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8 September 2006

Mr. Rémy DENOS
Scientific Officer, European Commission Research Directorate-General
Directorate H–Space and Transport, Aeronautics, 21 Rue du Champs de Mars
B-1050 Brussels

Dear Mr. Denos,

Subject: USE HAAS WP1 Project Management – D1 Deliverable “Management structure”

Attached please find the D1 Deliverable document “Management structure” of the WP1 work-package as required in the Technical Appendix of the “USE HAAS” EC Contract No 516081. The work presented in this deliverable consists of:

WP 1

Objectives: Overall management & coordination with edition of final SRA involving all potential partners.

Description of work: Overall Project Management; Conclusions, Recommendations and Final report with costs.

WP 1.2

Objectives: Management structure

Description of the work: Management structure spread among partners

In fact the management structure and the overall management and coordination of the USE HAAS project are included in the USE HAAS Consortium Agreement signed by all the partners before the project starting date of 1 March 2005. The PMB–Project Management Board–decisions taken at each PMB meeting resumes the actual overall management of the project. The Consortium Agreement is attached to the e-mail to you with the attachment of D1 report

The submitted hereby WP1-D1 report consists of the “Management structure” document related to the WP1 objectives as defined above, including the attached USE HAAS Consortium Agreement.

With kind regards,

Prof.Dr.Arie Lavie
Project Co-ordinator



**FP6-2002-AERO-2 SSA Project - Contract No 516081
USE HAAS**

**WP1
Deliverable D1
Project Management Structure**

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Abstract:

This report provides a summary of the USE HAAS Project Management Structure that was accepted and approved by the PMB – Project Management Board of the USE HAAS Consortium within the framework of the “USE HAAS” project and following the 1st PMB meeting held on 7 March 2005 in RMA, Brussels. The project management structure is intirely explained in the USE HAAS CA–Consortium Agreement attached to this Deliverable D1. The CA was signed by the partners of the Consortium on 1 March 2005, the starting date of the project as required in Contract No 516081, and the project management was conducted entirely to fit with the obligatory Consortium Agreement. This D1 report provides a short description of the management structure and provides some highlights of the PMB decisions taken during the different activities of the project, and during the provision of reports to the European Commission.



Document History

Date	Revision	Comment	Author / Editor	Affiliation
08/02/05	(CA1-v1)	Draft version of Consortium Agreement	J. Coren	CTI
17/02/05	(CA2-v2)	Consortium Agreement for delivery to partners	J. Coren; M.Weigarten	CTI

Final Document Approval (Deliverables only)

Date of approval	Revision	Role of approver	Approver	Affiliation
8/09/06	1	Editor (Internal reviewer)	A. Lavie	CTI
8/09/06		On behalf of Scientific Board	A. Lavie	CTI



1. Introduction

This Deliverable intends to provide summary of the USE HAAS Project management structure that was discussed and approved by the Consortium Board on its first active meeting held in RMA on 7 March 2005. Such structure is based on the attached USE HAAS Consortium Agreement signed by all the project participants authorities at the starting date of the project on 1 March 2005. It also provides quick view on the PMB – Project Management Board decisions and activities made during the conduction of the project till its termination on 31 August 2006.

This Deliverable D1 is planned to be delivered to the EC one month since the starting date of the project. However in the first Consortium Board meeting on 7 March 2005, when the EC Scientific Officer presented the EC objectives for this SSA project, he emphasized that since the USE HAAS Consortium Agreement was signed by all the participants in the project, and since the Agreement includes also the management structure of the project, there is no hurry to deliver D1. Today, at the end of the project, we deliver D1 that includes also the main inputs provided by the PMB during the successful conduction of this SSA project.

We believe that the USE HAAS project was successfully managed due to its good and positive management structure and due to the best understanding and cooperation of the USE HAAS project partners and of the high number of stakeholders participants in the variety of the activities in the project. These activities are well described in the Deliverable D9, including the list of 136 participants. Such kind of management, much beyond the original intention to carry out this SSA project as a study only, succeeded extremely well.

Finally, in the conclusions of this Deliverable, some general comments and points-to-be-considered are presented there and highlighted, especially if the next recommended steps in Deliverable D10 will actually be implemented.

2. USE HAAS Project Management Structure

2.1 Organisation of the Project

General principles

- a) The project is structured by Work Packages allocated among the participants.
- b) The PMB – Project Management Board – shall handle the execution of the Work Packages and major changes in them, if required, particularly creation, reallocation, or termination

2.2 Project Bodies



Project Management Board – PMB

- a) The PMB shall consist of one representative of each Partner.
- b) The Coordinator shall convene meetings of the PMB at least on a quarterly basis and shall chair all meetings of the PMB.
- c) The PMB shall in particular be responsible for:
 - deciding upon the allocation of the Project's budget
 - making proposals to the Partners for the review of terms of the Contract.
 - deciding upon the designation of the depository and rules for the management of the of the funds received from the Commission.
 - deciding upon major changes in Work Packages.
 - deciding on technical roadmap[s] for the Project.
 - Supporting the Coordinator in preparing meetings with the Commission.
- d) The PMB shall not deliberate and decide validity unless a majority of two-thirds (2/3) of its members are presented or represented. The Coordinator shall draft the minutes of each meeting to formalize in writing all decisions taken and shall dispatch them to all Partners.
- d) The minutes shall be considered as accepted by the Partners if, within fifteen calendar days from receipt thereof, no Partner has objected in writing to the Coordinator.

Coordinator

- a) The Coordinator shall be the intermediary between the Partners and the Commission.
- b) In particular, the Coordinator shall be responsible for:
 - submitting reports and other deliverables to the Commission.
 - the administration, preparation of minutes and follow up of PMB decisions.
 - the transmission of any documents and information connected with the Project to and between the Partners concerned.
 - coordinating on a day-to-day basis the progress of the technical work under the Project.
 - reviewing deliverables at each agreed step under the Project Plan concerned and advise the Partners accordingly.



Project Support Team

- a) The Coordinator may decide to implement a Project Support Team reporting to the Coordinator
- b) In fact the Coordinator in this USE HAAS Project made his decision with the signature of the Contract to ask the RMA Partner to undertake such a task and be the Support Team of the Project, and RMA agreed upon that.

2.3 Costs, budget and payments.

According to the attached Consortium Agreement

2.4 Intellectual property

According to the attached Consortium Agreement

2.5 Access rights

According to the attached Consortium Agreement

2.6 Publication of Knowledge

According to the attached Consortium Agreement

The above one-page summary of the management structure of the USE HAAS project is described in many more details in the attached USE HAAS Consortium Agreement submitted during this 1st Meeting of the PMB held on the 7th of March 2006. All the participants at this meeting accepted the proposed management structure and provided their obligation to act accordingly.

