

Partnership Agreement

between

Múzeum Spiša v Spišskej Novej Vsi

Address: Letná 50, 05201 Spišská Nová Ves, IČO 31297927

Represented by: Ms. Zuzana Krempaska
hereinafter referred to as the “Project Promoter”

and

Gagarín ehf.

Address: Brúarvogur 1, Reykjavík, 101, Island, ID 411001-2530

Represented by: Geir Borg
hereinafter referred to as the “Project Partner”

hereinafter referred to individually as a “Party” and collectively as the “Parties”

for the implementation of the Project “*Manor House Susanna - An Experience In The Museum*”, CLT01011
funded under the *EEA Financial Mechanism Programme* Programme
number and title: CLT 01, Cultural Entrepreneurship, Cultural Heritage and
Cultural Cooperation

PREAMBLE:

EEA Financial mechanism programme 2014-2021 is realised in with the overall objectives to contribute to the reduction of economic and social disparities in the European Economic Area and to the strengthening of bilateral relations between the Donor States and the Beneficiary States through financial contributions. The objective of the call CLT 01 is to partly finance projects on restoration and revitalisation of cultural heritage for the reuse or further use of cultural monuments and to foster their entrepreneurial potential.

The project Manor House Susanna - An Experience In The Museum is aimed to attract visitors more as well as to show them the heritage of culture, acts, crafts in the region of Spiš, in Slovakia.

The Parties (hereinafter referred to as the “Agreement“) conclude this Agreement with the aim to jointly implement the project called The project Manor House Susanna - An Experience In The Museum (hereinafter referred to as the “Project“).

Project Promoter submitted an Project Application under the Call for proposals – code of the Call CLT01, launched by the Government Office of the Slovak Republic as a Programme Operator. The Project Application was approved by the Programme Operator and the Project was registered under the no. CLT01011

The Parties have accepted the offer of the Programme Operator for the provision of the Project Grant and each Partner, by signing this Agreement, explicitly agrees with the fact that the Project Promoter, after this Agreement becomes valid, shall conclude with the Programme Operator the Project Contract for implementation of project within the program “CLT01” co-financed from EEA Financial Mechanism and the state budget of the Slovak Republic (hereinafter referred to as the “Project Contract“), according to which the Project shall be implemented in the partnership established between them. By signing this Agreement, each Partner declares that he is well acquainted with the draft of the Project Contract, which forms Annex No. 1 of this Agreement, understands its content, fully accepts and agrees with it and undertakes to fulfil the Project Contract after it becomes effective in compliance with the provisions of this Agreement.

The Partnership according to this Agreement does not have a legal subjectivity and this contractual relationship does not have a character of the supply-purchase relationship.

IT IS AGREED AS FOLLOWS:

Article 1 – Scope and objectives

1. This Partnership Agreement (hereinafter referred to as the “Agreement“) defines the rights and obligations of the Parties and sets forth the terms and conditions of their cooperation in the implementation of the Project, as described and defined in [Annex 1: APPLICATION FORM](#) (hereinafter referred to as the Annex 1).

2. The Parties shall act in accordance with the legal framework of the EEA Financial Mechanism 2014-2021, namely with the Regulation on the implementation of the EEA Financial Mechanism 2014-2021 (hereinafter referred to as the “Regulation“). The Parties expressly acknowledge to have access to and to be familiar with the content of the Regulation.

3. Any Annexes to this Agreement constitute an integral part of the Agreement. In case of inconsistencies between the Annexes and the Agreement, the latter shall prevail.

Article 2 – Entry into force and duration

1. This Agreement shall enter into force on the date of the last signature by the Parties. It shall remain in force until the Project Partner has discharged in full its obligations towards the Project Promoter as defined in this Agreement.

Article 3 – Main roles and responsibilities of the Parties

1. The Parties shall take all appropriate and necessary measures to ensure fulfilment of the obligations and objectives arising out of this Agreement.

