

Memorandum of Understanding

Between Nordic Energy Research, The Ministry of Energy, Lithuania, The Ministry of Economics, Latvia and The Ministry of Economic Affairs and Communications, Estonia;

Having regard to the joint Baltic-Nordic Energy Research programme, which was initiated by Nordic Energy Research and developed in collaboration with the Baltic States' ministries with responsibility for the energy sector;

Having regard to the Agreement on Baltic Parliamentary and Governmental Co-operation Between the Republic of Estonia, the Republic of Latvia and the Republic of Lithuania and its common priorities for co-operation, which include co-operation in the sphere of energy;

Taking into account the importance to fund energy research in the Baltic States and inspire intra-Baltic and Baltic-Nordic collaboration as well as to promote Baltic-Nordic Research Area;

Have reached the following understanding:

Article 1.0: The Memorandum of Understanding

This Memorandum of Understanding (hereafter called the MoU) sets out a legally non-binding framework for management and financing of the Joint Baltic-Nordic Initiative on Energy Research.

The MoU outlines the roles of the Baltic States' ministries with responsibility for the energy sector and of Nordic Energy Research (hereinafter called NER), an organisation under the umbrella of the Nordic Council of Ministers, organising Nordic cooperation on energy research and analysis. It defines the aims of the Baltic-Nordic Energy Research programme (hereinafter called the Programme), describes the Programme's management structure and outlines thematic research areas within the Programme.

The signatories of the MoU are individually designated as the Participant and collectively as the Participants.

Article 2.0: The duration of the Programme

The Participants declare their willingness to participate in this Joint Baltic-Nordic Initiative on Energy Research and to contribute to the funding of the Programme during the period 2018–2021.

Article 3.0: The Aims of the Programme

The overall aim of the Programme is to promote energy research and analysis in the Baltic States and inspire intra-Baltic and Baltic-Nordic collaboration as well as to promote Baltic-Nordic Research Area. This aim translates into three central actions:

- Action no 1: Promotion of intra-Baltic and Baltic-Nordic research projects with participation of Baltic researchers,
- Action no 2: A Baltic-Nordic Doctor of Philosophy (PhD) collaboration,
- Action no 3: Exchange of energy researchers between the Baltic and Nordic countries.

The content of the actions is further described in Annex 1: "Programme Memorandum".

Article 4.o: The funding

4.1 The Programme is financed from a fund of contributions provided by the Participants. The Programme is administrated by NER. The Participants aim to provide altogether the funding for the Programme amounting to a total of approximately 6 million NOK/Year.

4.2 The Participants aim to contribute the Programme as follows:

- The Baltic States' ministries with responsibility for the energy sector – a total of 3 million NOK/Year (Approximately € 321 000), which is divided as follows:
 - The Ministry of Economic Affairs and Communications, Estonia – 1 million NOK/Year (Approximately € 107 000),
 - The Ministry of Economics, Latvia 1 million NOK/Year (Approximately € 107 000),
 - The Ministry of Energy, Lithuania 1 million NOK/Year (Approximately € 107 000),
- NER – 3 million NOK/Year (Approximately € 321 000).

4.3 As Programme administrator, NER will enter into agreements with each Participant on detailed aspects related to management of financing provided by Participants in accordance with this MoU.

Article 5.o: The Funding Procedure

5.1 Funding from the Participants shall be transferred to NER in one of the following ways:

- For the whole Programme period (2018-2021) or its part,
- On annual basis,
- Each time when the Programme Board has agreed to start an activity.

5.2 Any unused Programme funds may remain at NER for further Programme activities, unless otherwise decided by Programme Board.

If requested by the Participant any unused Programme funds shall be returned to the Participant according to the original payment ratio. This shall not affect any Actions already in progress unless agreed upon by all other Participants.

Article 6.o: Management Structure

6.1 NER is the legal entity administering the Programme and its finances.

6.2 The Programme Board

The Programme Board will be composed of:

- One representative appointed by the Ministry of Economic Affairs and Communications, Estonia,
- One representative appointed by the Ministry of Economics, Latvia,
- One representative appointed by the Ministry of Energy, Lithuania,
- Two representatives appointed by NER.

