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**ADMINISTRATIVE AGREEMENT BETWEEN THE
AAL INTERNATIONAL ASSOCIATION
AND THE
FCT - FUNDAÇÃO PARA A CIÊNCIA E TECNOLOGIA
PORTUGAL**

1. PARTIES

This document constitutes an agreement between

Ambient Assisted Living (AAL) International Association
Internationale Vereniging Zonder Winstoogmerk
Registration no. 894.588.636
Bischoffsheimlaan 25, 1000 Brussels, Belgium

("the AAL Association"),

represented for the purposes of signature of this agreement by

Dr. Gerhard Finking (President)

of the one part, and

FCT - Fundação para a Ciência e Tecnologia
Av. D. Carlos I - 126
1249-074 Lisboa
Portugal

("the National Funding Authority [NFA]"), represented for the purposes of signature of this agreement by

Prof. João Sentieiro (President)

of the other part.

HAVE AGREED

The following terms and conditions of mutual obligations and responsibilities in this agreement.

2. SUBJECT AND SCOPE

(1) By Decision No 742/2008 of the European Parliament and of the Council of 9 July 2008 on the Community's participation in a research and development programme undertaken by several Member States aimed at enhancing the quality of life of older people through the use of new information and communication technologies ("the basic act"), the Community has decided to make a financial contribution to the Ambient Assisted Living joint research and development programme ("AAL Joint Programme"). The maximum Community financial contribution shall amount to EUR 150 million for the duration of the Seventh Framework Programme.

(2) Participating Member States have declared their participation in the joint programme and committed their financial contribution to the joint programme to the Community, represented by DG Information Society.

(3) Participating Member States have established the AAL International Association as an Association of Belgian Law as the dedicated implementation structure for the joint programme.

(4) According to the basic act, the Community financial contribution shall be managed by the AAL Association, as dedicated implementation structure, in the framework of indirect centralised management pursuant to Articles 54(2) (c) and 56 of the Financial Regulation and Articles 35, 38(2) and 41 of the Implementing Rules. In a General Agreement between the Commission and the AAL Association pursuant to Article 4 of the basic act, detailed arrangements for the indirect centralised management as required by Article 41 of the Implementing Rules to the Financial Regulation have been concluded.

(5) The present agreement constitutes the administrative agreement to be concluded between the AAL Association as dedicated implementation structure of the AAL Joint Programme and the designated National Funding Authority for membership in the AAL Association and as responsible for the joint management of the AAL Programme. The national funding authority shall take the appropriate measures to meet the provisions of this agreement. Especially as member of the AAL Association it will nominate its representative and proxies (with order of replacement) of the General Assembly. The national funding authority may substitute them any time by addressing a letter to the President of the AAL Association stating the date in which the replacement shall come into force. It may also present candidates to the Executive Board according to the AAL Association Statutes and Rules on Internal Order. Staff, seconded to the AAL Association, shall continue to work under the existing human resource policies and code of conduct of the seconding national funding authority.

(6) If the national funding authority delegates the execution of the agreement to another organisation, the national funding authority nevertheless remains fully responsible towards the AAL Association for compliance with the provisions of this agreement.

(7) The administrative agreement sets out the detailed requirements applying to both parties in view of

- Implementation of joint working programmes and calls for proposals,
- Establishing jointly annual budgets and budget controls,
- Selection, implementation and administration of activities and projects,
- Contributions to the Management Unit of the AAL Association,
- Joint financing of selected projects and other activities,

- Transfer of the Community financial contribution by the AAL Association to the national funding authority,
- Protection of the financial interests of the Commission especially in case of fraud, irregularities, corruption and other illegal activities,
- Support the AAL Association with annual reporting, audit and evaluation obligations, with all necessary information to carry out the mid term and final evaluation of the AAL Joint Programme, the final project control report and the final AAL Programme report.

(8) The Agreement should be read and interpreted in conjunction with

- Decision No 742/2008 of the European Parliament and of the Council of July 9, 2008,
- The General Agreement between the European Community, represented by the Commission and the AAL International Association of December 12, 2008 including its annexes,
- The Statutes and the Rules of Internal Order including annexes of the AAL International Association,
- Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests,
- Council Regulation (EC, Euratom) No 2185/96 of 11 November 1996 concerning on the spot checks and inspections carried out by the Commission;
- Regulation (EC) No 1073/1999 of the European Parliament and of the Council concerning investigations of the European Anti-Fraud Office.
- The letter dated 07 May 2007 signed by Minister José Mariano Gago addressed to the Commissioner Mrs Reding comprising the commitment of the national funding authority to participate in the AAL Joint Programme and the national contribution
- Minutes of meeting of the AAL General Assembly approving the accession of the National Funding Authority to the AAL international Association.

