover the amount due from the beneficiary in accordance with Article II.26.3.

II.26.2 Recovery after payment of the balance

Where an amount is to be recovered in accordance with Articles II.27.6, II.27.7 and II.27.8, the beneficiary concerned by the audit or OLAF findings shall repay the Agency the amount in question.

Where the audit findings do not concern a specific beneficiary, the coordinator shall repay the Agency the amount in question, even if it has not been the final recipient of the amount due.

Before recovery, the Agency shall formally notify the beneficiary concerned or the coordinator of its intention to recover the amount unduly paid:

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(a) specifying the amount due (including any amount unduly paid by the Agency as a contribution towards the costs incurred by its affiliated entities or its implementing bodies) and the reasons for recovery;

(b) inviting the beneficiary concerned or the coordinator to make any observations within a specified period.

If no observations have been submitted or if, despite the observations submitted by the beneficiary concerned or the coordinator, the Agency decides to pursue the recovery procedure, the Agency may confirm recovery by formally notifying to the beneficiary concerned or the coordinator a debit note ("debit note"), specifying the terms and the date for payment.

If the beneficiary concerned or the coordinator does not repay the Agency by the date specified in the debit note, the Agency shall recover the amount due from the beneficiary concerned or the coordinator in accordance with Article II.26.3.

II.26.3 Recovery procedure failing repayment by the date specified in the debit note

If payment has not been made by the date specified in the debit note, the Agency or the Commission shall recover the amount due:

(a) by offsetting it against any amounts owed to the beneficiary concerned by the Union or the European Atomic Energy Community (Euratom) ("offsetting"); in exceptional circumstances, justified by the necessity to safeguard the financial interests of the Union, the Agency may recover by offsetting before the due date; the beneficiary's prior consent shall not be required; an action may be brought against such offsetting before the General Court of the European Union pursuant to Article 263 TFEU;

(b) by drawing on the financial guarantee where provided for in accordance with Article 4.1 ("drawing on the financial guarantee");

(c) where provided for in the Special Conditions, by holding the beneficiaries jointly and severally liable;

(d) by taking legal action in accordance with Article II.18.2 or with the Special Conditions or by adopting an enforceable decision in accordance with Article II.18.3.

II.26.4 Interest on late payment

If payment has not been made by the date set out in the debit note, the amount due shall bear interest at the rate established in Article II.24.7. Interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date when the Agency or the Commission actually receives payment in full of the outstanding amount.

Any partial payment shall first be appropriated against charges and interest on late payment and then against the principal.

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II.26.5 Bank charges

Bank charges incurred in connection with the recovery of the sums owed to the Agency shall be borne by the beneficiary concerned except where Directive 2007/64/EC of the European Parliament and of the Council of 13 November 2007 on payment services in the internal market amending Directives 97/7/EC, 2002/65/EC, 2005/60/EC and 2006/48/EC and repealing Directive 97/5/EC applies.

ARTICLE II.27 – CHECKS, AUDITS AND EVALUATION

II.27.1 Technical and financial checks, audits, interim and final evaluations

The Commission or the Agency may carry out technical and financial checks and audits in relation to the use of the grant. It may also check the statutory records of the beneficiaries for the purpose of periodic assessments of lump sum, unit cost or flat-rate amounts.

Information and documents provided in the framework of checks or audits shall be treated on a confidential basis.

In addition, the Commission or the Agency may carry out interim or final evaluation of the impact of the action measured against the objective of the Union programme concerned, in order to assess whether the objectives, including those relating to environmental protection, have been attained.

Checks, audits or evaluations made by the Commission or the Agency may be carried out either directly by its own staff or by any other outside body authorised to do so on its behalf.

Such checks, audits or evaluations may be initiated during the implementation of the Agreement and for a period of five years starting from the date of payment of the balance. This period shall be limited to three years if the maximum amount specified in Article 3 is not more than EUR 60 000.

The check, audit or evaluation procedure shall be deemed to be initiated on the date of receipt of the letter of the Commission or the Agency announcing it.

II.27.2 Duty to keep documents

The beneficiaries shall keep all original documents, especially accounting and tax records, stored on any appropriate medium, including digitalised originals when they are authorised by their respective national law and under the conditions laid down therein, for a period of five years starting from the date of payment of the balance.

