

# PARTNERSHIP AGREEMENT AMENDMENT NO. 1

---

Amendment of the agreement between the lead partner and the partners for the implementation of the Interreg CENTRAL EUROPE project

---

---

**Amendment No.1 of the Agreement between the lead partner and  
the partners for the implementation of the Interreg CENTRAL  
EUROPE project  
«CE1158» «Advancement of the economic and social innovation  
through the creation of the environment enabling business  
succession»  
(Partnership agreement No. 1)**

---

Having regard to:

- the legal framework as in § 1 of the subsidy contract signed between the managing authority (hereinafter referred to as MA) and University of Economics in Bratislava acting as lead partner (hereinafter referred to as LP) of the project No CE1158, acronym ENTER-transfer and in particular Article 13(2) of Regulation (EU) No 1299/2013 and
- § 10 of the subsidy contract signed between the MA and the aforementioned LP on 26 July 2017; and
- Subsidy contract Amendment No. 1 signed between the MA and the aforementioned LP on 24.04.2019 (further on referred to as "Amendment No. 1")

the following agreement shall be made between:

University of Economics in Bratislava, Faculty of Business management, (Lead Partner)  
Dolnozemska cesta 1, 85235 Bratislava, Slovak Republic, represented by  
Peter Markovic

and

Innovation Partnership Centre, Hlavna 139, 080 01 Presov, Slovak Republic, (Partner 2)  
represented by Jozef Simko

for the implementation of the Interreg CENTRAL EUROPE project CE1158, Advancement of the economic and social innovation through the creation of the environment enabling business succession / ENTER-

transfer, approved by the Monitoring Committee (hereinafter referred to as MC) of the Interreg CENTRAL EUROPE Programme (hereinafter referred to as Interreg CE) on 16 March 2017 in Prague.

Following the modification request approved by the relevant programme bodies on 01.02.2019, §2, §3, §5, §6, §9, §10, §15, §17, §18 and §26 of the Partnership Agreement shall be further amended as follows:

## § 2

### Subject of the agreement

1. This partnership agreement lays down the arrangements regulating the relations between the LP and all PPs in order to ensure a sound implementation of the project CE1158, Advancement of the economic and social innovation through the creation of the environment enabling business succession / ENTER-transfer as in the latest version of the approved application form as well as in compliance with the conditions for support set out in the European Structural and Investment Funds Regulations, delegated and implementing acts, the programme rules based thereon and the subsidy contract signed between the MA and the LP and its Amendment No. 1.
2. The LP and all PPs commit themselves in jointly implementing the project in accordance with the latest version of the approved application form, with the aim to reach the objectives of the project. This also includes the commitment to produce qualitative outputs and to achieve the results set in the application form.
3. The LP and all PPs declare to have carefully read and accepted the legal framework and the other relevant norms affecting the project. In case that changes in the subsidy contract affect the partnership agreement, this document shall be adjusted accordingly.
4. The annexes to this partnership agreement form an integral part of this agreement and comprise *inter alia*: copy of the latest version of the approved application form (Annex 1); copy of the subsidy contract signed between the MA and the LP, including any revision(s) (Annex 2); list of bank accounts of the PPs (Annex 3).
5. The present partnership agreement serves also explicitly as written power of attorney of the PP to LP and authorises the latter to perform the specific duties and responsibilities as set out below.

## § 3

### Duration of the agreement

This partnership agreement shall enter into force as from the date of the last signature of this agreement. It shall remain in force until the LP has discharged in full its obligations towards the MA - as provided for in § 4 of the subsidy contract and its Amendment No. 1 signed between the MA and the LP.

## § 5

### Project management: obligations of the lead partner

1. The LP shall assume the sole responsibility towards the MA for the implementation, management and coordination of the entire project and fulfil all obligations arising from the subsidy contract and its Amendment No. 1.
2. The obligations of the LP are listed in the Subsidy Contract and its Amendment No. 1, enclosed to this agreement as Annex 2.
3. In addition, the LP is obliged to:
  - a. Take all the necessary actions to comply with the requirements indicated in the programme implementation manual;
  - b. In case the project has foreseen to involve PPs located in EU regions outside the CENTRAL EUROPE area, ensure that the total ERDF expenditure of those PPs does not exceed the limit of 20 % of the total ERDF project budget;
  - c. In case the project foresees to implement activities in countries outside the EU territory, ensure that funds are spent under its and/or its PPs responsibility in order to secure a proper financial control;
  - d. Ensure to take all the necessary measures in order to avoid that the subsidy contract and its Amendment No. 1 are terminated by the MA and thus to avoid that the partnership is asked to repay the subsidy according to § 18 of the subsidy contract.