The task of the Programme Board is to work to fulfil the aims of this MoU, and represent the interest of the Participants.

6.3 Programme management, secretariat and administration

The NER administration will follow the decisions of Programme Board in regard to management of the Programme and its funds.

The management structure that applies to this programme is further described in the Terms of Reference (Annex 2).

Article 7.0: Ownership of Project outputs

In relation to Participants ownership of the Project outputs, including Intellectual property rights and open access issues, will be regulated on the basis of the NER Standard Terms of Contract (see Annex 3) and the respective agreements. In accordance with this, NER will grant all Participants royalty-free, non-exclusive license and user rights to the Projects outputs.

Article 8.0: Status of the MoU

This MoU outlines current intentions of the Participants signing this MoU and forms a framework for the Programme. This MoU is not intended to create legally enforceable rights or obligations to its Participants.

Any disputes related to the interpretation or application of the MoU will be resolved through negotiations between the Participants and will not be brought to the national or international court or any other third party.

This MoU comes into force when signed by all Participants.

Article 9.0: Miscellaneous

The MoU is drawn up in English and all documents and meetings pertaining to the MoU shall be written/conducted in English.

The MoU and its Annexes 1 and 2 may only be amended by a document signed by all Participants and identified as an Amendment to this MoU.

Each Participant shall have the right to terminate this MoU by giving at least six months' written notice to other Participants at any time.

If the MoU is terminated by a Participant, such termination shall not affect any activity already in progress unless agreed upon by all Participants.

This MoU has been enacted in four (4) duplicates, one (1) for each Party.

10.0 Annexes to the MoU:

In case of conflict between the MoU and the annexes thereto, the documents shall have the following priority:

- The MoU
- Annexes 1-3

Annexes:

- Annex 1: Programme Memorandum
- Annex 2: Terms of Reference
- Annex 3: NER Standard Terms of Contract

Approval of the MoU

The following authorized persons approve the MoU:

On behalf of Nordic Energy Research

Date

28.9.2018

sign



Name, Title

H. J. KOCH, CEO

On behalf of The Ministry of Economic Affairs and Communications, Estonia

Date

28.9.2018 K. Siim

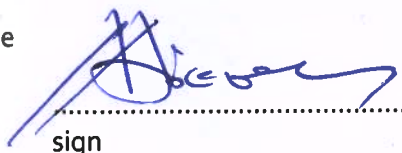
sign

KADRI SIMON, MINISTER

Name, Title

On behalf of The Ministry of Economics, Latvia

Date


.....

sign

26.09.2018
.....

Name, Title Mr Arvils Ašeradens, Minister of Economics

On behalf of The Ministry of Energy, Lithuania

Date



.....
sign

26-10-2018
.....

Name, Title MR ŽYGIMANTAS VAIČIŪNAS, MINISTER

Annex 1: Programme Memorandum

The Aims of the Programme

The Aims of the Programme, as defined in "Article 3.0: The Aims of the Programme" in the MoU, will be to:

"...promote energy research and analysis in the Baltic States and inspire intra-Baltic and Baltic- Nordic collaboration as well as to promote Baltic-Nordic Research Area".

The Paris Agreement, the EU's goal of working towards a European Energy Union, and rapid changes in energy technology create an international context where the Baltic States and the Nordic countries face several similar challenges regarding the future of their energy systems.

The Programme

To achieve the Aims of the Programme, the Participants develop three frameworks for cooperation that will constitute the pillars of the Programme, formulated as three actions:

Action no 1: Promotion of intra-Baltic and Baltic-Nordic research projects with participation of Baltic researchers

The international context, the ongoing integration of the electricity grid between the Baltic States and the Nordic countries means that there is a need for a regional perspective in the energy system and in electricity sector specifically.

The aim for Action no 1 is to strengthen the common Baltic-Nordic knowledge on future challenges and developments.

Thus, the Participants have identified four areas of key interest for the Programme:

- Decarbonisation of the transport sector,
- Energy efficiency in buildings and industry,
- Energy system analysis,
- Challenges and opportunities for regional electricity grids.