3. Project Management inputs and analysis

3.1 Project Management Board Meetings and Decisions

*** 7 March 2005 – 1st PMB meeting**

Management structure approval and decisions for the 1st USE HAAS Workshop on June 2005

*** 9 June 2005 – 2nd PMB meeting**

Analysis of 1st successful USE HAAS Workshop and decisions for the 1st Working Groups (WGs) meeting

*** 28 September 2005 – 3rd PMB meeting**

Analysis of 1st successful Working Groups meeting and decisions for WGs structure, activities and cooperation with the PMB

*** 26 November 2005 – 4th PMB meeting**



Consultations with WGs chairmen and decisions for preparing the USE HAAS SRA – Strategic Research Agenda

*** 7 February 2006 – 5th PMB meeting**

Decisions regarding the structure and the preparation of the SRA, preparations for the presentation project results to Mr. Breslin on 15 March 2006 and preparations for the 2nd Workshop on 7 July

*** 15 March 2006 – meeting with Mr. Breslin to present USE HAAS project**

Coordinator meeting with Mr. Breslin to present USE HAAS project and first outline of SRA Roadmap regarding R&D Needs and possible implementation in FP7 framework in Aeronautics.

*** 20 April 2006 – 6th PMB Conference phone call meeting**

Approval of 1st SRA draft to be presented in the 2nd Workshop on 8&9 May 2006

*** 9 May 2006 – 7th PMB meeting**

Analysis of successful 2nd Workshop, publication of the draft SRA in the USE HAAS website to get comments for the final version of the SRA.

*** 5 July 2006 – 8th and last PMB meeting**

Decisions regarding completion and submission of all Deliverables to EC, and their approval.

*** 6 July 2006 – meeting with Mr. Breslin for next steps**

Coordinator meeting with Mr. Breslin to conclude USE HAAS project and to consider next steps towards FP7 in Aeronautics.

3.2 Submission of Deliverables to the EC

D1 – 8 September 2006

D2 – 27 July 2005

D3 – 27 July 2005

D4 – 25 October 2005

D5 – 10 June 2006

D6 – 1 July 2006

D7 – 13 June 2006

D8 – 7 August 2006

D9 – 4 September 2006

D10 – 7 September 2006

4. Project Management Conclusions

The objectives of the USE HAAS project were to some extent modified when the Technical Appendix of the EC Contract was finally prepared. This Appendix reflects as a matter of fact objectives of SSA project rather than a study only. It includes the



organization and the conduction of two important Workshops and establishing and managing five Working Groups that prepared part of the SRA – Strategic Research Agenda for the HAAS sector. Such five Working Groups (WG) have been identified and organized to work in cooperation with the USE HAAS Consortium:

- WG 1 : HAAS Airship platforms
- WG 2 : HAAS UAV platforms
- WG 3 : HAAS Communications applications
- WG 4 : HAAS Security applications
- WG 5 : HAAS Remote Sensing applications

They have been established and the actual imposed management operation activities included the active voluntarily work for the project done by the WGs member. But the imposed management activities included the invitation and the participation of 136 participants in the 1st, in the 2nd Workshop and in the WGs meetings as described in D9 Deliverable. In fact many of those management activities were covered by the RMA team and RMA officers when the actual workshops and WGs meetings were held in RMA. The USE HAAS Consortium is thank-full to RMA for that.

An important aspect of the USE HAAS Project Management and activities is that a good cooperation work between the USE HAAS Consortium and the members of the new HAAS sector, established as a matter of fact during the execution of this SSA project, is mandatory needed for the success of the USE HAAS project as conducted so far, and for the next steps hopefully to be taken in the future, as recommended in Deliverable D10.

5. Attachment

USE HAAS Consortium Agreement

Attached to this Deliverable D1 is the USE HAAS Consortium Agreement



CONSORTIUM AGREEMENT
for Specific Targeted Research or Innovation Projects
under the Sixth Framework Programme of the European
Community (2002-2006)
for the Project called
"USE HAAS"

This Consortium Agreement is made and entered into this....day
of.....month/year (the "Effective Date") by and among

C.T.I. Creative Technologies (Israel) Ltd., having its
Registered office at 49 Dagan Street, Jerusalem, Israel
(hereinafter: "the Co-ordinator") of the first part

And

1. the Co-ordinator
2. RMA – Royal Military Academy – Belgium – of _____
3. DLR – Deutsches Zentrum für Luft Raumfahrt e.V. – having its registered
office at Linder Höhe, 51147 Cologne, Germany
4. UoY – University of York – UK – of _____
5. IAI – Israel Aircraft Industries – Israel – of _____
6. ULg (CSL) University of Liège (Centre Spatial de Liège) _ Belgium – of

jointly and severally (hereinafter "the Contractors") of the second, third, fourth,
fifth, sixth, and seventh parts

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Preamble

WHEREAS, this Consortium Agreement is to be applied in conjunction with a contract signed immediately after the signing of this Consortium Agreement (hereinafter "the Contract") between The European Commission (Sixth Framework Programme) represented by _____ (hereinafter: "the Commission") of the one part and the Co-ordinator of the other part, a copy of which is attached hereto and marked Exhibit _____

WHEREAS, any definitions in the Contract shall apply to this Consortium Agreement and, in the event of any conflict, the provisions of the Contract shall prevail.

WHEREAS, in consideration of the Decision No. 1513/2002/EC of the European Parliament and of the Council of 27 June 2002 concerning the sixth framework programme of the European Community for research, technological development and demonstration activities, contributing to the creation of the European Research Area and to innovation (2002 to 2006), OJ EC L232/1 and of the Regulation of the European Parliament and of the Council concerning the Rules for the participation of undertakings, research centres and universities and for the dissemination of research results for the implementation of the European Community sixth framework programme 2002-2006, the Contractors, having considerable experience in the field concerned have submitted a Proposal for the Project (as detailed in the Technical Appendix FP6 – 2002 – Aero – 2 attached hereto – (hereinafter: "the Proposal")) to the Commission leading to the signing of this Consortium Agreement and the Contract, which Proposal has been accepted by the Commission.

WHEREAS the parties have decided and agreed to execute and perform this Consortium Agreement.

WHEREAS within the context of this Consortium Agreement the parties (in accordance with the provisions of the Commission contractual rules, Annex II General Conditions, Article 11.1) assume their joint and several obligations with respect to the carrying out of the Project.

Therefore, the parties hereby agree as follows:

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Ownership or control by public investment corporations, institutional investors or venture-capital companies, funds, and public bodies shall not, in itself, constitute a relationship as an Affiliate.

Ownership or supervision by the same public body shall not, in itself, constitute a relationship as an Affiliate.

The undertakings listed in Annex A shall be deemed Affiliates only as long as the above defined ownership or control lasts.

It is also agreed by the Contractors that any undertaking shall no more be regarded as an Affiliate where there has been a change in the ownership or control of the Contractor unless the Contractors mutually agree otherwise and subject also to the Commission having been provided with the details of the change, in accordance with the Commission contractual rules, Annex II General Conditions – Part A, Section 1, Article II.3, 1 (c), and Section 2 Article II.15, 5(c) and having indicated in writing that the Commission does not intend to terminate the Contract in accordance with said Article.

Each Contractor shall have the right to update the list of its Affiliates in the case of reorganization, provided that all the criteria defined in this section are still met.

