

**Põhilepingust alltöövõtjale edasiantavad tingimused/
Terms and conditions transferred from the main contract to the subcontractor**

Article 9.3 Subcontractors

Subcontractors may participate in the action, if necessary for the implementation.

Subcontractors must implement their action tasks in accordance with **Article 11**. The costs for the subcontracted tasks (invoiced price from the subcontractor) are eligible and may be charged by the beneficiaries, under the conditions set out in **Article 6**. The costs will be included in Annex 2 as part of the beneficiaries' costs.

The beneficiaries must ensure that their contractual obligations under **Articles 11** (proper implementation), **12** (conflict of interest), **13** (confidentiality and security), **14** (ethics), **17.2** (visibility), **18** (specific rules for carrying out action), **19** (information) and **20** (record-keeping) also apply to the subcontractors.

The beneficiaries must ensure that the bodies mentioned in Article 25 (e.g. granting authority, OLAF, Court of Auditors (ECA), etc.) can exercise their rights also towards the subcontractors.

Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority.

Flow-downs:

Article 11 (proper implementation)

11.1 Obligation to properly implement the action The beneficiaries must implement the action as described in Annex 1 and in compliance with the provisions of the Agreement, the call conditions and all legal obligations under applicable EU, international and national law.

11.2 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28).

Article 12 (conflict of interest)

12.1 Conflict of interests The beneficiaries must take all measures to prevent any situation where the impartial and objective implementation of the Agreement could be compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other direct or indirect interest ('conflict of interests'). They must formally notify the granting authority without delay of any situation constituting or likely to lead to a conflict of interests and immediately take all the necessary steps to rectify this situation. The granting authority may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

12.2 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28) and the grant or the beneficiary may be terminated (see Article 32).

Article 13 (confidentiality and security)

13.1 Sensitive information The parties must keep confidential any data, documents or other material (in any form) that is identified as sensitive in writing ('sensitive information') — during the implementation of the action and for at least until the time-limit set out in the Data Sheet (see Point 6). If a beneficiary requests, the granting authority may agree to keep such information confidential for a longer period. Unless otherwise agreed between the parties, they may use sensitive information only to implement the Agreement. The beneficiaries may disclose sensitive information to their personnel or other participants involved in the action only if they: (a) need to know it in order to implement the Agreement and (b) are bound by an obligation of confidentiality. The granting authority may disclose sensitive information to its staff and to other EU institutions and bodies. It may moreover

disclose sensitive information to third parties, if: (a) this is necessary to implement the Agreement or safeguard the EU financial interests and (b) the recipients of the information are bound by an obligation of confidentiality. The confidentiality obligations no longer apply if: (a) the disclosing party agrees to release the other party (b) the information becomes publicly available, without breaching any confidentiality obligation (c) the disclosure of the sensitive information is required by EU, international or national law. Specific confidentiality rules (if any) are set out in Annex 5.

13.2 Classified information The parties must handle classified information in accordance with the applicable EU, international or national law on classified information (in particular, Decision 2015/44417 and its implementing rules). Deliverables which contain classified information must be submitted according to special procedures agreed with the granting authority. Action tasks involving classified information may be subcontracted only after explicit approval (in writing) from the granting authority. Classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority. Specific security rules (if any) are set out in Annex 5.

13.3 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28). Such breaches may also lead to other measures described in Chapter 5.

Additions from Annex 5

Sensitive information with security recommendation

Sensitive information with a security recommendation must comply with the additional requirements imposed by the granting authority.

Before starting the action tasks concerned, the beneficiaries must have obtained all approvals or other mandatory documents needed for implementing the task. The documents must be kept on file and be submitted upon request by the coordinator to the granting authority. If they are not in English, they must be submitted together with an English summary.

For requirements restricting disclosure or dissemination, the information must be handled in accordance with the recommendation and may be disclosed or disseminated only after written approval from the granting authority.

EU classified information

If EU classified information is used or generated by the action, it must be treated in accordance with the security classification guide (SCG) and security aspect letter (SAL) set out in Annex 1 and Decision 2015/4441 and its implementing rules — until it is declassified.

Deliverables which contain EU classified information must be submitted according to special procedures agreed with the granting authority.

Action tasks involving EU classified information may be subcontracted only with prior explicit written approval from the granting authority and only to entities established in an EU Member State or in a non-EU country with a security of information agreement with the EU (or an administrative arrangement with the Commission).

EU classified information may not be disclosed to any third party (including participants involved in the action implementation) without prior explicit written approval from the granting authority.

National classified information

Where the call conditions allow for the setting up of a specific national security framework under Article 27(4) of the EDF Regulation 2021/6972 or Article 13 of the EDIRPA Regulation 2023/24183 and the action uses or generates information classified by a national authority under national law, the national rules apply.

For deliverables which contain classified results ('foreground information', i.e. information generated in carrying out the action) by national authorities, the beneficiaries must respect the security elements attached in Annex 1 (SAL and PSI) and give access for any purposes required under this Agreement.