3. ENTRY INTO FORCE AND PERIOD OF EXECUTION

(1) This administrative agreement shall enter into force on the date when the last of the two parties signs it.

(2) Both parties may at any time suspend or terminate this administrative agreement in accordance with the provisions in this bilateral agreement.

(3) Before December 31, 2013 both parties shall agree on a detailed framework for the different steps of the winding down of the AAL Joint Programme in time with the end of the 7th Framework Programme in order to:

- Liquidate the final payment to be made by the AAL Association to the National Funding Authority

- Set up a recovery procedure for each sum unduly paid at project's level out of Community funds and to be repaid by the AAL Association to the Community's budget.

4. IMPLEMENTATION OF JOINT WORKING PROGRAMMES AND CALLS FOR PROPOSALS

(1) The AAL Association has to establish the annual work programme, consisting of the annual calls, other activities and administrative activities of the AAL Association. The national funding authority must have full AAL Association membership especially voting rights. The General Assembly of the AAL Association decides upon the work programme that must also be approved by the European Commission as part of the annual agreement..

(2) On request the national funding authority shall communicate to the AAL Association

- The financial commitment to the planned work programme on the basis of the planned budget,
- National eligibility criteria and other legal, administrative and financial requirements applicable for each call for proposals for the establishment of national grant agreements with project participants. These criteria and requirements shall be transmitted within 30 calendar days following the request of the AAL Executive Board.
- Communicated national eligibility criteria shall be included in the AAL call for proposals by the AAL Association.
- Nomination of a national coordinator and national contact point and their proxies (with order of replacement). The national coordinator and her/his proxies shall be members of the Management Unit of the AAL Association operating on behalf of the Executive Board of the AAL Association in all administrative affairs of the AAL Association and the AAL programme, especially the preparation and execution of the annual work programme. The national funding authority or the agency acting on its behalf may substitute them any time by addressing a letter to the AAL Association stating the date in which the replacement shall come into force.

5. ADMINISTRATION OF PROJECTS

The joint administration of funded projects shall be comprised in a manual to be provided by the AAL Association.

a. Selection of proposals

(1) The AAL Association is responsible for the evaluation and selection of proposals. The evaluation of the submitted project proposals shall be carried out with the assistance of independent experts. The evaluation process shall provide a ranked list of projects. The AAL Association General Assembly shall approve a ranked list of selected proposals which shall be binding for all members of the AAL Association.

(2) After approval of the ranked list, the AAL Executive Board has to carry out the necessary balancing of requested funding and available national budgets. In case a project is selected for funding, but one or more participating national programmes have exhausted their earmarked budget(s), the national funding authority in cooperation with the AAL Association

shall take all possible measures to find alternative ways for funding this project and its participants in order to respect the ranked list.

(3) The national funding authority shall investigate the following options:

- The national funding authority can raise the earmarked budget for AAL. This may also be done by using funds from other national public sources such as other research programmes (with the exception of FP7 or other for AAL projects ineligible Community funding sources).
- Participant(s) can be funded from private sources such as private equity or own funding. If this is not sufficient for that/these participant(s), and if other sources of funding cannot be mobilised, then the project may continue without that/these participant(s).
- A national funding administration from another participating member state can fund the partner (cross-funding).
- The partner may be replaced by another participant, or the project may be contracted without that partner, if the eligibility criteria are still met.

The balancing and negotiation process shall be finished after 30 calendar days.

(4) In order to ensure that the project is still viable and sufficiently close to the proposal as evaluated by the independent experts, the AAL Association may decide that an additional central independent evaluation of the proposal concerned should be carried out with the assistance of independent experts, in order to evaluate the proposal without the participation of the participant in question or, if suggested by the project consortium, with a replacement participant.

(5) If it appears that the project is no longer viable, or deviates too much from the proposal evaluated by the independent experts, this project shall be taken out of the ranking list in order to consider the next project. This decision shall be taken by the AAL Association after receipt of sufficient evidence that the other alternatives have been checked out and are not possible.

(6) The President of the AAL Association shall communicate the funding list of project proposals resulting from the balancing process and the scores, remarks and eventual recommendations for changes to the members of the General Assembly of the AAL Association and the collaborative trans-national project coordinator of the national funding authority within 14 calendar days from the finalisation of the process. Each AAL trans-national project coordinator will forward such communication to their respective trans-national project partners.

b. National Grant Agreements

(1) Following this communication and on the basis of the list of selected proposals approved by the AAL Association General Assembly, the beneficiaries shall present the full proposals of their projects to their national funding authority within 30 calendar days.

(2) The national funding authority of the coordinator of the joint project shall organise the coordination and negotiation process in the collaborative project, and ensure that a valid consortium agreement is agreed and signed by all partners. For all such obligations the national funding authority of the coordinator shall receive appropriate support from the project coordinator and the other participating national funding agencies.