Any other modification of Annex A shall require the approval of the Contractors in the Project Management Board.

1.2.2 Software terminology

"API" or "Application Programming Interface" shall mean an interface or other means provided for by a Software application, component or library for the purpose of interfacing or interaction of other Software with such application, component or library.

"Software" shall mean software programs, either in "Object Code", i.e. in machine-readable, compiled and/or executable form, or in "Source Code", i.e. in human readable form.

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"Software Documentation" shall mean software information being technical information relating to the design, development, use or maintenance of any version of a software program.

Article 2 - Purpose

The purpose of this Consortium Agreement is to specify the organisation of the work between the Contractors, to organize the management of the Project, to define the rights and obligations of the Contractors, including, but not limited to, their liability and indemnification, to supplement the provisions of the Contract concerning Access Rights and to set out rights and obligations of the Contractors supplementing but not conflicting with those of the Contract.

Article 3 - Proposal preparation, Proposal submission and evaluation, negotiations of the Contract, signature of the Contract

Without prejudice to the provisions of Article 5.2.2 relating to the role of the Co-ordinator, the following shall apply.

3.1 Proposal preparation

3.1.1 Each Contractor shall, within its respective scope of supplies and services for the Project ("Work Package"), as agreed by the Contractors and as shown in Annex B "Project Plan" and C "Allocation of Resources", use its necessary and reasonable efforts to prepare the Proposal.

To support this goal, each Contractor shall support and assist the Co-ordinator in finalising the Proposal, in the form and according to the schedule necessary for the Co-ordinator to submit the Proposal in due time to the Commission.

Each Contractor shall provide the Co-ordinator with all pertinent technical and cost data, which they or the Contractor deem necessary for the preparation of the Proposal as well as all technical support or such other support as may be mutually agreed upon. The Proposal is legally binding on all Contractors.

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3.1.2 The Co-ordinator shall not modify the technical and cost data supplied by the other Contractors without their respective prior written consent.

3.1.3 The Co-ordinator shall make available to each Contractor a copy of all significant letters, emails, faxes or documents relating to the Proposal sent to or received from the Commission before the submission of the Proposal.

3.1.4 It is understood that the Co-ordinator will, in the Proposal and in all relevant discussions with respect thereto, identify each Contractor as the source of the corresponding technology and designs.

3.2 Proposal submission and evaluation, negotiations of the Contract

3.2.1 The Co-ordinator shall be responsible for the submission of the Proposal and the conduct of both the hearings of the Contractors for evaluation of the Proposal before the panel of experts of the Commission and of negotiations of the Proposal with the Commission, after completion of the hearings.

3.2.2 Each Contractor shall be kept fully informed of the progress of the evaluation of the Proposal and of any negotiations and, as far as its Work Package is concerned, shall attend and participate in the evaluation hearings and in the Contract negotiations only upon request from the Co-ordinator.

3.2.3 The Co-ordinator shall put at the disposal of the Contractors all significant letters, emails, faxes or documents relating to the evaluation and/or negotiations and shall also keep each Contractor informed of everything relevant to its Work Package until the award of the Contract.

3.2.4 The Co-ordinator shall not, without the prior written agreement of each relevant Contractor, propose or accept any deviation or variation to the conditions or scope of said Contractor's Work Package.

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3.2.5 In case the negotiations with the Commission result in conditions in the Contract which substantially deviate from these of the Proposal and/or this Consortium Agreement, the Contractors shall in good faith negotiate in view of adapting the conditions of this Consortium Agreement to those of the Contract.

3.3 Signature of the Contract

As per the Commission contractual rules, the Contract will enter into force upon signature by the Co-ordinator and the Commission.

The Co-ordinator shall therefore not sign the Contract unless and until all other Contractors have approved in writing the Contract terms. Such approval shall not be unreasonably withheld or delayed.

Article 4 - Contractors' obligations for the Implementation of the Contract

Without prejudice to the provisions of Article 5.2.2 relating to the role of the Co-ordinator, the following shall apply.

4.1 Without prejudice to any other obligations under this Consortium Agreement, the Contractors shall take all necessary measures to perform, fulfil, promptly and in due time all their obligations so that the Project is carried out in accordance with the terms and conditions of the Contract and this Consortium Agreement.

4.2 The Contractors shall provide the Co-ordinator with the deliverables, information, and reports as the Co-ordinator requires in order to perform its duties under this Consortium Agreement and under the Contract or as the Commission may request (and in such case the relevant Contractor shall keep the Co-ordinator informed of any such request from the Commission).

4.3 On request of the Co-ordinator, all deliverables, information, and reports shall be submitted in electronic form in RTF or PDF format, graphics in GIF or JPEG format or any other format mutually agreed.

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4.4 Each Contractor undertakes:

- i. to notify the Co-ordinator promptly of any delay in performance or of any event that may impact the Project;
- ii. to inform the Co-ordinator of relevant communications it receives from third parties in relation to the Project;
- iii. to ensure the accuracy of any information or materials it supplies to the other Contractors or under the Contract and to promptly correct any error therein of which it is notified. The recipient Contractor shall be responsible for the use to which it puts such information and materials;
- iv. not to use knowingly any proprietary rights of a third party for which such Contractor has not acquired the corresponding right of use and/or to grant licenses;
- v. to act at all times in good faith and in a manner that reflects the good name, goodwill and reputation of the other Contractors and in accordance with good business ethics;
- vi. to participate in a co-operative manner to the meetings of the different bodies under this Consortium Agreement and not to exercise veto rights, which are absolute, inappropriately.

Article 5 - Organisation of the Project

5.1 General Principles

The Project is structured by Work Packages allocated among the Contractors.

The Project Management Board shall handle major changes in Work Packages, particularly creation, reallocation, or termination.

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5.2 Project Bodies

5.2.1 Project Management Board

The Project Management Board shall consist of one representative of each Contractor. The Co-ordinator shall chair all meetings of the Project Management Board. Each representative shall have one vote and may appoint a substitute to attend and vote at any meeting of the Project Management Board.

The Co-ordinator shall convene meetings of the Project Management Board at least on a quarterly basis and shall also convene meetings at any time upon written request of any Contractor in the case of an emergency situation.

The Co-ordinator shall give each of the Contractors at least fourteen calendar day notice in writing of such meetings or seven calendar day notice in case of an emergency situation.

Any decision requiring a vote at a Project Management Board meeting must be identified as such on the invitation.

Should a Contractor suggest adding a discussion/decision to the proposed agenda, it shall do so in writing to all other Contractors at least two calendar days prior to the meeting date.

However, any decision required or permitted to be taken by the Project Management Board may be taken in accordance with the above (i) in meetings via teleconference and/or via email; (ii) without a meeting with prior notice and/or (iii) without a vote, if, in any such (ii) and (iii) cases, a consent in writing, setting forth the decision so taken, is signed by the representatives of the Contractors having not less than the minimum number of votes that would be necessary to take such decision at a meeting at which all Contractors entitled to vote on such decision were represented and were voting, and provided the consent has been delivered for signature to all Contractor's representatives.