2. The Parties shall carry out their respective obligations with efficiency, transparency and diligence. They shall keep each other informed about all matters of importance to the overall cooperation and the implementation of the activities to be performed. They shall act in good faith in all matters and shall, at all times, act in the interest of the Programme and the Project.

3. The Parties shall make available sufficient and qualified personnel, which shall carry out their work with the highest professional standard. While carrying out the assignment under this Agreement, the personnel and entities engaged by either Party shall comply with the laws of the respective countries.

4. Whenever in the performance of their assignments under this Agreement the Parties' personnel are on the premises of the other Party, or at any other location in the other Party's country on request of such Party, that Party shall ensure that such premises and locations comply with all applicable national health, safety and environmental laws and standards. The Parties shall take all necessary precautions to prevent the occurrence of any injury to persons or damage to the property of the other Party in connection with the implementation of the Project.

5. Each Party shall appoint a Project Manager who shall have operational responsibility for the implementation of the Project as well as serve as contact point for all exchanges of communication, documentation and materials between the Parties.

Article 4 – Obligations of the Project Promoter

1. The Project Promoter is responsible for the overall coordination, management and implementation of the Project in accordance with the regulatory and contractual framework specified herein. It assumes sole responsibility for the successful implementation of the Project towards the Programme Operator.

2. The Project Promoter undertakes to, *inter alia*:

- (a) ensure the correct and timely implementation of the Project's activities;
- (b) promptly inform the Project Partner on all circumstances that may have a negative impact on the correct and timely implementation of any of the Project's activities, and of any event that could lead to a temporary or final discontinuation or any other deviation of the Project;
- (c) provide the Project Partner with access to all available documents, data, and information in its possession that may be necessary or useful for the Project Partner to fulfil its obligations; in cases where such documents, data and information are not in English, it shall provide an English translation thereof when so requested by the Project Partner;
- (d) provide the Project Partner with a copy of the signed Project Contract, including any subsequent amendments thereof as of their entry into force;
- (e) consult the Project Partner before submission of any request for amendment of the Project Contract to the Programme Operator that may affect or be of interest for the Project Partner's role, rights and obligations hereunder;
- (f) prepare and submit in a timely manner to the Programme Operator interim project reports in connection with the payment claims, in compliance with the Programme Agreement and the Project Contract so as to meet the payment deadlines towards the Project Partner as stipulated in this Agreement;
- (g) transfer to the Project Partner's nominated bank account all payments due by the set deadlines;
- (h) ensure that the Project Partner promptly receives all assistance it may require for the performance of its tasks;

Article 5 – Obligations of the Project Partner

1. The Project Partner is responsible for the performance of the activities and tasks assigned to it in accordance with this Agreement and Annex 1 APPLICATION FORM.

2. In addition to the above obligations, the Project Partner shall:

- (a) promptly inform the Project Promoter on relevant circumstances that may have an impact on the correctness, timeliness and completeness of its performance;
- (b) provide the Project Promoter with all information necessary for the preparation of any reports due by the Project Promoter to the Programme Operator within the deadlines and according to the reporting forms set by the Project Promoter;
- (c) immediately inform the Project Promoter of any cases of suspected or actual fraud, corruption or other illegal activity that come to its attention, at any level or any stage of implementation of the Project;
- (d) keep all supporting documents regarding the Project, including the incurred expenditure, either in the form of originals or in versions certified to be in conformity with the originals on commonly accepted data carriers, for at least five years from the *FMC/NMFA*'s approval of the final programme report;
- (e) provide any bodies carrying out mid-term or ex-post evaluations of the Programme, as well as any monitoring, audits and on the spot verifications on behalf of the EEA Financial Mechanism any document or information necessary to assist with the evaluation;

- (f) effectively participate in promoting the objectives, activities and results of the Financial Mechanism as well as the Donor(s)'s contribution to reducing economic and social disparities in the European Economic Area;

Article 6 – Project budget and eligibility of expenditures

1. The detailed total Project budget, the budget share of the Project Partner as well as the allocation of the budget, amongst the activities to be performed by the Project Partner is fixed in Annex 1 List of activities.