This period shall be limited to three years if the maximum amount specified in Article 3 is not more than EUR 60 000.

The periods set out in the first and second subparagraphs shall be longer if there are on-going audits, appeals, litigation or pursuit of claims concerning the grant, including in the case referred to in Article II.27.7. In such cases, the beneficiaries shall keep the documents until

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such audits, appeals, litigation or pursuit of claims are closed.

II.27.3 Obligation to provide information

Where a check or audit is initiated before the payment of the balance, the coordinator shall provide any information, including information in electronic format, requested by the Commission or the Agency, or by any other outside body authorised by it. Where appropriate, the Commission or the Agency may request such information to be provided directly by a beneficiary. Where a check or audit is initiated after payment of the balance, such information shall be provided by the beneficiary concerned.

For an evaluation, the coordinator shall provide any information, including information in electronic format, requested by the Commission or the Agency, or by any other outside body authorised by it. Where appropriate, the Commission or the Agency may request such information to be provided directly by a beneficiary.

In case the beneficiary concerned does not comply with the obligations set out in the first and second subparagraphs, the Commission or the Agency may consider:

(a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;

(b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

II.27.4 On-the-spot visits

During an on-the-spot visit, the beneficiaries shall allow Commission or Agency staff and outside personnel authorised by the Commission or the Agency to have access to the sites and premises where the action is or was carried out, and to all the necessary information, including information in electronic format.

They shall ensure that the information is readily available at the moment of the on-the-spot visit and that information requested is handed over in an appropriate form.

In case a beneficiary refuses to provide access to the sites, premises and information in accordance with the first and second subparagraphs, the Commission or the Agency may consider:

(a) any cost insufficiently substantiated by information provided by the beneficiary as ineligible;

(b) any unit, lump sum or flat-rate contribution insufficiently substantiated by information provided by the beneficiary as undue.

II.27.5 Contradictory audit procedure

On the basis of the findings made during the audit, a provisional report ("draft audit report") shall be drawn up. It shall be sent by the Commission or the Agency or its authorised

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representative to the beneficiary concerned, which shall have 30 days from the date of receipt to submit observations. The final report ("final audit report") shall be sent to the beneficiary concerned within 60 days of expiry of the time limit for submission of observations.

II.27.6 Effects of audit findings

On the basis of the final audit findings, the Commission or the Agency may take the measures which it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it, in accordance with Article II.26.

In the case of final audit findings made after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant, determined in accordance with Article II.25, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action.

II.27.7 Correction of systemic or recurrent errors, irregularities, fraud or breach of obligations

II.27.7.1 The Commission or the Agency may take all measures which it considers necessary, including recovery at the time of payment of the balance or after payment of the balance of all or part of the payments made by it under the Agreement, in accordance with Article II.26, where the following conditions are fulfilled:

(a) the beneficiary is found, on the basis of an audit of other grants awarded to it under similar conditions, to have committed systemic or recurrent errors, irregularities, fraud or breach of obligations that have a material impact on this grant; and

(b) the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations is received by the beneficiary within the period referred to in Article II.27.1.

II.27.7.2 The Commission or the Agency shall determine the amount to be corrected under the Agreement:

(a) wherever possible and practicable, on the basis of costs unduly declared as eligible under the Agreement.

For that purpose, the beneficiary concerned shall revise the financial statements submitted under the Agreement taking account of the findings and resubmit them to the Commission or the Agency within 60 days from the date of receipt of the final audit report containing the findings of the systemic or recurrent errors, irregularities, fraud or breach of obligations.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final

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amount of the grant, determined in accordance with Article II.25 on the basis of the revised eligible costs declared by the beneficiary and approved by the Commission or the Agency, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action;

(b) where it is not possible or practicable to quantify precisely the amount of ineligible costs under the Agreement, by extrapolating the correction rate applied to the eligible costs for the grants for which the systemic or recurrent errors or irregularities have been found.

The Commission or the Agency shall formally notify the extrapolation method to be applied to the beneficiary concerned, which shall have 60 days from the date of receipt of the notification to submit observations and to propose a duly substantiated alternative method.

If the Commission or the Agency accepts the alternative method proposed by the beneficiary, it shall formally notify the beneficiary concerned thereof and determine the revised eligible costs by applying the accepted alternative method.