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Commentaire : Only a project management board and a coordinator

Commentaire : The project management board is taking the role of the General Assembly and of the Executive Board under the model for integrated project. This would be the only body under the assumption of simplified structure with few contractors, not requiring too much level of decisions bodies



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The Project Management Board shall be in charge of managing the Project and of major decisions relating thereto.

The Project Management Board shall in particular be responsible for:

- i. Deciding upon the allocation of the Project's budget to Work Packages in accordance with the Contract, including the Project Plan, and reviewing and proposing to the Contractors budget transfers;
- ii. Deciding upon a change of the list of Affiliates, when requested as per the rules of Article 1 hereof;
- iii. Making proposals to the Contractors for the review and/or amendment of terms of the Contract and/or this Consortium Agreement;
- iv. Deciding to suspend all or part of the Project or to terminate all or part of the Contract, or to request the Commission to terminate the participation of one or more Contractors;
- v. In case of default of a Contractor agreeing on actions to be taken against the Defaulting Contractor (as defined in Article 9), including a request to the Commission for an audit or for the assistance of the Commission, and making proposals to the other Contractors to assign the Defaulting Contractor's tasks, and if appropriate to agree upon a new entity to join the Project for that purpose;
- vi. In case of default of the Co-ordinator in the performance of its tasks as a coordinator, agreeing on actions to be taken and possible nomination of a new Co-ordinator;
- vii. Deciding upon the entering into the Contract and the Consortium Agreement of new Contractors;

Commentaire : Decisions from i to x are those incumbent on the General Assembly and xi to xiv those incumbent on the Executive Board under the model for integrated project.

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viii. without prejudice to Article 7, agreeing procedures and policies in accordance with the Commission contractual rules, Annex II General Conditions – Part C for the management of the Knowledge.

ix. Deciding upon the designation of the depository and rules for the management of the funds received from the Commission and for the management and co-ordination budgets rules in accordance with Article 6.

x. Deciding upon major changes in Work Packages.

xi. Deciding on technical roadmaps for the Project.

xii. Reviewing the selection of additional expertise (sub-contractors).

xiii. Without prejudice to the rules under Article 7, agreeing press releases and publication by the Contractors or by the Commission or with the Commission with regard the Project as per the Commission contractual rules, Annex II General Conditions – Part A, Section 1, Article 11.12.

xiv. Supporting the Co-ordinator in preparing meetings with the Commission and related data and deliverables.

The Project Management Board shall not deliberate and decide validity unless a majority of two-thirds (2/3) of its members are present or represented. Where decisions are to be taken unanimously, all Contractors must be present or represented at the meeting.

In the cases of sub paragraphs i to x, decisions shall be taken unanimously by all of the Contractors, excluding the Defaulting Contractor as appropriate or excluding in sub paragraph (iv) the Contractor(s) which participation would be terminated.

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in other cases, decisions shall be taken by a majority of 75% of the votes of Contractors present or represented provided always that a Contractor which Work Package, time for performance, costs or liabilities, or intellectual property rights are impacted or whose information is to be published, may veto such decisions and such veto shall be duly justified.

The Contractors agree to abide by all decisions of the Project Management Board. The Co-ordinator shall have the right of veto in respect of matters which may conflict with the Contract between the Commission and the Co-ordinator.

The Co-ordinator shall draft the minutes of each meeting to formalize in writing all decisions taken and shall despatch them to all Contractors within fifteen calendar days of the concerned meeting.

The minutes shall be considered as accepted by the Contractors if, within fifteen calendar days from receipt thereof, no Contractor has objected in writing to the Co-ordinator, provided that the objection shall be either on such formalization or on a decision that was not part of the agenda and which was not accepted by all Contractors. The basis for objecting to the minutes shall include clause (II) of the Basis in the Model Agreement by which minutes of the PMB may be objected to.

5.2. Co-ordinator

The Co-ordinator shall be the intermediary between the Contractors and the Commission and shall perform all tasks assigned to it as described in the Contract and hereunder.

In particular, the Co-ordinator shall be responsible for

- i. Submitting reports and other deliverables to the Commission.
- ii. The administration, preparation of minutes and provision of the chairman of the Project Management Board, and follow-up of its decisions.
- iii. The transmission of any documents and information connected with the Project to and between the Contractors concerned.

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- iv. Withholding advance payments and transferring sums allocated among the Contractors as per the budget agreed in the Project Management Board and keep related records identifying what portion of the payments made by the Commission has been allocated and/or paid to each Contractor;
- v. Co-ordinating on a day-to-day basis the progress of the technical work under the Project;
- vi. For the purpose of Article 6.4, reviewing deliverables at each agreed step under the Project Plan concerned and advise the Contractors of any delay in delivery that could not be remedied or any major discrepancy.

The Co-ordinator shall neither be entitled to act or to make legally binding declarations on behalf of any other Contractor nor to enlarge its role beyond the one described herein and in the Contract.

5.2.3 Project Support Team

The Co-ordinator may decide to implement ^{and appoint at its discretion} a Project Support Team reporting to the Co-ordinator.

The Project Support Team shall be in charge of providing assistance to the Co-ordinator as specified by the Co-ordinator, with regard to the Co-ordinator's day-to-day tasks, such as preparation of meetings of the Project Management Board.

Article 6 - Costs, budget and payments

6.1 Each Contractor shall bear all its own costs incurred in connection with the performance of this Consortium Agreement and of the Contract and incurred in connection with the implementation of the Project.

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6.2 The costs for management of the Project shall be separated into two budgets: one for "Management of the consortium" and one for "Co-ordination activities", as such activities will be defined by the Contractors on the basis of the Commission contractual rules, Annex II – General Conditions – Part A, Section 1, Article ff.2, 4. Each Contractor shall therefore identify these two budget lines in its accounting system.

The "management" budget which contribution rate from the Commission will be 100% shall include only the costs and expenses for Management of the consortium, defined as per the rules referred to in the foregoing paragraph.

The Contractors will ask the Commission that the following costs and expenses fall into the Management of the consortium costs and expenses category in the Contract:

- The audit certificates (up to 4000 euros per audit maximum);
- Opening and operating the account to receive the Commission's contribution/payments as described in Article 6.3, including for the appointment of the notary public or other depository;
- The launch of competitive calls for selection of a new participant;
- The travels and accommodations for meetings with the Commission;
- The travels and accommodations for Project Management Board meetings.

The "co-ordination" budget which contribution rate will depend on the costs category they will belong to shall include the costs and expenses for Co-ordination activities, defined as per the rules referred to in the first paragraph of this Article 6.2.

The Contractors will ask the Commission that the following costs and expenses fall into the Co-ordination activities costs and expenses category in the Contract:

- all other management costs than the ones listed in the Management of the consortium category such as, the hours for the Co-ordinator.

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The remaining part of the budget not covered by the Commission contribution will be borne by the Contractors handling the concerned management or co-ordination tasks.

The Co-ordinator will control the allocation of the management expenses between the two budgets.