2. Expenditures incurred by the Project Partner must be in line with the general rules on eligibility of expenditure contained in the Regulation, specifically Chapter 8 thereto:

Article 8.2 contains certain general principles on eligible expenditures, for example, that all costs should be “proportionate and necessary for the implementation of the project”.

Article 8.3 contains the main categories of eligible direct expenditures (specific expenditures directly linked to the implementation of the project). In addition, the Programme Agreement concluded between the Donor State(s) and the National Focal Point may allow for additional expenditures to be eligible, or impose further limitations on eligibility of expenditures. These must also be reflected here. Where the project is implemented pursuant to a call for proposals, regard should also be had to any specific provisions listed in the call documents.

Article 8.7 contains certain categories of expenditures that are not eligible.

3. In case the Partner keeps bookkeeping in other currency than in EUR, the Partner is required, in the List of accounting documents, to recalculate the total amount of expenditure to EUR currency using the exchange rate published by the European Commission in the month in which the expenditure was recorded in the accounts and such expenditure will be eligible up to a maximum amount so converted in EUR.

4. Project budget assigned to project partner:

Item	Unit	Quantity	Unit Cost	Total amount	Type of expenditure	Activity	Budget heading	Comment
Specialised software and content for augmented reality	set	1	100000	100000	Cost of staff assigned to the project	Activity2	Current expenses - on staff	Salaries of experts of Gagarin responsible for conception and development of the installation, design, graphic design, interaction design, programming in narrow cooperation with Slovak experts (they will prepare relevant data). Detailed agreement about form of necessary inputs to the content will be concluded with Slovak experts. Consulting with programmers from Slovakia, transfer of know-how and training for museum is included. Cca 1250 hours of experts will be spent.
Travels of experts from Gagarin to Slovakia	set	1	9090	9090	Travel and subsistence allowances for staff	Activity7	Current expenses - travel	Two travels to Museum of Spis, 3 people from Gagarin, 3 days. Travel to one or two of the conferences and for detailed consulting of smart solution design and implementation.

Article 7 – Financial management and payment arrangements

1. Payment of the project grant share to the Project Partner shall take the form of advance payments and payment of the final balance.
2. Maximum amount of advance payment is 90% of the project grant. Last 10 % of the project grant is paid after final report is approved.
3. The advance payment to the Project Partner shall be made no later than 30 working days of the crediting of the advance payment from the Programme to the Project Promoter's bank account.
6. Payment of the final balance shall be made 30 working days after final report is approved.
7. All amounts shall be denominated in EURO.
8. Payments to the Project Partner shall be made to the Project Partner's bank account denominated in EUR, identified as follows:

Bank: Arion Bank hf., Borgartun 19, 105 Reykjavík

Swift: ESJAISRE

IBAN IS67 0300 26 001110 581008 0150

Contact: Arion Faktoring, Tel: +354 444 7000

9. Payments shall be deemed to have been made on the date on which the Project Promoter's account is debited.

Article 8 – Proof of expenditure

1. Costs incurred by the Project Partner shall be supported by receipted invoices or alternatively by accounting documents of equivalent probative value.
2. Proof of expenditure shall be provided by the Project Partner to the Project Promoter to the extent necessary for the Project Promoter to comply with its obligations to the Programme Operator.
3. When required, proof of expenditure shall take the following form:

Costs incurred by a Partner shall be supported by receipted invoices, or alternatively by accounting documents of equivalent probative value (Article 8.12.1 of the Regulation). When this option is chosen, accounting documents have to be translated into English language (its main points).

An audit report or a report by a competent public officer is also accepted as sufficient proof of expenditure incurred for project partner.