Action no 2: A Baltic-Nordic PhD collaboration

The aim for Action no 2 is to promote the exchange of Philosophy (PhD) students between the Baltic States and the Nordic countries, in order to deepen intra-Baltic and Baltic- Nordic collaboration.

Nordic Energy Research will propose tools to promote this exchange. Examples of such tools could be joint conferences for PhD students, exchange programs, cover expenses related to overseas courses, include PhD students in projects in Action no 1, etc.

Action no 3: Exchange of energy researchers between the Baltic States and Nordic countries

The aim for Action no 3 is to promote energy researcher exchange between the Baltic States and the Nordic countries, to facilitate intra-Baltic and Baltic- Nordic knowledge sharing.

Nordic Energy Research will develop project descriptions for tools to promote this exchange.

Examples of such tools could be; to establish a fund to cover travel and accommodation expenses to

overseas lectures, facilitate seminars to identify joint research activities and in-part fund participation to other relevant conferences/seminars.

Annex 2: Terms of Reference for The Baltic- Nordic Energy Research programme

1 BACKGROUND

The Baltic-Nordic Energy Research programme (hereafter called the Programme) is a collaborative effort to improve collaboration in energy research between Nordic Energy Research (NER) and the following organisations:

- The Ministry of Economic Affairs and Communications, Estonia,
- The Ministry of Economics, Latvia,
- The Ministry of Energy, Lithuania.

The overall aim of the programme is to promote energy research in the Baltic States and inspire intra-Baltic and Baltic-Nordic collaboration.

The Programme was initiated by NER in a formal letter to the aforementioned organisations in May 2017, and was further discussed at a meeting in Vilnius October 2017.

2 THE PROGRAMME BOARD

2.1 CHAIRING OF THE PROGRAMME BOARD AND SUBORDINATE BODIES OF THE PROGRAMME BOARD

The Programme Board Chair will rotate between the Participants on an annual basis. NER will chair the first year, and the Programme Board will decide on the following rotation on the second Programme Board meeting in 2018.

Expert groups may be appointed by the Programme Board if deemed necessary. In order to facilitate scientific and user relevant progress and coherence of the Programme, the Programme Board can appoint a Scientific Advisory Board (SAB). The SAB reports to the Programme Board in intervals decided by the latter.

2.2 MANDATE OF THE PROGRAMME BOARD

The task of the Programme Board is to work to fulfil the aims of this Memorandum of Understanding, and represent the interests of the Participants. Calls for proposals for funding will be implemented under the Programme.

The Programme Board is mandated to:

- identify new projects and activities within the Actions no 1-3, and actively participate in the consultation on the co-funding thereof,
- supervise and coordinate initiatives within the Programme. This includes suggesting the thematic scope and instrumentation for new actions, as well as providing/sourcing peers for the evaluation of incoming proposals. Moreover, it includes supervision of Programme activities such as mid-term and final evaluation and dissemination of results,
- decide on the thematic areas and funding instruments for the Actions.

3.3. WORK PROCEDURES FOR THE PROGRAMME BOARD

The Programme Board meets on a regular basis, at least twice a year. The Programme Board has quorum when a majority of its members are present. All decisions shall be made by consensus.

The Programme Board will approve an annual report prepared by the Administration.

The Programme Board should adhere to all relevant guidelines and policies (see item 6).

3 THE ADMINISTRATION OF THE PROGRAMME

NER administers the Programme and its finances. Where appropriate, the NER guidelines, procedures and rules will guide the actions by the Programme Board.

NER administers the funds of the initiative, designs and implements call(s) and evaluation procedures and is the contract partner for funded projects. NER is also in charge of follow-up and reporting of project progress and results to the Programme Board.

NER will oversee the administration of the Calls for proposals for the Programme, the management of project contracts, the follow up of the projects and reporting to the Programme Board.

NER will present a proposal for the practical organisation of the administration at the first or second Programme Board meeting.

The administrative costs (Travel expenses, salary, etc.) of the Programme should not exceed 10 % of the Programme fund.

Projects from the category "Action no 1" may start when the funding decisions have been made and the project contracts between the project managers and NER are signed.

"Action no 2" and "Action no 3" may start when the funding decisions have been made and a project proposal for each Action has been approved by the Programme Board.