## § 6

### Project management: obligations of the project partners

1. Each PP shall comply with the relevant legal and other requirements under the law which applies to it, especially with the European Union's and national legislation as set out in § 1 of the subsidy contract (Annex 2) and its annexes. Furthermore each PP shall ensure that all necessary approvals (e.g. building permissions, environmental impact assessment statements) have been obtained.  
In particular, for the part of the project for which it is responsible, each PP shall ensure:
  - a. that it is in compliance with relevant rules concerning equal opportunities, protection of environment, financial management, branding, public procurement and State aid;
  - b. that it is implemented in observation of the rules and procedures set in the programme implementation manual (e.g. with regard to monitoring the project physical and financial progress, recording and storing of documents, written requests for project changes, implementation of information and publicity measures etc.);
  - c. that in case of aid granted under the *de minimis* regime all necessary requirements provided for in Regulation (EU) No 1407/2013 are respected by the PP concerned and also, when necessary, by those bodies benefitting of project activities/outputs.
  - d. that programme requirements on eligibility of expenditure, as provided for in the implementation manual and in line with § 5 of the subsidy contract and its Amendment No. 1 signed between the MA and the LP, are strictly respected.
2. Each PP confirms, according to the Law on Data Protection 2000, Austrian Federal Law Gazette No. 165/1999 in its valid version, that the MA is entitled to use personal data which are contained in the

approved application form and which are acquired in the organs and authorised representatives of the following bodies and authorities: national control bodies and bodies and authorities involved in audits carried out for the programme, European Commission, auditing bodies of the European Union and the City of Vienna, the Federal Ministry of Finance of the Republic of Austria or any other institution responsible for conducting audits or controls according to European Union's or national laws. In addition, the MA is entitled to use such data and to share them with other programmes in order to implement their tasks linked to European anti-corruption policy and to make such data available to bodies and authorities for evaluation and monitoring purposes.

3. Each PP shall set up a physical and/or electronic archive which allows storing data, records and documents composing the audit trail, in compliance with requirements described in the programme implementation manual. The location of the above mentioned archive is indicated in the programme electronic monitoring system and each PP commits itself to promptly inform the LP on any change of location.
4. Each PP shall give access to the relevant authorities (MA/JS, Audit Authority, Commission Services and national and EU controlling institutions) to its business premises for the necessary controls and audits, as further ruled in § 17.
5. Each PP shall ensure that its part of activities to be implemented in the approved project is not fully or partly financed by other EU Programmes.
6. Each PP shall ensure that the following project and financial management conditions are fulfilled:
  - a. To timely start as well as to implement the part(s) of the project for which it is responsible in due time and in compliance with the approved application form ensuring, in quantitative and qualitative terms, the delivery of its planned project activities, outputs and results;
  - b. To appoint a local coordinator for the part(s) of the project for which it is responsible and to give the appointed coordinator the authority to represent the partner in the project so that to ensure a sound project management;
  - c. To immediately notify the LP of any event that could lead to a temporary or permanent discontinuation or any other deviation of the part(s) of the approved project for which the PP is responsible;
  - d. To provide experts or bodies authorised by the Interreg CENTRAL EUROPE Programme carrying out project evaluations and/or studies with any document or information requested for evaluation purpose. Information might be provided also through surveys and/or interviews;
  - e. To promptly react to any request made by the MA/JS through the LP;
  - f. That expenditure reported to the LP has been incurred for the purpose of implementing the project and correspond to the activities described in the latest version of the approved application form;
  - g. That in case one or more output and result targets, as set in the latest approved version of the application form, are not successfully reached, adequate corrective measures are put in place to ensure the project performance as well as to minimise the impact at programme level (e.g. adaptation of the project to the changed situation) following the procedures specified in the programme implementation manual;
  - h. To immediately inform the LP if costs are reduced or any of the disbursement conditions ceases to be fulfilled, or circumstances arise which entitle the MA to reduce payment or to demand repayment of the subsidy wholly or in part;
  - i. To install a separate accounting system for the settlement of the project and safeguard that the eligible costs as well as the received subsidies can be clearly identified.