A report by an independent and certified auditor certifying that the claimed costs are incurred in accordance with the Regulation on the implementation of the EEAFM, the national legislation and the accounting practices of the country of the Partner, is considered as a sufficient proof of the eligibility of expenditures incurred to the Partner.

The Partner will make available the original accounting documents (the proof of expenditure) when required to do so, e.g. in case of a monitoring visit or an audit.

Article 9 – Progress and financial reports

1. The bank account of the Partner must be established as a special account in accordance with the requirements of the System of financing and financial management of EEA Financial Mechanism and Norwegian Financial Mechanism 2014 – 2021.
2. If the bank account of the Partner represents interest-bearing account, the Partner is obliged to transfer the income from interest through the Project Bank Account of the Project Promoter to the predetermined account of Programme Operator, according to the Project Contract
3. Partner undertakes to use the Project Grant exclusively to reimburse the Eligible Expenditures for the purposes of reaching the goal, Project Output and Project indicators in line with the principles of economy, efficiency and effectiveness and shall ensure that Eligible Expenditures realized from Project Grant are reasonable and necessary for the implementation of Project Output pertaining to him, are identifiable and verifiable, have been implemented and are accounted for in accordance with the requirements of applicable national and EU legislation.

4. Partner undertakes to record the provided Project Grant to the Promoter duly and on time, i.e. to enable the Project Promoter to declare all expenditures incurred for the implementation of the Project in present or next Reporting period in Project Interim Report, or Final Project Report and submit it to the Programme Operator in line with Project Contract, in the same way, including the submission of all relevant documents, as the Project Promoter is obliged to report it to the Programme Operator according to the Project Contract, except for filling in the Project Interim Report, or Final Project Report. Partner is responsible to the Project Promoter for usage of the Project Grant in compliance with this Agreement, the Project Contract, EEA FM Legal Framework and Implementation Rules.

5. Partner is obliged to provide to the Project Promoter as well as to the Programme Operator, if required, all information and necessary cooperation during verification of the Project Interim Report, or Final Project Report, as far as the Project Outputs realized in the respective Reporting period by the Partner are concerned.

6. The partner will provide information and supporting documents necessary for interim report production 5 working days after the end of every reporting period. First reporting period is period of first 4 months after Project contract is valid. All reporting periods last 4 months. Information for Final report preparation will be provided by partner 15 working days after project termination.

Article 10 – Audits

1. A report by an independent and certified auditor certifying that the claimed costs are incurred in accordance with the Regulation on the implementation of the EEAFM/NFM 2014-2021, the national legislation and the accounting practices of the country of the Partner, is considered as a sufficient proof of the eligibility of expenditures incurred to the Partner. Audits have to be carried out in line with Chapter 11 of the Regulation.

Article 11 – Procurement

1. National and EU law on public procurement shall be complied with by the Parties at any level in the implementation of the Project.

2. The applicable procurement law is the law of the country in which the procurement is being carried out.

Article 12 - Conflict of interest

1. The Parties shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Agreement. Such conflict of interests could arise in particular as a result of economic interest, political or national affinity, family or emotional ties, or any other relevant connection or shared interest. Any conflict of interests which could arise during the performance of the Agreement must be

notified to the other Party in writing without delay. In the event of such conflict, the Party concerned shall immediately take all necessary steps to resolve it.

2. Each Party reserves the right to verify that such measures are adequate and may require additional measures to be taken, if necessary, within a time limit which it shall set. The Parties shall ensure that their staff, board and directors are not placed in a situation which could give rise to conflict of interests. Each Party shall immediately replace any member of its staff exposed to such a situation.

Article 13 - Confidentiality

1. The Parties shall provide to each other the data required for the Project and shall secure such information against misuse and shall use them only in accordance with the provisions of the Agreement and in order to achieve its purpose

Article 14 –Liability

1. Project Promoter is, according to the Project Contract, liable to the Programme Operator to the full extent for the factual and timely realization of the Project, including those parts of the Project, for the implementation of which according to this Agreement is liable the Partner. Project Promoter is liable to the Programme Operator in full extent also for the breach of the obligations according to the Project Contract, even if the breach was caused as a consequence of the act of the Partner in contrary to this Agreement or omission to act of the Partner according to this Agreement.