The Project Management Board will decide upon the detailed rules for the "management" and "co-ordination" budgets (such as, for example, rules for travels or hotel accommodations).

6.3 The Co-ordinator shall receive all payments made by the Commission.

Subject to withholding of advance payments according to rules agreed in the Project Management Board, the Co-ordinator undertakes to transfer, in accordance with the Contract and the budget allocation decided by the Project Management Board, the appropriate sums to the respective Contractors with minimum delay, but not later than thirty (30) calendar days from its receipt thereof from the Commission, and the Co-ordinator will notify each other Contractor promptly of the date and amount transferred to its respective bank account and shall give the relevant references.

The Co-ordinator undertakes to keep advance payments allocated by the Contract, this Consortium Agreement or by budget allocation in accordance with a decision of the Project Management Board on an account separated from its normal business accounts and his own assets and property, being already agreed that the account shall be operated by multiple Contractors signatories and not only by the Co-ordinator. Such separation shall be made by means, including but not limited to, of a notary public deposit or similar deposit provided for in the national laws and regulations of the country, where the money is deposited and which means have been decided upon by the Project Management Board.

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The Parties agree that the foregoing separation may not be applicable if the Co-ordinator is a public body and mandatory accounting rules applicable to it does not allow it.

6.4 The Contractors agree that the first part ("Tranche 1") of the Community financial contribution shall only be distributed in third to the Contractors as follows:

- The first third upon receipt of the advance payment from the Commission,
- The second third upon expiry of a six-month period and against receipt by the Co-ordinator of relevant deliverables as mutually defined by the Contractors in the Project Plan, for the purpose of checking the Project implementation progress;
- The last third upon receipt of last payment of the Tranche 1 ("retention rate") from the Commission, against receipt by the Co-ordinator of the first year deliverables for the Commission and following the Commission's approval of such deliverables.

The Contractors agree that the subsequent parts or "tranches" of the Community financial contribution shall only be distributed in half to the Contractors as follows:

- One half upon receipt of the advance payment from the Commission;
- One half upon receipt of last payment of the concerned subsequent part or tranche ("retention rate") from the Commission, against receipt by the Co-ordinator of the concerned year deliverables for the Commission and following the Commission's approval of such deliverables.

In case that a Contractor did not provide the Co-ordinator with its deliverables (whether the ones for payment of the second third or the ones for payment of the last third or the ones for the second half) or provide them late or provide non compliant deliverables, such Contractor shall not receive its concerned contribution allocation, until it remedies such non delivery, late delivery or non compliant delivery or unless the Co-ordinator decides otherwise. In any case, the Project Management Board shall be informed and may take additional appropriate action with respect to the concerned Contractor.

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It is also agreed that no distribution of any advance payment from the Commission will be made for a subsequent part or "tranche" before the prior ones are fully paid.

Article 7 - Intellectual property rights provisions

7.1 General

Each Contractor is bound by the terms and conditions of the Commission contractual rules, Annex II General Conditions - Part C entitled "Intellectual Property Rights" as hereby complemented or amended.

7.2 Ownership and protection of Knowledge

7.2.1. Knowledge shall be the property of the Contractor generating it.

7.2.2 If, in the course of carrying out work on the Project, a joint invention, design or work is made (and at least two Contractors are contributors), and if the features of such joint invention design or work are such that it is not possible to separate them for the purpose of applying for, obtaining and/or maintaining in force the protection of the relevant intellectual property right, the Contractors concerned (the "Contributors") agree that they may jointly apply to obtain and/or maintain the relevant rights and shall strive to set up amongst themselves appropriate agreements in order to do so.

~~So long as any such rights are in force, such Contributors shall be entitled to use, without owing any financial compensation to or requiring the consent of the other Contributors, and to license such rights in accordance all in accordance with the set-up agreements.~~

So long as any such rights are in force, such Contributors shall be entitled to use, and to license such rights in accordance with the provisions of the respective set-up agreements.

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7.2.3 In the case where a Contractor ("Originator") would decide in its sole discretion that it does not intend to seek adequate and effective protection of certain of its Knowledge from the Project, then, the Originator shall inform in writing the other Contractors, through the Co-ordinator, and any Contractor interested in applying to obtain and maintain such protection shall advise the other Contractors through the Co-ordinator and in writing within one month of receipt of relevant notice.

In case several Contractors are interested in so applying, they shall strive to set up amongst themselves and with the Originator appropriate agreements in order to do so.

Should no other Contractor show an interest to so apply, the Co-ordinator shall inform accordingly the Commission in accordance with the Commission contractual rules, Annex II General Conditions - Part C, Article II.33.

The foregoing shall be without prejudice to the Access Rights of all Contractors that will remain unaffected.

7.3 Publication of Knowledge

7.3.1 A Contractor may publish Knowledge generated by another Contractor or any Pre Existing Know How of such other Contractor, even if such Knowledge or Pre-Existing Know How is amalgamated with such Contractor's Knowledge, only with the other Contractor's prior written approval.

For the avoidance of doubt, for the period of secrecy needed for a successful patent application, there cannot be any publication during such period without prior written approval of the Contractor owner of the Knowledge.

7.3.2 A Contractor shall provide the other Contractors and the Commission with a 30-day prior notice of any planned publication on its Knowledge and, if requested, with copy of relevant publication data. Adequate publication references shall be given in the publication.

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Unless it has granted prior written publication approval, any Contractor may object to the publication within fifteen calendar days from receipt of the data, if it considers and can reasonably show that the protection of its own Knowledge could thereby be adversely affected.

Objection shall be made both to the issuing Contractor, with a copy to the Coordinator, and to the Commission.

7.3.3 Dissemination of Knowledge after the end of the Project

If dissemination of Knowledge does not adversely affect its protection or use and subject to legitimate interests, the Contractors shall ensure further dissemination of their own Knowledge as provided under the Contract and this Consortium Agreement.

7.3.4 Dissertation or thesis

The Parties agree to cooperate to allow the timely submission, examination, publication and defence of any dissertation or thesis for a degree, which includes their Knowledge and Pre-Existing Know-How.

7.4 Access Rights

7.4.1 General principles

In addition to the obligations pursuant to the Commission contractual rules, Annex II General Conditions - Part C, Article 35, each Contractor shall take appropriate measures to ensure that it can grant Access Rights and fulfill the obligations under the Contract and this Consortium Agreement notwithstanding any rights of its employees, or any person it assigns or engages to perform its own Work Package for the Project.

The Contractors agree that Access Rights are granted on a non-exclusive basis.

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The Contractors also agree that, if not otherwise provided in this Consortium Agreement or granted by the owner of the Knowledge or Pre Existing Know-how, the Access Rights shall not include the right to grant sub-licenses.

Save as in exceptional circumstances, no costs shall be charged for the granting of Access Rights.

7.4.2 Identification of Pre-Existing Know-How

The Contractors have identified and listed in Annex D the Pre-Existing Know-How needed for the Project and to which they may grant Access Rights.