4 IMPARTIALITY

Programme Board members are subject to NER's rules for impartiality. They are prohibited from participating in applications for funding from the Programme. Other cases of potential conflicts of interest shall be thoroughly reported by the Programme Board member to NER in advance of Programme Board meetings and ruled on by the NER Director. Minutes from Programme Board meetings shall always include a record on Impartiality and how possible conflicts of interest have been resolved.

5 OTHER

If a Programme Board member is prevented from participating actively in the work, a new member shall be nominated by the respective Participant.

6 ATTACHMENTS

Guidelines on Impartiality in NER

Guidelines on Impartiality in Nordic Energy Research

1.0 Purpose

These guidelines are made to ensure that Nordic Energy Research (NER) employees, experts and members of the institutions governing and advisory bodies remain impartial and are perceived as being impartial. Furthermore, these guidelines are designed to promote confidence in decisions made by NER.

The Norwegian Public Administration Act, chapter II "*Concerning disqualification*" applies to all employees, experts and members of the governing and advisory bodies of NER. These rules have been adapted to the needs of NER, and are as follows:

2.0 Disqualification based on discretionary assessment

An employee, expert or member of governing and advisory bodies of NER shall be disqualified from preparing the basis for a decision or from making any decision in a case if there are any special circumstances which are apt to impair confidence in his or her impartiality.

Any of the abovementioned individuals shall be well aware of the fact that nationality shall not influence on their decisions concerning applications.

3.0 Automatic disqualification

An employee, expert or member of governing and advisory bodies of NER shall automatically be disqualified from preparing the basis for a decision or from making any decision in a case

- a) if he himself or she herself is party to the case
- b) if he or she is related by blood or by marriage to a party in direct line of ascent or descent, or collaterally as close as a sibling

- c) if he or she is or has been married or engaged to, cohabitant with or the registered partner or a party, or is the foster parent of foster child of a party
- d) if he or she is the guardian or agent of a party to the case or has been the guardian or agent of a party after the case began
- e) if he or she is the head of, or holds a senior position in, or is a member of the executive board or the corporate assembly of a public or private institution that is a party to the case
- f) if he or she is, within the last three years has served as, the doctorate-level advisor for a party to the case
- g) if he himself or her herself is a party to the case in direct competition with the case being processed.

Comment to disqualification due to competition:

A key criterion in the concrete assessment of disqualification due to competition will be whether the rejection of one or a small number of competing grant applications would substantially improve the likelihood of approval of the application that is the object of the impartiality discussion, i.e. whether the member involved has any special interest in the rejection of certain other applications. The degree to which the disqualification will apply in relation to the entire group of applications must be clearly specified.

If a NER employee is disqualified, the case may not be decided by any employee directly subordinate to the disqualified individual. If the Director is disqualified, the case shall be decided by a group of employees among the Senior Advisors. In special circumstances the case shall be decided by the Chair of the Board or whom she or he delegates.

Every effort should be made to assess impartiality on a discretionary basis. Such assessment should primarily be focused on whether special circumstances exist that could impair confidence in a member's impartiality. In other words, the crucial element here is not whether there is reason to believe that an individual will act in a non-impartial manner, but whether confidence in this individual is likely to be diminished. It is on the basis of how this will be perceived by the

parties involved, as well as by the public at large, that the assessment must be carried out.

The Norwegian Research Council has made a List of topics/Examples to illustrate relevant problems regarding impartiality, which might be helpful in efforts to assess matters relating to impartiality. This list can be found on www.forskningsradet.no.

4.o Declaration on impartiality and confidentiality

NER's employees, experts and members of governing and advisory bodies must sign a declaration concerning impartiality and confidentiality.

5.o Administrative proceedings

The individual employee, expert referee and member of NER's governing and advisory bodies shall give notice to NER of any circumstances that render or may render him/her disqualified.

With regards to the question of disqualification of any of the abovementioned, the decision will be determined by the Director of NER in dialogue with the person involved. The Director may delegate this decision to other employees at NER.

The agenda for all relevant meetings shall include a discussion of matters relating to members impartiality. The minutes from the meeting shall indicate in brief that the question of disqualification appeared on the agenda, which issues have been discussed and the final decisions taken.