2. Partner is in relation to the Project Promoter and towards other Partners fully liable for the realization of parts of the Project assigned to him according to this Agreement and is liable towards them for the breach of duties according to this Agreement. The liability of the Project Promoter towards the Programme Operator for the implementation of the Project according to the Project Contract is not affected by this provision.

3. Project Promoter is in relation to the Partner fully liable for the realization of parts of the Project assigned to him and is liable for the breach of duties according to this Agreement or Project Contract, if the breach of the Project Contract was not caused as a result of act of the Partner in breach of this Agreement, or omission of act of the Partner according to this Agreement. The liability of the Project Promoter towards the Programme Operator for the implementation of the Project according to the Project Contract is not affected by this provision.

4. The Parties hereby declare that they are aware that according to the Project Contract the breach of obligation stated in this Agreement by any of the Parties causes the occurrence of Irregularity in the Project.

5. Project Promoter is obliged to immediately notify the Programme Operator on any Irregularity or Suspicion of Irregularity in a manner and extent according to the EEA FM Legal framework and the Implementation Rules and provide him with assistance in

addressing and communicating to the competent authorities and at the same time provide him all documents relating to Irregularity or Suspicion of Irregularity.

6. In case in the Project occurs Irregularity, each Partner undertakes to respect the decision of the Programme Operator, or other Authorised entities, which by themselves or through the Programme Operator according to the Project Contract require the removal of illegal status, return of funds in the amount of Non-Eligible Expenditures, determination of Financial Correction, or adoption of other measure and to provide to the Project Promoter assistance at solving the Irregularity including the return of the provided Project Grant, in case the Irregularity occurred due to act of the Partner in breach of this Agreement, or omission of act of the Partner according to this Agreement.

7. Partner, which will breach the obligation imposed by this Agreement or shall use the Project Grant or its part in contrary with this Agreement, Project contract, EEA FM Legal Framework or Implementation Rules, hereby undertakes, if so determined by the Project Promoter or Programme Operator or other Authorised entity to return the provided Project Grant or its part according to Article 10 of this Agreement and at the same time to reimburse the damage which shall occur to each Partner and Project Promoter with respect to the breach of obligation, mainly sanctions imposed to the Project Promoter by Programme Operator, or other Authorised entity.

8. In case the Partner shall not return the provided Project Grant or its part in the period stipulated in the request for return, the Project Promoter is entitled to apply against the Partner the contractual penalty in the amount of 0.1% from the respective part of the Project Grant for each started day of delay.

Article 15 – Irregularities

1. Irregularities are defined in accordance with Article 12.2 of the Regulation.
2. In case an irregularity has come to the attention of one Party, that Party shall immediately inform the other Party thereof in writing.
3. In cases where measures to remedy any such irregularity are taken by the competent bodies referred to in Chapter 12 of the Regulation, including measures to recover funds, the Party concerned shall be solely responsible for complying with such measures and returning such funds to the Programme. The Project Partner shall, in such cases, return the recovered funds through the Project Promoter.

Article 16 – Suspension of payments and reimbursement

1. In cases where a decision to suspend payments and/or request reimbursement from the Project Promoter is taken by the Programme Operator, the National Focal Point or the Donor State[s], the Project Partner shall take such measures as are necessary to comply with the decision.

2. For the purposes of the previous paragraph, the Project Promoter shall, without delay, submit a copy of the decision referred to in the previous paragraph to the Project Partner.

Article 17 – Termination

1. The Parties agree that the termination of the contractual relationship established by this Agreement occurs:

- fulfilment of obligations of the Parties and at the same time the end of the period for which the Agreement was concluded,
- mutual consent of the Parties,
- termination of the Agreement.