The Contractors agree that all other pre-existing know-how shall be considered as unnecessary for the implementation of the Project and thereby excluded from Access Rights, provided however that the Contractors may update Annex D with further development of the listed Pre-Existing Know-How that would have been developed between the date of submission of the Proposal and the date of award of the Contract.

It is also agreed and understood that, without prejudice to the provisions of Article 7.4.7, such list may also be updated to include that part of Pre-Existing Know-How not identified in Annex D and that would prove to be needed for the performance of a Contractor's work package for the Project or for the Use of a Contractor's own Knowledge resulting from the Project.

7.4.3 Identification of incompatible or restrictive commitments

Any Contractor shall notify the others of any limitation on Access Rights as per the provisions of the Commission contractual rules, Annex II General Conditions - Part C, Article II-36, promptly and in writing before submission of the Proposal to the Commission.

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7.4.4 Access Rights needed for carrying out the Project

The Contractors agree that the Access Rights on the Pre-Existing Know-How needed for carrying out the Project shall be granted on a royalty-free basis.

The Contractors agree that the Access Rights on the Knowledge needed for carrying out the Project shall be granted on a royalty-free basis.

7.4.5 Access Rights needed for Use of a Contractor's own knowledge arising from the Project.

7.4.5.1 Needed Use Of Pre-Existing Know-How

The Contractors agree that the Access Rights on the Pre-Existing Know-How needed for Use of a Contractor's own Knowledge shall be granted on fair and non-discriminatory market conditions.

However the Contractors concerned may decide, before submission of the Proposal to the Commission, to agree otherwise and to grant such Access Rights on more favourable conditions.

7.4.5.2 Needed Use of Knowledge

The Contractors agree that the Access Rights on the Knowledge needed for Use of another Contractor's own Knowledge shall be granted on preferential conditions or royalty-free, the precise terms of which shall be negotiated by the Contractors concerned.

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7.4.6 Minor amount of Knowledge amalgamated

Each Contractor (the "First Contractor") may enter into a technical cooperation or licensing arrangement with a third party in respect of any minor amount of Knowledge of another Contractor (the "Second Contractor") which ^{has} ~~have~~ been unavoidably incorporated into or amalgamated with the First Contractor's own Knowledge.

In such circumstances and upon request of the First Contractor, the Second Contractor shall grant to the First Contractor non-exclusive licenses on its Knowledge against terms and conditions to be agreed, provided that no Legitimate Interests of the Second Contractor opposes the grant of such license.

7.4.7 Written request for needed Access Rights

Needed Access Rights shall be granted upon request as described below and in accordance with the provisions of the Commission contractual rules, Annex II General Conditions - Part C, Article II-35.

Should a Contractor reasonably believe that, without Access Rights on another Contractor's Pre-Existing Know-How or Knowledge, the performance of its own work package for the Project or the Use of its own Knowledge resulting from the Project would be technically impossible or significantly delayed, such Contractor shall then promptly request in writing Access Rights from said other Contractor, identify the extent of the Access Rights and provide reasonable evidence on its needs.

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7.4.8 Affiliates Access Rights

Each Contractor hereby grants Access Rights to all Affiliates of the other Contractors listed in Annex H as if such Affiliates were parties hereto, provided all such Affiliates grant Access Rights to the Contractors and their listed Affiliates and fulfill all confidentiality and other obligations of the Contractors under the Contract and this Consortium Agreement.

Upon the date of cessation of an Affiliate to meet all criteria defined in Article 1 of this Consortium Agreement:

- All Access Rights granted to such Affiliate in respect of Knowledge or Pre-existing Know-How shall lapse, provided however that, except as otherwise agreed by the relevant Contractors, any Knowledge which has been incorporated into the products or services of said Affiliate or which has been amalgamated with said Affiliate's own information may continue to be used (exclusively in the manner it was used upon such date) by said Affiliate under a non exclusive license agreement to be negotiated with the relevant Contractor(s), upon such ex Affiliate's written request, provided however that no Legitimate Interests of such Contractor(s) oppose the grant of such licenses.
- All Access Rights granted by such Affiliate hereunder shall continue in full force and effect.

7.4.9 Software

The Contractors agree that Access Rights (under all the rules herein defined) when applying to Software do not comprise access to Source Code but only to Object Code, unless otherwise expressly provided herein below.

For Software, which is either Pre-Existing Know-How or Knowledge, the Contractors also agree that they shall have Limited Source Code Access for carrying out their Work Package under the Project but they shall not have any access to Source Code for Use.

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Limited Source Code Access shall mean Source Code access (i.e. access to Source Code (as available from the Contractor granting such access) and also to Software Documentation), provided in any case that an API including Software Documentation for the respective Software is not available; and also that use of the Software in Object Code form alone is not meaningful.

Each Contractor licensing its Software shall have the right to ask for a prior written agreement with the Contractor(s) licensed specifying and protecting its proprietary rights.

7.5 "have manufactured" rights

Each of the Contractors agrees that, before any agreement concerning the application of the have manufactured rights is reached with a third party by a Contractor which is not itself or whose Affiliates are not incorporated or established principally to undertake manufacturing activities and, due to its size or nature, is itself unable to commercialise the Knowledge, the other Contractors shall themselves have a prior right to agree to undertake such manufacturing on fair and reasonable terms and conditions.

7.6 Use of Marks

Each Contractor retains all rights, title and interest in any of its trade and business names, service marks, trade marks, logos or other symbols it uses to identify itself or any of its activities ("Marks") and no Contractor shall acquire under this Consortium Agreement any general license or any other right, express or implied, by law or otherwise, title or interest in or to any such Marks of any other Contractor.

Each Contractor shall obtain the other Contractor's (s') prior written approval of any publication or any press releases or public announcement making reference to said other Contractor(s) and specifically on the Marks of said Contractor(s) to be used and on the manner it will be used.

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Article 8 - Liability for information and materials

[This Article is not applicable to non-profit research centres, unless negligence can be established.]

8.1 No implied warranty

With respect to information or materials supplied by one Contractor to another hereunder or under the Contract, the supplying Contractor shall be under no obligation or liability other than as stated in Article 4.4, and no warranty condition or representation of any kind is made, given or to be implied as to the sufficiency, accuracy or fitness for purpose of such information or materials. The recipient Contractor shall therefore in any event, be entirely responsible for any use whatsoever of such information and materials.

8.2 Liability among the Contractors

No Contractor shall be responsible to another for indirect or consequential loss or damages such as but not limited to loss of profit, loss of revenue, or loss of contracts.

Each Contractor shall be liable towards and shall indemnify each of the other Contractors in respect of acts or omissions of itself and of its employees, agents and subcontractors provided always that its liability shall be limited to twice the amount of that Contractor's own Project Share (i.e. its part of the Community financial contribution).

8.3 Liability towards the Commission

Notwithstanding any joint and several liability of the Contractors which may exist towards the Commission, each Contractor shall be liable towards the others for any losses or damages suffered by the Commission, as a consequence of any failure to perform the whole or part of its obligations under the Contract or under this Consortium Agreement.