7. In the circumstance that any of the PPs is in the situation of undertaking in difficulty, within the meaning of point 24 (in conjunction with point 20) of the “Guidelines on State aid for rescuing and restructuring non-financial undertakings in difficulty” (Communication from the Commission No. 2014/C 249/01 of 31.07.2014), the concerned PP is to immediately inform the LP that shall in turn immediately inform the MA/JS;

## § 9

### Reporting and requests for payment

1. Each PP may only request, via the LP, payments of the contribution from the European Regional Development Fund (hereinafter referred to as ERDF) by providing proof of progress of its respective part(s) of the project towards the achievement of the outputs and results as set in the approved application form, in compliance with the principle of sound financial management (as determined by the principles of economy, efficiency and effectiveness) and by demonstrating the utility derived from any purchases. To this purpose, each PP commits to providing the LP with complete and accurate information needed to draw up and submit progress and final reports and, where possible, the main outputs and deliverables obtained in line with the approved application form. The reporting periods, spending targets and reporting deadlines are laid down in the overview table annexed to the subsidy contract Amendment No. 1.
2. In addition, in order to allow the LP to submit to the MA payment requests, enclosed to the progress reports every PP shall submit to the LP its certificates confirming the eligibility of expenditure, following verifications performed according to § 10.
3. In order to meet the deadlines mentioned in § 9.1, each PP commits itself to deliver to the LP the necessary information and documents 30 working days before the deadline set in the subsidy contract Amendment No. 1 for submitting the concerned progress report.
4. Requests for postponement of the reporting deadline may be granted only in exceptional and duly justified cases. They shall be asked by the LP to the MA via the JS at the latest one week prior to the due deadline.
5. In line with § 11.6 of the subsidy contract and its Amendment No. 1, the LP shall confirm that the expenditure reported by each PP has been incurred by the PP for the purpose of implementing the project, that it corresponds to the activities laid down in the approved application form and that it has been verified by its national controller.
6. If the LP casts doubts on the project relevance of any expenditure items claimed by a PP, the LP shall clarify the issue with the concerned PP with the aim of finding an agreement on the expenditure to be claimed and the corresponding activities to be reported as project-relevant. In the case that such agreement cannot be found, the procedure as stated in the implementation manual will be followed.
7. Payments not requested in time and in full or non in compliance with the payment schedule as indicated in the overview table of reporting targets and deadlines annexed to the subsidy contract Amendment No. 1 may be lost. In case of decommitment of funds § 18.4 applies.
8. In order to proceed with the analysis of progress and final reports, each PP must provide additional information if the LP or the MA/JS deem that necessary. Additional information requested by the MA/JS are to be collected and sent by the LP within the demanded time frame.
9. The MA reserves the right not to accept - in part or in full - certificates of expenditure as described in § 10 of this agreement, in line with provisions of § 6.4 of the subsidy contract and its Amendment No. 1.

10. Following the approval of the progress report by the MA/JS and the respective ERDF funds have been transferred to the LP account, the LP shall forward the respective ERDF share to each PP without any delay and in full to their bank accounts as indicated in Annex 3. Bank accounts shall be whenever possible specific for the project and shall provide for registration in Euro (EUR; €) of total expenses (expenditure) and of the return (income) related to the project. Changes of the account number shall be duly notified to the LP.
11. The maximum acceptable delay for transferring the ERDF to the PPs is of 15 working days. In exceptional and duly justified cases, LPs which are public authorities may benefit from an extension of the aforementioned deadline in order to comply with internal administrative procedures in transferring public funds. In case of unjustified delays in the transfer of ERDF funds to the PPs which are imputable to the LP, the PPs may claim interest rates which the LP shall exclude from the approved project budget.
12. The LP shall provide all PPs with copies of any report and documentation submitted to the MA/JS and keep the PPs informed about all relevant communication with MA or JS, in line with § 11.8 of the subsidy contract and its Amendment No. 1.
13. Details on the contents of the reports on the verification of expenditure, on the reimbursement of funds and on the related procedural rules are laid out in the programme implementation manual, the contents of which each PP accepts.