2. Project Promoter has a right to propose to the Partner to terminate the Agreement, in case:

- if it considers it necessary in the circumstances and seriousness of the breach of the Partner and this process is viewed from the view of Project Promoter as effective,
- if Partner breached its contractual obligations in a way that does not allow the substantive and temporal realization of the Project,
- if Partner has repeatedly failed to fulfil contractual obligations, or if breached its contractual obligation to intentionally.

3. Project Promoter propose to the Partner to terminate the Agreement , in case:

- in the case of stopping the implementation of the Project due to reasons on the side of the Partner,
- in case Partner does not start to implement the Project pursuant to the Agreement,
- in case of impossibility of performance of the Agreement due to objective reasons, which occurred on the side of the Partner,

4. The Partners undertake to accept the decision of the Project Promoter to terminate the Agreement towards the respective Partner or terminate the Agreement by consent in case stated in Section 2 and 3 of the Article of the Agreement. In case of need the Partners undertake to conclude the amendment to the Agreement, by which they shall stipulate their mutual rights and obligations connected with the termination of the Agreement towards the Partner and/or related to the Access of the new Partner to the Agreement, instead the formed terminating Partner

5. Termination of the Agreement is effective from the day of delivery of the notice of termination from the Agreement to the Partner. Partner towards whom the Agreement was terminated is obliged to return to the Project Promoter not recorded part of the Project Grant.

Article 18 - Assignment

1. Neither Party shall have the right to transfer their rights and obligations under this Agreement without the prior consent of the other Party.
2. The Parties acknowledge that all assignment of rights and obligations under this Agreement is dependent upon the Programme Operator's prior consent in accordance with the provisions of the Project Contract.

Article 19 – Amendments

1. Any amendment to this Agreement, including its Annexes, shall be the subject of a written agreement concluded by the Parties.

Article 20 – Severability

1. If any provision of this Agreement (or part of any provision) is found by any court, tribunal or other authority of competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to form part of the Agreement, and the validity and enforceability of the other provisions of the Agreement shall not be affected.
2. If a provision of this Agreement (or part of any provision) is found illegal, invalid or unenforceable, the Parties shall negotiate in good faith to amend such provision such that, as amended, it is legal, valid and enforceable and, to the greatest extent possible, achieves the Parties' original intent.

Article 21 – Notices and language

1. All notices and other communications between the Parties shall be made in writing and be sent to the following addresses:

For the Project Promoter: Múzeum Spiša v Spišskej Novej Vsi, Letná 50, 05201 Spišská Nová Ves, Slovakia

For the Project Partner: Gagarín ehf., Brúarvogur 1, Reykjavík, 101, Island

2. The language governing the execution of this Agreement is English. All documents, notices and other communications foreseen in the framework of this Agreement shall be in English.

Article 22 – Governing law and settlement of disputes

1. The construction, validity and performance of this Agreement shall be governed by the laws of Slovakia.
2. Any dispute relating to the conclusion, validity, interpretation or performance of this Agreement shall be resolved amicably through consultation between the Parties.
3. If the parties fail to resolve the dispute by mutual agreement or settlement, the dispute shall be promptly presented to the Programme Operator, who at its own discretion may convene a joint meeting of Programme Operator and the litigants or the Programme Operator and all parties to this Agreement, and in order to resolve a dispute and reach an agreement out of court settlement. If the Programme Operator does not convene a joint meeting or the parties to the dispute do not resolve the dispute on a joint meeting convened by the Programme Operator pursuant to the preceding sentence, the dispute will be settled before a competent general court of the Slovak Republic.

This Agreement has been prepared in two originals, of which each Party has received one.

For the Project Promoter

For the Project Partner

Signed in Spišská Nová Ves on 27th of January 2021 Signed in Reykjavík on 26th of January 2021

[*Zuzana Kremaská*]
[*Director*]

Geir Borg
CEO