In the event that a member is deemed disqualified to participate in a matter, her or she shall leave the room during the preparation and completion of the relevant case(s).

The Nordic Energy Research Standard Terms and Conditions of Contract constitute an integrated part of all contracts entered into by Nordic Energy Research concerning the financing of research projects.

Definitions

Agreement: The document signed and executed by and on behalf of Nordic Energy Research and the Project Owner, providing the agreed-upon regulations and specifications of the Project.

Budget: The Financial plan for the implementation of the Project as defined in the Contract, detailing the expected income, including Grants and Pledges and expected costs during the Project Period.

Contract: The Agreement with any and all attachments thereto, together with these Standard Terms and Conditions of Contract, collectively comprise the Contract.

Final Report: The Project Owner shall prepare a Final Report, including final Project Accounts.

Grant: A commitment made by Nordic Energy Research regarding funding of the Project, binding in accordance with its written terms and conditions.

Joint Financing Body/Bodies: The/those body/bodies, institution(s)/company(ies) that is/are financing the Project together with Nordic Energy Research.

Parties: Nordic Energy Research and the Project Owner.

Pledge: A planned but not binding commitment by Nordic Energy Research to provide funding.

Progress Plan: The schedule for implementing and completion of the Project's main activities/milestones as further described in the Contract.

Annual Progress Report: Annual progress report, including a financial report based on the Project Accounts.

Project: The sum of activities detailed in the project proposal to which the funding relates, and as further described in the Contract.

Project Administrator: The person holding a power of attorney to represent the Project Owner vis-à-vis Nordic Energy Research, and who signs the Agreement on behalf of the Project Owner.

Project Accounts: The accounts kept by the Project Owner to record the Project's actual income and actual costs.

Project Description: Scientific and administrative plan for the performance of the Project as further described in the Contract.

Project Manager: The person who, on behalf of the Project Owner, is responsible for the professional implementation, progress, and completion of the Project in accordance with the Contract

Project Owner: The legal entity (e.g. university, university, college, research centre, or other research organization) having the rights and obligations defined by the Contract towards Nordic Energy Research.

Project Partners: The entities which participate in the Project having committed themselves contractually to contribute with professional and/or with financial resources to the Project Owner for the implementation of the Project.

Project Period: The time span as specified in the Agreement, and during which the Project shall be performed.

Project results: All results, including information, materials and knowledge, generated or achieved in the Project, including intellectual property rights, regardless of whether or not they are protected.

1. The project

1.1 Project implementation

The Project Owner undertakes to implement and carry out the Project in accordance with the Contract, including but not limited to the Project Description, Progress Plan and Budget as agreed in writing between Nordic Energy Research and the Project Owner.

The Project Owner undertakes to immediately and without undue delay notify Nordic Energy Research in writing of any substantial deviations from the Progress Plan and/or Project Description and/or from other circumstances and matters regulated by the Contract. Notification of such deviations shall not be withheld in anticipation of the submission of the Progress Report or Final Report.

Nordic Energy Research will at its discretion assess the impact and potential consequences of the notified deviations, as set out in clause 2.5 and 10.2. If approved by Nordic Energy Research in writing, the deviation(s) will be treated as a contractual amendment, cf. clause 11. Nordic Energy Research reserves the right to obligate the Project Owner to carry any costs associated with such an assessment.

The Project Owner undertakes to ensure that the Project is implemented in accordance with all applicable laws, regulations, ethical guidelines as well as recognised quality standards and norms, and that all parties who carry out activities under the Project, including Project Partners and Steering Group, respect the rights and obligations laid down in the Contract.

1.2 Co-operation with Project Partners

The Project Owner shall enter into and sign an agreement with the Project Partner(s) governing the relationship as well as respective rights and obligations of the Project Owner and the Project Partner(s).

For the avoidance of any doubt, such an agreement does not alter the fact that the Project Owner is solely responsible towards Nordic Energy Research in accordance with the Contract.

The Project Owner shall ensure that the said agreement(s) with the Project Partner(s) comply/ complies with the terms, conditions and premises of the Contract.