Article 14 (ethics)

14.1 Ethics The action must be carried out in line with the highest ethical standards and the applicable EU, international and national law on ethical principles. Specific ethics rules (if any) are set out in Annex 5.

14.2 Values The beneficiaries must commit to and ensure the respect of basic EU values (such as respect for human dignity, freedom, democracy, equality, the rule of law and human rights, including the rights of minorities). Specific rules on values (if any) are set out in Annex 5.

14.3 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28). Such breaches may also lead to other measures described in Chapter 5.

Additions from Annex 5

Ethics

Where the call conditions provide for specific ethics rules in Annex 5, actions involving activities raising ethics issues must be carried out in compliance with:

- ethical principles (including the highest standards of research integrity), and
- applicable EU, international and national law, including the EU Charter of Fundamental Rights and the European Convention for the Protection of Human Rights and Fundamental Freedoms and its Supplementary Protocols.

The beneficiaries must pay particular attention to the principle of proportionality, the right to privacy, the right to the protection of personal data, the right to the physical and mental integrity of persons, the right to non-discrimination, the need to ensure protection of the environment and high levels of human health protection.

Before the beginning of an action task raising an ethical issue, the beneficiaries must have obtained all approvals or other mandatory documents needed for implementing the task, notably from any (national or local) ethics committee or other bodies such as data protection authorities.

The documents must be kept on file and be submitted upon request by the coordinator to the granting authority. If they are not in English, they must be submitted together with an English summary, which shows that the documents cover the action tasks in question and includes the conclusions of the committee or authority concerned (if any).

Article 17.2 (visibility)

17.2 Visibility — European flag and funding statement Unless otherwise agreed with the granting authority, communication activities of the beneficiaries related to the action (including media relations, conferences, seminars, information material, such as brochures, leaflets, posters, presentations, etc., in electronic form, via traditional or social media, etc.), dissemination activities and any infrastructure, equipment, vehicles, supplies or major result funded by the grant must acknowledge EU support and display the European flag (emblem) and funding statement (translated into local languages, where appropriate): /../ The emblem must remain distinct and separate and cannot be modified by adding other visual marks, brands or text. Apart from the emblem, no other visual identity or logo may be used to highlight the EU support. When displayed in association with other logos (e.g. of beneficiaries or sponsors), the emblem must be displayed at least as prominently and visibly as the other logos. For the purposes of their obligations under this Article, the beneficiaries may use the emblem without first obtaining approval from the granting authority. This does not, however, give them the right to exclusive use. Moreover, they may not appropriate the emblem or any similar trademark or logo, either by registration or by any other means.

Additions from Annex 5

Additional communication and dissemination activities

If agreed with the granting authority, the beneficiaries may engage in the following additional communication and dissemination activities:

- present the project (including project summary, coordinator contact details, list of participants, European flag and funding statement and project results) on the beneficiaries' websites or social media accounts
- upload the public project results to the European Defence Fund Project Results platform, available through the Funding & Tenders Portal.

Article 18 (specific rules for carrying out action)

18.1 Specific rules for carrying out the action Specific rules for implementing the action (if any) are set out in Annex 5.

18.2 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28). Such a breach may also lead to other measures described in Chapter 5.

Additions from Annex 5

Specific rules for EDF actions

Where imposed by the call conditions, when implementing EDF actions, the beneficiaries must respect the following conditions:

- ensure that none of the entities that participate as affiliated entities, associated partners, subcontractors or recipients of financial support to third parties are established in countries which are not eligible countries or target countries set out in the call conditions (or are controlled by such countries or entities from such countries) — unless otherwise agreed with the granting authority
- ensure that any cooperation with entities established in countries which are not eligible countries or target countries set out in the call conditions (or are controlled by such countries or entities from such countries): - does not affect the security and defence interests of the EU or its Member States or the objectives of the EDF Programme as set out in Article 3 of Regulation (EU) 2021/697
- excludes the possibility of unauthorised access to classified information linked to the action (background, foreground or sideground)
- avoids potential negative effects over security of supply of inputs critical to the action
- prevents that contributions could be subject to control or restrictions (directly, or indirectly through one or more intermediate undertakings, including concerning technology transfer)
- ensure that subcontracts or subcontractors are removed or added only after formal amendment of Annex 1 (no simplified approval procedure; see Article 5,5, 6.2)
- ensure that the provisions in this Agreement relating to subcontracting, subcontracting costs and subcontractors are also extended to the following types of sub-subcontractors (Data Sheet, Articles 5, 6, 9, 13, 20, Annex 5): - sub-subcontractors to which at least 10% of the total eligible costs of the action is allocated; - sub-subcontractors which may require access to classified information in order to carry out the action
- for communication and dissemination activities (Article 17) request prior written approval by the granting authority before: - implementing the communication or dissemination activities
- acknowledging EU support (European flag (emblem) and funding statement) in the communication or dissemination activities or on infrastructure, equipment, vehicles, supplies or major results
- for linked actions involving a Member State project manager: - ensure that the action remains at all times aligned with the linked action (i.e. including work packages, deliverables, milestones, budget/lump sum breakdown and timetable)
- acknowledge and accept that: - the grant depends on the linked action managed by the project manager and that the grant cannot reimburse costs that are fully paid under the linked action

both actions will be managed and monitored in parallel and in close coordination with the project manager, in particular:

- all information, data and documents will be exchanged and may be relied on for the management of the other action (if needed);

- the coordinator must provide the project manager with a copy of the Grant Agreement and the pre-financing reports/periodic reports when they are submitted to the granting authority
- approval to payments will be subject to consultation with the project manager and the payment deadline is automatically suspended until the granting authority is informed about the opinion of the project manager
- issues in one action may impact the other (e.g. suspension or termination in one action may lead to suspension or termination also of the other action)
- checks, reviews or audits may also involve the project manager; moreover the project manager has the right to object to the use of external experts or audit firms on grounds of commercial confidentiality, conflict of interest or, in duly justified cases, of security reasons
- for other actions where a Member State project manager is appointed, the coordinator must also provide the project manager with a copy of the Grant Agreement and the pre-financing reports/periodic reports for information.

Article 19 (information)

19.1 Information requests The beneficiaries must provide — during the action or afterwards and in accordance with Article 7 — any information requested in order to verify eligibility of the costs or contributions declared, proper implementation of the action and compliance with the other obligations under the Agreement. The information provided must be accurate, precise and complete and in the format requested, including electronic format.

19.2 Participant Register data updates The beneficiaries must keep — at all times, during the action or afterwards — their information stored in the Portal Participant Register up to date, in particular, their name, address, legal representatives, legal form and organisation type.

19.3 Information about events and circumstances which impact the action The beneficiaries must immediately inform the granting authority (and the other beneficiaries) of any of the following: (a) **events** which are likely to affect or delay the implementation of the action or affect the EU's financial interests, in particular: (i) changes in their legal, financial, technical, organisational or ownership situation (including changes linked to one of the exclusion grounds listed in the declaration of honour signed before grant signature) (ii) linked action information: not applicable (b) **circumstances** affecting: (i) the decision to award the grant or (ii) compliance with requirements under the Agreement.

19.4 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, the grant may be reduced (see Article 28). Such breaches may also lead to other measures described in Chapter 5.

Article 20 (record-keeping)

20.1 Keeping records and supporting documents The beneficiaries must — at least until the time-limit set out in the Data Sheet (see Point 6) — keep records and other supporting documents to prove the proper implementation of the action in line with the accepted standards in the respective field (if any). In addition, the beneficiaries must — for the same period — keep the following to justify the amounts declared: (a) for actual costs: adequate records and supporting documents to prove the costs declared (such as contracts, subcontracts, invoices and accounting records); in addition, the beneficiaries' usual accounting and internal control procedures must enable direct reconciliation between the amounts declared, the amounts recorded in their accounts and the amounts stated in the supporting documents (b) for flat-rate costs and contributions (if any): adequate records and supporting documents to prove the eligibility of the costs or contributions to which the flat-rate is applied for the following simplified costs and contributions: the beneficiaries do not need to keep specific records on the actual costs incurred, but must keep: (i) for unit costs and contributions (if any): adequate records and supporting documents to prove the number of units declared (ii) for lump sum costs and contributions (if any): adequate records and supporting documents to prove proper implementation of the work as described in Annex 1 (iii) for financing not linked to costs (if any): adequate records and supporting documents to prove the achievement of the results or the fulfilment of the conditions as described in Annex 1 (d) for unit, flat-rate and lump sum costs and contributions according to usual cost accounting practices (if any): the beneficiaries must keep any adequate records and supporting documents to prove that their cost accounting practices have been applied in a consistent manner, based on objective criteria, regardless

of the source of funding, and that they comply with the eligibility conditions set out in Articles 6.1 and 6.2.

Moreover, the following is needed for specific budget categories: (e) for personnel costs: time worked for the beneficiary under the action must be supported by declarations signed monthly by the person and their supervisor, unless another reliable time-record system is in place; the granting authority may accept alternative evidence supporting the time worked for the action declared, if it considers that it offers an adequate level of assurance (f) additional record-keeping rules: not applicable The records and supporting documents must be made available upon request (see Article 19) or in the context of checks, reviews, audits or investigations (see Article 25). If there are on-going checks, reviews, audits, investigations, litigation or other pursuits of claims under the Agreement (including the extension of findings; see Article 25), the beneficiaries must keep these records and other supporting documentation until the end of these procedures. The beneficiaries must keep the original documents. Digital and digitalised documents are considered originals if they are authorised by the applicable national law. The granting authority may accept non-original documents if they offer a comparable level of assurance.

20.2 Consequences of non-compliance If a beneficiary breaches any of its obligations under this Article, costs or contributions insufficiently substantiated will be ineligible (see Article 6) and will be rejected (see Article 27), and the grant may be reduced (see Article 28). Such breaches may also lead to other measures described in Chapter 5.