For the avoidance of doubt, Public Bodies shall be excluded from the above provisions of Article 8.3 in accordance with the Commission Contractual rules, Annex II General Conditions – Part A, Article II 18.2 and 3.

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Accordingly, should the Commission, in accordance with the provisions of the Contract, claim any reimbursement, indemnity or payment of damages from one or more Contractors (except for claims relating to the matters mentioned in the Commission contractual rules, Annex II – General Conditions - Part A, Section 2, Article II.15, 5 (b), 5 (g) and Article II.16, 1 and 2, and any reimbursement due by a Contractor under Annex II – General Conditions - Part B, Section 2; II.31), which claims shall be solely for the account of the relevant Contractor(s) or where the claim from the Commission is issued only against a part of the Contractor), the Contractors agree that :

- i. each Contractor which default has caused or contributed to cause such claim shall indemnify each of the other Contractors against such claim, provided always that the total and cumulative limit of liability of that Contractor towards all the other Contractors collectively, in respect of any and all such claims shall not exceed twice the amount of that Contractor's Project Share (defined as its part of the Community financial contribution as per the Contract). Any excess shall therefore be apportioned between all the Contractors including the Defaulting Contractor(s) pro rata to their Project Shares (as defined above); and
- ii. in the event it is not possible to attribute the default to any Contractor under (i), the amount claimed by the Commission shall be apportioned between all the Contractors pro rata their Project Shares.

8.4 Liability towards third parties

Subject always to such other undertakings and warranties as are provided for in this Consortium Agreement and the Contract, each Contractor shall be solely liable for any loss, damage or injury to third parties resulting solely from the performance of its Work Package.

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8.5 Liability for Subcontractors

Each Contractor shall remain fully responsible for the performance of any part of its Work Package, or for the performance of its obligations under the Contract by any Subcontractor, provided that in any case appointment of a Subcontractor shall be with the approval of the Project Management Board.

Therefore said Contractor shall ensure that (i) such subcontracts fully comply with the requirements of the Contract; (ii) the other Contractors' Access Rights are fully preserved; and (iii) the third party shall have no access to any other Contractor's Knowledge or Pre-Existing Know-How without the latter's prior written consent.

Article 9 - Defaults and remedies – Exclusion of a Contractor / right to withdraw

9.1 Default and remedies

9.1.1 In the event of a breach by a Contractor ("the Defaulting Contractor") of its obligations under this Consortium Agreement or the Contract which is irremediable or which is not remedied within sixty calendar days of a written notice from the Co-ordinator, according to the decision of the Project Management Board, requiring that such breach be remedied, then the other Contractors in the Project Management Board may jointly decide to terminate this Consortium Agreement with respect to the Defaulting Contractor following a minimum thirty calendar day prior written notice by the Co-ordinator.

Commentaire : such decisions are now only at project management board level, with same split of granting time period to allow to remedy the default.

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9.1.2 Such termination shall take place with respect to the Defaulting Contractor and the latter shall be deemed to have agreed to the termination of the Contract in respect of its participation therein under the relevant provisions of Annex II General Conditions- Part A, Section 2, of the Contract as the other Contractors and/or the Commission shall decide, provided always that:

- i. any and all Access Rights granted to the Defaulting Contractor and its Affiliates by the other Contractors under this Consortium Agreement as well as under the Contract, shall cease immediately ; but any and all Access Rights granted by the Defaulting Contractor to the other Contractors and their Affiliates under this Consortium Agreement as well as under the Contract shall remain in full force and effect ;
- ii. the Work Package of the Defaulting Contractor, shall be assigned to one or several companies and/or entities which are chosen by the other Contractors, are acceptable to the Commission and agree to be bound by the terms of this Consortium Agreement. The preference shall be granted to one or more of the remaining Contractors
- iii. the Defaulting Contractor shall :
 - assume all reasonable direct cost increase (if any) resulting from the assignment referred to in ii) above in comparison with the costs of the Work Package of the Defaulting Contractor as specified in the Contract ; and
 - be liable for any so resulting additional direct cost caused to the other Contractors, up to a total amount which, together with any liability to the Commission under Article 8.3 above shall not exceed the total maximum limit of liability specified in said Article. Accordingly, any excess amount shall be shared between the Contractors (including the Defaulting Contractor) pro rata their respective shares in the Project at the time of exclusion of the Defaulting Contractor.

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9.2 Other exclusions of a Contractor / right to withdraw

The provisions of Article 9.1.2 shall also apply in the events that:

- i. any Contractor's participation in the Contract is terminated by the Commission pursuant to the provisions of the Commission contractual rules, Annex II General Conditions Part A, Section 2, then, without prejudice to any other rights of the other Contractors
- ii. any Contractor enters into bankruptcy or liquidation or any other arrangement for the benefit of its creditors and the other Contractors, subject to approval by the Commission, decide to terminate the Consortium Agreement with respect to that Contractor, to take over the fulfilment of such Contractor's obligations and to receive subsequent payments under the Contract in respect thereof.
- iii. A Contractor is entitled to withdraw from the Project or to otherwise request the termination of its participation in the Contract having obtained firstly the prior written consent of the other Contractors in the Project Management Board (such consent not to be unreasonably withheld), and secondly the consent of the Commission.

Article 10 - Coming into force – Duration – Earlier termination

10.1 Coming into force

This Consortium Agreement shall come into force on the Effective Date.

10.2 Duration

This Consortium Agreement, shall thereafter remain into force :

- until the fulfillment or termination of the Contract awarded by the Commission and resulting from the Proposal and complete discharge of all obligations of the Contractors under the Contract and/or under this Consortium Agreement as well as any amendment or extension thereof ; or
 - until this Consortium Agreement is terminated under any cases under Article 10.3 below;
- Whichever occurs first.

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10.3 Earlier termination

(Note this Article) This Consortium Agreement shall automatically terminate without any further demand and without liability of any Contractor to the others upon the first to occur of the following events:

- i. award by the Commission of a contract for the Project to other parties;
- ii. upon a [18] month period from the date of coming into force hereto, if the Contract has not been awarded to the Contractors before expiration of such period ;
- iii. cancellation of the Project by the Commission ;
- iv. termination of the entire Contract by the Commission;
- v. if the Commission indicates in writing that the award of the Contract pursuant to the Proposal is conditional upon the exclusion of one or more of the Contractors, unless the remaining Contractors decide to pursue their co-operation and agree on all consequences thereof, including for taking over the excluded Contractor's (s') Work Package(s);
- vi. should any Contractor enter into bankruptcy or liquidation or any other arrangement for the benefit of its creditors, if the other Contractors decide, subject to approval by the Commission, to terminate the Project.

Article 11 – Other consequences of term or termination

In case of take over of any Contractor's Work Package under Articles 9 or 10, all rights and obligations under the Contract and this Consortium Agreement shall in good faith be redistributed among the remaining Contractors.

Neither Contractor shall by reason of withdrawal or termination be relieved from:

- i. its responsibilities under this Consortium Agreement or the Contract in respect of that part of that Contractor's Work Package which has been carried out (or which should have been carried out) up to the date of withdrawal or termination; or
- ii. any of its obligations or liabilities arising out of such withdrawal or termination.