The Project Owner shall deliver to Nordic Energy Research a copy of the said agreement(s) no later than three (3) months after Nordic Energy Research and the Project Owner has signed the Contract, and in any event prior to the disbursement of any funding, cf. clause 2.2.

Should Nordic Energy Research not receive a copy of such agreement(s) within three (3) months after both Parties have signed the Contract, Nordic Energy Research may terminate the Contract in writing with immediate effect.

1.3 Guiding bodies

In projects including guiding bodies such as reference groups or steering groups, the Project Owner is responsible for ensuring that minutes are taken from the meetings.

The Project Owner is responsible for ensuring that Nordic Energy Research has access to all notices and minutes from such meetings.

Nordic Energy Research has the right to participate as observer of the guiding body at any time it deems necessary.

2. Grants

2.1 General

A Nordic Energy Research Grant is stipulated and disbursed in NOK. Nordic Energy Research is not liable for any losses incurred in connection with fluctuation in currency exchange rates as a result of the Grant being disbursed in NOK.

Grants are disbursed once a year for one year at a time, unless otherwise agreed in writing between Nordic Energy Research and the Project Owner.

The Grant for the first year of the Project Period and any Pledges for subsequent years are stipulated in the Agreement.

2.2 Disbursement

The Grant for the first year may only be disbursed once both Parties have signed the Contract and Nordic Energy Research has received the signed Contract and copies of Co-operating agreement(s). Pledges for subsequent years will be disbursed as specified in clause 2.5.

2.3 Repayment

In the event that the Final Report and the corresponding Project Accounts demonstrate that the actual costs of the Project are less than the amounts disbursed by Nordic Energy Research, such unused funds shall be reimbursed to Nordic Energy Research in NOK and as

19

directed by Nordic Energy Research. In case of such reimbursement, the currency exchange rate in force at the time when the Final Report is sent to Nordic Energy Research shall apply.

2.4 Transfer of unused funds between fiscal years

The Project Owner may apply in writing to Nordic Energy Research via the Annual Progress Report for permission to transfer unused funds from one fiscal year to the next. If Nordic Energy Research rejects such transfer, the unused funds shall be repaid to Nordic Energy Research, and/or be deducted from any subsequent Grant(s) from Nordic Energy Research.

2.5 Reservations

Notwithstanding any provision set forth in the Contract, the disbursement of the Grant for the first year and any Pledge for subsequent years, are subject to the satisfaction of i.a. the following conditions:

- Funds are pledged subject to the condition that the Nordic governments/Nordic Council of Ministers put sufficient funds at Nordic Energy Research's disposal.
- In case of Joint Financing, funds are pledged subject to the condition that Nordic Energy Research receives the agreed Joint Financing for the Project from the Financing Body/Bodies.
- There are no changes in public regulations (legislation, standards etc.) and no other unforeseen circumstances have arisen that will have a material and substantial impact on the implementation of the Project or Nordic Energy Research's ability to contribute to it.
- There are no substantial deviations from the Contract, cf. clause 1.1.
- The Project receives a satisfactory evaluation of any midterm or other evaluation conducted by Nordic Energy Research, or by a consultant or External Reference Group under the auspices of Nordic Energy Research.
- Nordic Energy Research approves in writing the Annual Progress Report submitted by the Project Owner as set out in clause 4.1.

In the event that one or more of these conditions are not fulfilled, Nordic Energy Research may at its sole discretion stop, withdraw or change the Grant and/or any Pledge for subsequent years, or if warranted under the circumstances, decide to terminate the Contract pursuant to clause 10.2.

3. Accounting and audit

Nordic Energy Research is at any time entitled to verify that the funds granted are applied in accordance with the Contract. Upon a request from Nordic Energy Research, the Project Owner shall without undue delay deliver, and cause Project Partners to deliver, to Nordic Energy Research receipts, time sheets, calculations and any other document necessary for the verification mentioned above. If the verification reveals that funds are not applied in accordance with the Contract, Nordic Energy Research may at its own discretion change or terminate the Contract, cf. clause 10.2.

If the Project Owner is under supervision of the National Audit Office, the person responsible for the Project Owner's financial matters shall verify and sign the Project

20

Accounts. In other circumstances, an authorised, external auditor shall verify and sign the Project Accounts.