If no observations have been submitted or if the Commission or the Agency does not accept the observations or the alternative method proposed by the beneficiary, the Commission or the Agency shall formally notify the beneficiary concerned thereof and determine the revised eligible costs by applying the extrapolation method initially notified to the beneficiary.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant, determined in accordance with Article II.25 on the basis of the revised eligible costs after extrapolation, and the total amount paid to the beneficiaries under the Agreement for the implementation of the action; or

(c) where ineligible costs cannot serve as a basis for determining the amount to be corrected, by applying a flat rate correction to the maximum amount of the grant specified in Article 3 or part thereof, having regard to the principle of proportionality.

The Commission or the Agency shall formally notify the flat rate to be applied to the beneficiary concerned, which shall have 60 days from the date of receipt of the notification to submit observations and to propose a duly substantiated alternative flat rate.

If the Commission or the Agency accepts the alternative flat rate proposed by the beneficiary, it shall formally notify the beneficiary concerned thereof and correct the grant amount by applying the accepted alternative flat rate.

If no observations have been submitted or if the Commission or the Agency

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does not accept the observations or the alternative flat rate proposed by the beneficiary, the Commission or the Agency shall formally notify the beneficiary concerned thereof and correct the grant amount by applying the flat rate initially notified to the beneficiary.

In the case of systemic or recurrent errors, irregularities, fraud or breach of obligations found after the payment of the balance, the amount to be recovered shall correspond to the difference between the revised final amount of the grant after flat-rate correction and the total amount paid to the beneficiaries under the Agreement for the implementation of the action.

II.27.8 Checks and inspections by OLAF

The European Anti-Fraud Office (OLAF) shall have the same rights as the Commission and the Agency, notably right of access, for the purpose of checks and investigations.

By virtue of Council Regulation (Euratom, EC) No 2185/96[1] of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities and Regulation (EU) No 883/2013[2] of the European Parliament and the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF), OLAF may also carry out on-the-spot checks and inspections in accordance with the procedures laid down by Union law for the protection of the financial interests of the Union against fraud and other irregularities.

Where appropriate, OLAF findings may lead to recovery by the Agency. They may also lead to criminal prosecution under national law.

II.27.9 Checks and audits by the European Court of Auditors

The European Court of Auditors shall have the same rights as the Agency and the Commission, notably right of access, for the purpose of checks and audits.

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[1] OJ L 292, 15.11.1996, p.2
[2] OJ L 248, 18.09.2013, p.1

ANNEX III

ESTIMATED BUDGET OF THE ACTION

Table 1: Planned sources of financing of the eligible costs of the action

Financing sources	Amount of financial contribution to the action eligible costs (EUR) MIMS	Amount of financial contribution to the action eligible costs (EUR) MTECT
1. CEF-Transport financing	449,335,327	364,446,573
2. Beneficiary's own resources	0	0
of which:		
(a) EIB loan	0	0
3. State budget(s)	605,151,098	478.779,459
4. Regional/ local budget(s)	0	0
5. Income generated by the action	0	0
6. Other sources	0	0
TOTAL	1,054,486,425	843,226,032

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Table 2: Indicative breakdown per activity and per beneficiary of estimated eligible costs of the action (EUR)

Activities	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	Pro-rata share of the estimated eligible costs (%)
ELIGIBLE DIRECT COSTS												
Activity 1												
MIMS												
MTECT												
Activity 2												
MIMS												
MTECT												
Activity 3												
MIMS												
MTECT												
Activity 4												
MIMS												
MTECT												
Activity 5												
MIMS												
MTECT												
Activity 6												
MIMS												

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MTECT	
Activity 7	
MIMS	
MTECT	
Activity 8	
MIMS	
MTECT	
Activity 9	
MIMS	
MTECT	
Activity 10	
MIMS	
MTECT	
Activity 11	
MIMS	
MTECT	
Activity 12	
MIMS	
MTECT	
Activity 13	
MIMS	
MTECT	
Activity 14	
MIMS	