## § 10

### Verification of expenditure

1. Each progress report submitted by the LP to the MA via the JS must be accompanied by certificates confirming the eligibility of expenditure included in the report by the LP and the PPs. Certificates of expenditure must be issued by national controllers as referred to in Article 23 (4) of Regulation 1299/2013 according to the system set up by each Member State and in compliance with the requirements set by the legal framework listed in §1 of the subsidy contract. Certificates of expenditure shall be accompanied by the compulsory elements presented in the programme implementation manual (i.e., the control report and checklist). The project partners shall deliver all necessary documents in order to enable the LP to fulfil its obligations. To this end, the partnership may agree on internal rules and delivery procedures.
2. National controllers will base their work on the rules provided by each Member State and the requirements set in the respective EC Regulations and in the programme implementation manual.
3. PPs from countries having set a decentralised control system ensure that controllers were selected in accordance with the system set up by each Member State and they meet the requirements of qualification and independence presented in the programme implementation manual. Furthermore, these PPs acknowledge that the MA reserves the right, after agreement with the national responsible institution, to require that the controller directly selected by a PP is replaced if considerations, which were unknown when the subsidy contract and its Amendment No. 1 was signed, cast doubts on the controller's independence or professional standards.
4. Each PP is to notify to the LP on its national controllers that, in accordance with the system set up by each Member State, shall carry out the verification of the expenditure of the PP. National controllers are identified in the supplementary information section of the programme electronic monitoring system.
5. Any change of control authority/institution or name of controller(s) shall be duly notified to the LP who has subsequently to notify the MA via the JS.

## § 15 Liability

1. According to § 10 of the subsidy contract and its Amendment No. 1, the LP bears the overall financial and legal responsibility for the project and for the PPs towards the MA and third parties.
2. Within the partnership, each party to this agreement shall be liable to the other parties and shall indemnify and hold harmless such other party for and against any liabilities, damages and costs resulting from the non-compliance of its duties and obligations as set forth in this agreement and its annexes or of other legal norms. Eventual repayment of undue funds by the PPs to the LP, for which the LP is liable towards the MA is ruled in § 18 of the present agreement.
3. The LP shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them while the project is being carried out as stipulated in § 10.11 of the subsidy contract and its Amendment No. 1. The LP is entitled to subrogate against the PP that caused the damage. The PP causing damage shall be liable to the LP therefore.
4. The parties to this agreement accept that the MA cannot be under any circumstances or for any reason whatsoever held liable for damage or injury sustained by the staff or property of the LP or any PP while the project is being carried out. No claims can be accepted by the MA for compensation or increases in payment in connection with such damage or injury.
5. No party shall be held liable for not complying with obligations ensuing from this agreement in case of force majeure as described in § 24 of this agreement.

## § 17 Financial controls, audits

1. The European Commission, the European Anti-Fraud Office (OLAF), the European Court of Auditors (ECA) and, within their responsibility, the auditing bodies of the participating EU Member States or other national public auditing bodies as well as the Programme Audit Authority, the MA and the JS are entitled to audit the proper use of funds by the LP or by its PPs or to arrange for such an audit to be carried out by authorised persons. The LP and PPs will be notified in due time about any audit to be carried out on their expenditure.
2. Each PP undertakes all the necessary actions to comply with the fundamental requirements indicated in this agreement, the subsidy contract and its Amendment No. 1, the applicable laws and programme documents (application and implementation manuals), which are an integral part of this agreement, to provide for comprehensive documentation on compliance with those norms and the accessibility to this documentation in line with § 6.4.  
Besides the obligations with regard to reporting and information each PP particularly:
  - a. Keeps all documents and data required for controls and audits safely and orderly;
  - b. Makes all necessary arrangements to ensure that any audit, notified by a duly authorised institution as indicated in § 17.1 can be carried out smoothly; and
  - c. Provides any requested information to these institutions about the project and gives access to their business premises, provides and gives access to all the information and documents supporting the audit trail as requested in the European Structural and Investment Funds Regulations, delegated and implementing acts and the programme implementation manual.



3. Each PP shall promptly inform the LP about any audits that have been carried out by the bodies mentioned in § 17.1 of this agreement.
4. If, as a result of the controls and audits any expenditure is considered non eligible according to the regulatory framework as in § 1 of the subsidy contract and its Amendment No. 1, the procedure described in § 18 and 9.9 of this agreement shall apply.