4. Reporting

4.1 Annual progress reporting

The Project Owner shall annually and within a deadline set by Nordic Energy Research prepare and submit to Nordic Energy Research an Annual Progress Report, including a financial report based on the Project Accounts.

The Progress Report shall provide information concerning the status and progress of the Project and explain any substantial deviation from the Contract, i.e. the Project Description, Progress Plan and/or Budget. The Project Owner shall report deviations to Nordic Energy Research without undue delay as set forth in clause 1.1.

The Progress Report shall comprise any proposed revision of the Progress Plan and Budget.

An approved Progress Report, by Nordic Energy Research, is required for the honouring of the Pledge for the subsequent year.

4.2 Final reporting

The Project Owner shall prepare a Final Report, including final Project Accounts.

Unless otherwise agreed in writing between Nordic Energy Research and the Project Owner, the Project Owner shall deliver the Final Report no later than three (3) months after the completion of the Project Period.

The Final Report must be approved by Nordic Energy Research, and any unused funds shall be reimbursed to Nordic Energy Research cf. clause 2.3.

4.3 Other reporting

None of the provisions in this clause 4 may be construed as a waiver by Nordic Energy Research from duly receiving any other reporting Nordic Energy Research may reasonably request in relation to i.e. internal and external assessments during the Project Period and 3 years after the Project Period.

4.4 Reporting format

All reports shall be submitted in the manner specified by Nordic Energy Research, and in accordance with Nordic Energy Research's guidelines and templates.

5. Project results and equipment

5.1 Intellectual property rights and ownership to equipment

In relation to Nordic Energy Research, the Project Owner acquires any and all intellectual property rights and any potential other rights to the Project Results, unless otherwise agreed in writing. However, Nordic Energy Research shall at its discretion be granted royalty-free, non-exclusive license and user rights to the Projects Results.

21

The Project Owner shall, unless otherwise agreed with Nordic Energy Research in writing, become the owner of any equipment purchased with Project funds.

This provision does not prevent the Project Owner from sharing any intellectual property rights and potential other rights to the Project Results and the ownership to the equipment with its Project Partners and employees.

The issue of ownership, user rights, potential protection, commercialization of the Project Results and other issues relating to Project Results, intellectual property rights and ownership to equipment between the Project Owner and the Project Partners shall be regulated in the separate agreements to be concluded pursuant to clause 5.3.

5.2 Protection

The Project Owner shall assess the need to protect Project results and if relevant provide for adequate and effective protection.

Nordic Energy Research will not provide the Project with additional funding to protect Project results.

5.3 Cooperation Agreements with Project Partners

The Project Owner shall regulate the rights, ownership and other relevant terms and conditions, including potential protection and commercialization of Project Results, in a separate agreement(s) with the Project Partners, as set out in clause 1.2.

6. Dissemination

As a general rule, the Project Owner shall ensure that Project Results are made public as soon as possible. The Project Owner is obliged to inform Nordic Energy Research of all publications and other dissemination activities on an ongoing basis.

All costs related to dissemination activities are to be included in the Budget. Nordic Energy Research will not provide any additional funding to the Project for dissemination activities. Throughout the Project Period the Project Owner and Project Participants are to actively take part in events organised by Nordic Energy Research in relation to the Project's scope.

Nordic Energy Research has the right to publish news and articles regarding the Project including the Project title, the Project Period, its financial contribution, a Project summary and Project Results achieved during the Project Period.

If publication of Project Results will interfere with the protection, commercialisation of any results, confidentiality obligations or be detrimental to the activities of the Project Owner, or of the Project Partners, the Project Owner may apply in writing to Nordic Energy Research for approval of a temporary postponement of the publication.

When the Project and/or Project Results are disseminated, the financial contributions made by Nordic Energy Research shall always be mentioned. Nordic Energy Research may issue instructions of how such contributions shall be mentioned.

7. Organisation

The Project Owner shall establish a project management that is appropriate and suitable for the implementation of the Project, including but not limited to the appointment of a Project Manager and Project Administrator.

8. Transfer of contract

Nordic Energy Research may transfer any of its rights and obligations under the Contract to a third party.