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The provisions of the Articles of this Consortium Agreement relating to liability, confidentiality, intellectual property rights and publications shall survive the term or termination of this Consortium Agreement for any reason whatsoever to the extent needed to enable the Contractors to pursue the remedies and benefits provided for in those Articles.

For the avoidance of doubt, termination or withdrawal shall not affect any rights or obligations incurred prior to the date of the termination.

Article 12 Confidentiality

12.1 During the term of the Project and for a period of five years thereafter, the Contractors shall treat as confidential any information which is designated as proprietary by the disclosing Contractor by an appropriate stamp, legend or any other notice in writing, or when disclosed orally, has been identified as confidential at the time of disclosure and has been promptly (thirty (30) days at the latest) confirmed and designated in writing as confidential information by the disclosing Contractor.

Accordingly, each Contractor undertakes (in addition and without prejudice to any commitment under the Contract) that:

- i. the receiving Contractor shall not use any such information for any purpose other than in accordance with the terms of the Contract and this Consortium Agreement, and
- ii. the receiving Contractor shall not disclose any such confidential information to any third party except with the disclosing Contractor's prior written consent, and
- iii. such information shall neither be copied, nor otherwise reproduced nor duplicated in whole or in part where such copying, reproduction or duplication have not been specifically authorized in writing by the disclosing Contractor.

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12.2 No obligation shall apply to any such information:

- i. has come into the public domain prior to, or after the disclosure thereof and in such case through no wrongful act of the receiving Contractor; or
- ii. is already known to the receiving Contractor, as evidenced by written documentation in the files of the receiving Contractor; or
- iii. has been lawfully received from a third Contractor without restrictions or breach of this Consortium Agreement; or
- iv. has been or is published without violation of this Agreement; or
- v. is independently developed in good faith by employees of the receiving Contractor who did not have access to the Confidential Information; or
- vi. is not properly designated or confirmed as confidential.

12.3 The Contractors shall impose the same obligations on their employees, who obtain knowledge of confidential information, as far as legally possible even for the time after the end or after the termination of employment.

Article 13 – Force majeure

The Contractors agree that the definition and the consequences of force majeure as well as the obligations pertaining thereto shall be as per the Commission contractual rules, Annex II General Conditions, Part A, Section 1, Article 11.4 and after the conclusion of the Contract, by such rules as they may have been amended as a result of the Contract negotiations.

Article 14 - No Partnership or Agency

Nothing in this Consortium Agreement shall be deemed to create a partnership or agency or any formal business organization or legal entity among the Contractors.

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Article 15 -- Notices (include fax, e-mails, etc.)

Any notice to be given under this Consortium Agreement shall require documents duly signed and personally delivered or delivered by mail. They shall be addressed to the attention of the following recipients of the Contractors or to such other address and recipient as a contractor may designate in respect of that Contractor by written notice to the other Contractors.

_____ nominates as contact for technical matters
_____ Dept. _____
and as contact for administrative matters
_____ Dept. _____
as contact for technical matters
_____ Dept. _____
and as contact for financial matters
_____ Dept. _____

Article 16 -- Language

This Consortium Agreement is drawn up in English which language shall govern all documents, notices and meetings for its performance and application and/or extension or in any other way relative thereto.

Article 17 -- Annexes, Conflicts and Inconsistencies

The Annexes to this Consortium Agreement, which are an integral part thereof are:
Annex A (List of AFFILIATES)
Annex B (PROJECT PLAN)
Annex C (Allocation of Resources)
Annex D Pre-Existing Know-How

In the event of conflict or inconsistency between any provision contained in the body of this Consortium Agreement and any provision contained in its Annexes, the provisions contained in this Consortium Agreement shall prevail.

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in the event of conflict or inconsistency between any provision contained in this Consortium Agreement and the provisions of the Contract, the provisions of the Contract shall prevail.

Article 18 -- Assignments, Amendments

18.1 Any rights or obligations of the Contractors arising from this Consortium Agreement may not be assigned or transferred in all or in part to any third party without the other Contractors' prior written approval. Such approval shall not be unreasonably withheld if to an Affiliate of the assigning Contractor.

18.2 All amendments and modifications to this Consortium Agreement require documents duly signed by all Contractors.

Article 19 -- Severability

Should any provision of this Consortium Agreement prove to be invalid or incapable of fulfilment, or subsequently become invalid or incapable of fulfilment, whether in whole or in part, this shall not affect the validity of the remaining provisions of this Consortium Agreement. In such a case, the Contractors shall as soon as possible agree on a valid and practicable provision which most nearly fulfils the purpose of the invalid or impracticable provision.

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Article 20 – Restrictions

The activities contemplated by this Consortium Agreement are subject to any mandatory rules or regulations that may be applicable in the countries in which the Contractors' activities occur. Nothing in this Consortium Agreement shall be deemed to be an agreement to violate such rules or regulations. To the extent any such rules or regulations forbid or restrict any of the activities contemplated hereunder, the Contractors agree, subject to Article 20, that this Consortium Agreement shall not obligate either Contractor to conduct such activity.

Article 21 – Applicable Law

This Consortium Agreement shall be construed in accordance with, and governed by Belgium law.

Article 22 – Disputes

The Contractors agree to use reasonable endeavors to try to amicably settle any dispute arising among them in relation to the implementation of the Contract and/or of this Consortium Agreement and for such purpose, to bring the dispute at the appropriate body level.

Failing to reach an amicable settlement, the dispute arising out of or in connection with the present Consortium Agreement shall be finally settle under the Rules of Arbitration of the International Chamber of Commerce by one or more arbitrators appointed in accordance with the said Rules.

The place of arbitration shall be Brussels.

The language to be used in the arbitral proceedings shall be English.

IN WITNESS WHEREOF, the parties have executed this Consortium Agreement in original copies.

Authorised to sign on behalf of C.T.I. Creative Technologies (Israel) Ltd.

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Name (block letters): PROFESSOR ARIE LAVIE
Title: Director

Date:

Authorised to sign on behalf of RMA – Royal Military Academy – Belgium
By (signature):
Name (block letters):
Title:

Date:

Authorised to sign on behalf of DLR – Deutsches Zentrum für Luft Raumfahrt e.V
– Germany

By (signature): *[Signature]* By (signature) *[Signature]*
Name (block letters): *Dr. A. Moreira* Name (block letters): **N. Grüniger**
Title: *HEAD OF INSTITUTE HR* Title: *CONTRACT MANAGER*

Date: *17.01.05*

Date: *17.01.05*

Authorised to sign on behalf of UoY - University of York – UK
By (signature):
Name (block letters):
Title:

Date:

Authorised to sign on behalf of IAI – Israel Aircraft Industries – Israel

By (signature):
Name (block letters):
Title:

Date:

Authorised to sign on behalf of ULg (CSL) – University of Liège (Centre Spatial
de Liège) – Belgium

By (signature):
Name (block letters):
Title:

Date:

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