## § 18

### Withdrawal or recovery of unduly paid-out funds, decommitment of funds

1. Should the MA in accordance with the provisions of the subsidy contract and its Amendment No. 1, the implementation manual and § 9.9 of this agreement, demand the repayment of subsidy already transferred to the LP, every PP is obliged to transfer its portion of undue paid out amount to the LP in compliance with Article 27(2) of Regulation (EU) No 1299/2013. The LP shall, without delay, forward the letter by which the MA has asserted the repayment claim and notify every PP of the amount repayable. Alternatively and when possible, the repayment amount will be offset against the next payment of the MA to the LP or, where applicable, remaining payments can be suspended. In case repayment is deemed as necessary, this repayment is due within one month following the date of the letter by which the MA asserts the repayment claim to the LP. The LP shall be entitled to set an internal deadline to the concerned PPs in order to meet the MA requests. The amount repayable shall be subject to interest according to § 13.3 of the subsidy contract and its Amendment No. 1. Further provisions of the subsidy contract and its Amendment No. 1 shall apply by analogy.
2. In case the PP does not repay the LP the irregular amounts by the deadline specified in the recovery letter, the LP informs the MA without delay. In duly justified cases, the MA informs the Member State, on whose territory the PP concerned is located in order to recover the unduly paid amounts from this Member State. Therefore, the respective Member State is entitled to claim the unduly paid funds that have been reimbursed to the MA from the PP.
3. In case that no PP can be held responsible for the request for repayment, the amount to be repaid shall be apportioned between all PPs pro rata to their project budget share.
4. Bank charges incurred by the repayment of amounts due to the MA via the LP shall be borne entirely by the concerned PPs.
5. If decommitment of funds apply in compliance with § 9.7 and provisions of the programme implementation manual, the PPs herewith agree that the deduction shall be imputed to those PPs that have contributed to the decommitment of funds unless a different decision is taken by the MC. Deduction of funds shall be done in a way not to jeopardise future involvement of PPs and implementation of activities.

## § 26

### Concluding provisions

1. All cited laws, regulations and programme documents mentioned in this agreement are applicable in their currently valid version.

2. If any provision in this agreement should be wholly or partly ineffective, the parties to this agreement undertake to replace the ineffective provision by an effective provision which comes as close as possible to the purpose of the ineffective provision.
3. In case of matters that are not ruled by this agreement, the parties agree to find a joint solution.
4. Amendments and supplements to this agreement must be in written form and have to be indicated as such. Consequently, any changes of this agreement shall only be effective if they have been agreed on in writing and have been designated as amendment of or supplement to the agreement.
5. The LP and all PPs ensure that in case of modification of provisions mentioned in § 1 of the subsidy contract and its Amendment No. 1, updated rights and obligations derived thereof shall apply.
6. Any costs, fees or taxes not eligible or any other duties arising from the conclusion or the implementation of this agreement shall be borne by the LP and PPs.
7. This agreement is governed by and construed in accordance with the laws of the Slovak Republic. Thus, the laws of the Slovak Republic shall apply to all legal relations arising in connections with this agreement.
8. To the effect of this agreement, the PPs shall irrevocably choose domicile at their addresses stated in the partner section of the application form (Annex 1 to this agreement) where any official notifications can be lawfully served.
9. Any change of domicile shall be forwarded by the concerned PP to the LP within 15 days following the change.
10. The present agreement must be signed by the LP and all PPs and evidence of the occurred signature has to be provided at the latest within three month after the entering into force of the subsidy contract and its Amendment No. 1 between the MA and the LP, following the procedures described in the implementation manual. The MA reserves the right to check the partnership agreement in order to verify that it has been signed and that it is in conformity with the minimum requirements as provided for in § 10.2 of the subsidy contract and its Amendment No. 1 and as set by the template of partnership agreement made available by the programme.
11. The present agreement is signed on bilateral basis between the LP and 7 PPs. The LP shall keep one counterpart of each signed agreement and each of the PPs shall keep the other counterpart. All signed bilateral agreements are mutually interlinked, equally valid and legally binding for all participating parties.

All other sections of the Partnership Agreement remain unchanged.

Drawn up in Bratislava, Slovak Republic

Lead partner



Signature

Date

25-06-2019