The Project Owner may not transfer any of its rights or obligations under the Contract without the prior written consent of Nordic Energy Research.

9. Indemnification

Nordic Energy Research is not liable for damages or losses of any kind resulting from or incorrect use of, equipment, methods or programs related to the Project.

The Project Owner shall keep Nordic Energy Research indemnified from any and all claims from third party of whatever nature resulting from the implementation of the Project, including but not limited to claims related to infringements of intellectual property rights.

10. Duration and termination of the contract

10.1 General

The Contract enters into force from the date on which the Agreement has been signed by Nordic Energy Research and the Project Owner.

The Contract is terminated without further notice upon the satisfaction of each and all of the following conditions:

- The completion of the Project Period; and
- Nordic Energy Research has approved the Final Report; and
- The Project Owner has reimbursed to Nordic Energy Research any unused funds.

Termination of the Contract shall not in any way affect or impair the validity, legality and enforceability of the provisions contained in the Contract that by their nature are not limited to the Contract Period. This includes, but is not limited to, provisions regarding accounting, reporting and publication.

10.2 Termination with immediate effect

Nordic Energy Research may terminate the Contract in writing with immediate effect, and prior to the completion of the Project Period, if the Project Owner is in material breach of his obligations pursuant to the Contract, including but not limited to, the following situations:

- The Project Owner is unwilling or unable to complete the Project.

- There are substantial deviations from the Progress Plan and/or Project Description and/or from other circumstances and matters regulated by the Contract.
- The Project Owner is engaged in activities, which are not compatible with current applicable legislation and/or the general aims and objectives of Nordic Energy Research.
- The Project Owner has entered a petition for bankruptcy, or a petition for bankruptcy or debt settlement negotiations have been raised by others against the Project Owner, or there is other compelling reason to believe that the Project Owner is insolvent.

Nordic Energy Research may also terminate the Contract in writing with immediate effect if key prerequisites underlying the contractual relationship are no longer viable, including, but not limited to:

- The event that Nordic Energy Research receives less funding from Nordic governments/Nordic Council of Ministers.
- The event that there are changes in public regulation or other unforeseen circumstances having material and substantial impact on the implementation of the Project or Nordic Energy Research's ability to contribute to it.

If Nordic Energy Research terminates the Contract with immediate effect due to material breach on the part of the Project Owner, the Project Owner shall, if requested by Nordic Energy Research, reimburse any funds received. Any remaining Pledges will become null and void.

The Project Owner may terminate the Contract in writing with immediate effect if Nordic Energy Research is in material breach of its obligations pursuant to the Contract.

11. Amendments

Either Party may propose amendments to the Contract. Any amendment shall be made in writing and shall be agreed upon and signed by both Parties.

Nordic Energy Research may at any time unilaterally amend these Standard Terms and Conditions of Contract without the prior written approval of the Project Owner, provided such amendments do not unreasonably alter the Project Owner's rights and obligations.

12. Disputes

This Contract is governed by and shall be interpreted in accordance with Norwegian law. Any disputes shall be settled by Oslo District Court, unless otherwise agreed between Nordic Energy Research and the Project Owner.

**Declaration by the Ministry of Energy of Lithuania on the signature of the Memorandum of Understanding
Between Nordic Energy Research, The Ministry of Energy, Lithuania, The Ministry of Economics, Latvia and
The Ministry of Economic Affairs and Communications, Estonia**

By sharing values, goals and challenges common with other Participants, the Ministry of Energy of Lithuania enters in to this Memorandum of Understanding with a view to promote energy research cooperation in the Nordic-Baltic countries.

Considering the non-binding role of the Memorandum of Understanding, the Ministry of Energy of Lithuania herewith makes a reservation that due to financial constraints it will not be able to provide its contribution in accordance with the Paragraph 4.2. of the Memorandum of Understanding in full or in part at least for years 2018-2019.

The Ministry of Energy of Lithuania acknowledges that with a view not jeopardize other Participants rights and interests in carrying out energy research cooperation, its representative to the Programme Board will function in consultative role with no formal voting rights until contribution is provided.

Šajā dokumentā sanumurētas un

caursūtas 25 lappas

(twenty five pages)






Klauson