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MTECT	
Activity 15	
MIMS	
MTECT	
Activity 16	
MIMS	
MTECT	
Activity 17	
MIMS	
MTECT	
Activity 18	
MIMS	
MTECT	
Activity 19	
MIMS	
MTECT	
Activity 20	
MIMS	
MTECT	
Activity 21	
MIMS	
MTECT	
Activity 22	
MIMS	

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MTECT	
Activity 23	
MIMS	
MTECT	
Activity 24	
MIMS	
MTECT	
Activity 25	
MIMS	
MTECT	
Activity 26	
MIMS	
MTECT	
Activity 27	
MIMS	
MTECT	
Activity 28	
MIMS	
MTECT	
Activity 29	
MIMS	
MTECT	
Activity 30	
MIMS	

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MTECT	
Activity 31	
MIMS	
MTECT	
Activity 32	
MIMS	
MTECT	
Activity 33	
MIMS	
MTECT	
TOTAL ELIGIBLE DIRECT COSTS	
MIMS	
MTECT	
Annual instalments of maximum CEF contribution	
MIMS	
MTECT	

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Table 3: Indicative breakdown per beneficiary of the maximum CEF contribution (EUR)

	Estimated contribution	Pro-rata share of the maximum CEF contribution (%)
MIMS	**449,335,327**	**55.22%**
MTECT	**364,446,573**	**44.78%**
Total	**813,781,900**	**100%**

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ANNEX IV

MANDATE 1

I, the undersigned,

[redacted]

representing,

Ministère de la Transition écologique et de la Cohésion des territoires (MTECT)
Tour Sequoia Place Carpeaux 1
92055 La Défense
France

hereinafter referred to as "the beneficiary",

for the purposes of the signature and the implementation of the grant agreement No INEA/CEF/TRAN/M2014/1057372 for the Action No 2014-EU-TM-0401-M entitled "Cross Border Section of the New Lyon-Turin Rail Link Mont Cenis Base Tunnel (TBM)" with the Innovation and Networks Executive Agency (hereinafter referred to as "the grant agreement")

hereby mandate:

Ministero delle Infrastrutture e della Mobilità Sostenibili (MIMS)
Via Nomentana 2
00161 Roma
Italy
represented by [redacted]- Direzione sviluppo del territorio, pianificazione e progetti internazionali (hereinafter referred to as "the coordinator")

1. to sign in my name and on my behalf the grant agreement and its possible subsequent amendments with the Innovation and Networks Executive Agency,

and

2. to act on behalf of the beneficiary in compliance with the grant agreement.

I hereby confirm that the beneficiary accepts all terms and conditions of the grant agreement and, in particular, all provisions affecting the coordinator and the other beneficiaries. In particular, I acknowledge that, by virtue of this mandate, the coordinator alone is entitled to receive funds from the Innovation and Networks Executive Agency and distribute the amounts corresponding to the beneficiary's participation in the action.

I hereby accept that the beneficiary will do everything in its power to help the coordinator fulfil its obligations under the grant agreement, and in particular, to provide to the coordinator, on its request, whatever documents or information may be required.

I hereby declare that the beneficiary agrees that the provisions of the grant agreement, including this mandate, shall take precedence over any other agreement between the beneficiary and the coordinator which may have an effect on the implementation of the grant agreement.

This mandate shall be annexed to the grant agreement and shall form an integral part thereof.

SIGNATURE

[redacted]

Done at La Défense, on

In duplicate in English

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ANNEX V

MODEL FINAL REPORT

The templates for the final report as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

http://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport/beneficiaries-info-point

ANNEX VI

MODEL FINANCIAL STATEMENT(S)

The templates for financial statements as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

http://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport/beneficiaries-info-point

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ANNEX VII

MODEL TERMS OF REFERENCE FOR THE CERTIFICATE ON THE FINANCIAL STATEMENTS

The model terms of reference for the certificate on the financial statements as referred to in Article II.23 are those provided by the Agency, and are available on the Agency website at the following link:

http://ec.europa.eu/inea/en/connecting-europe-facility/cef-transport/beneficiaries-info-point

The model terms of reference for the certificate on the financial statements include templates for:

- the Terms of Reference for an Independent Report of Factual Findings on costs declared under a Grant Agreement financed under the Connecting Europe Facility (CEF), and
- the independent report of factual findings on costs declared under a grant agreement financed under the Connecting Europe Facility (CEF), including its annex.

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