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(3) Following the completion of this coordination and negotiation process, the national funding authorities engaged in a collaborative project shall establish grant agreements with participants in the collaborative project. These grant agreements shall be established in accordance with national rules within 60 calendar days after the presentation of the full proposal. Verification of the eligibility of costs and keeping to the EC State Aid Rules for R&D projects are essential. Any substantial changes in the project during the negotiation process, such as changes of the composition of the consortium, changes of the main objectives of the project, substantial reductions or increases of the budget of the project have to be reported to the AAL Association for approval before signing the grant agreements. The same shall apply if such changes occur during the implementation of the projects.

(4) Grant agreements shall also contain all necessary reporting and control obligations comprised in this agreement. The national funding authority shall also ensure that the funding of the project is in accordance with the funding rates set out in the General Agreement, including its Annex, and in the annual agreement between the AAL Association and the Commission and with national funding rules.

(5) The project beneficiary shall provide a declaration, that double funding from a national or community source has not and will not be provided.

(6) In case of failure of the negotiation and grant agreement process the national funding authorities shall report to the AAL Association within 60 calendar days after the presentation of the full proposal.

(7) All grant agreements of a collaborative trans-national project shall enter into force the calendar day after signature of all partner project agreements. Signings shall take place within 60 days after the presentation of the full proposal.

(8) The project coordinator shall submit to his national funding authority within 14 calendar days after the completion of the grant agreements

- A description of the collaborative project work programme in particular of all activities and actions necessary to fulfil the objectives stipulated in the grant agreements,
- Copy of all grant agreements,
- The consortium agreement,
- The financing plan of the project.

After approval the national funding authority of the project coordinator shall communicate the results of its examination to the AAL Association within 21 calendar days after signing the grant agreements.

National funding authorities shall provide access to the grant agreements and all related documents on request of the AAL Association or any organisation listed in Part 7.

(9) The grant agreement shall include an obligation of the beneficiary to acknowledge the funding received from the European Community and to display the European logo in an appropriate way.

(10) The grant agreement shall also include an obligation of the beneficiary to provide all necessary information and documents on request to the AAL Association for the publication of project information according to the General Agreement between the AAL Association and the European Commission, and to accept that the AAL Association and the Commission are entitled to publish the information referred to in Articles 34.4 and 34.5 of the General Agreement.

(11) If a national funding authority does not operate with grant agreements, the regulations referring to grant agreements refer also to the national equivalents of grant agreements.

c. Administration of funded projects and other activities

(1) The national funding authority is responsible for the administration of funded projects according to national laws and regulations after the signature of the grant agreement between the national funding authority and the beneficiary or similar legal instrument of enforcement. (For the following, grant agreement refers both) The administration of projects shall follow the national procedures as described according to the template of Annex 2. The report on national procedures shall contain especially the national control system, the audit strategy including the methodology applied to select the grant agreements to audit and a statement, that international accepted audit standards are applied. The report shall be presented not later than 60 calendar days after the signature of this agreement and become an amendment to this agreement.

(2) The administration comprises at least

- An annual monitoring of the performance of the individual projects of a collaborative project according to the grant agreements
- A joint monitoring of the collaborative project coordinated by the national funding authority of the coordinator of the collaborative project.

6. Financial Management of the Joint Programme

a. Principles

(1) The AAL Association is responsible for the organisation of the financial management and the transfer of EC contributions to national funding authorities.

(2) The national funding authority shall provide all national information related to the financial management of the AAL programme on request of the AAL Association within 15 calendar days at the latest. The information shall especially include a bi-annual summary report according to Article 7. c (4) of this agreement and the confirmation of the bank account used by the national funding authority for the European funds. This bank account shall allow the Community contribution to be identified.

(3) The national funding authority shall perform the financial and contractual monitoring based on national regulations and procedures.

(4) When making payments to the beneficiary, the national funding authority shall acknowledge the part of funding provided by the Community.

(5) Each party shall notify the other in the event of withholding or reduction of payments as a result of unsatisfactory performance of the beneficiary or of other reasons within 14 calendar days.

(6) The national funding authority of the consortium coordinator has to coordinate and supervise the financial report of the joint project as part of the annual project report to be provided in English. For this purpose, it may request support from the project coordinator and the other participating national funding authorities

(7) To guarantee sound financial management, a bookkeeper and an independent external auditor for the annual financial auditing of the AAL Association shall be employed.

(8) The amount of the Community financial contribution to a specific call is limited to the overall amount of the national financial contributions to the call with a ceiling of EUR 150 million for the duration of the Ambient Assisted Living Joint Programme.

b. The annual budget

The annual budget shall be determined on the basis of the approved annual work programme and comprise at least the following categories:

- The estimated budget for the call for proposals of collaborative R&D projects and the committed national financial contributions;
- The budget for accompanying activities and committed national contributions;
- The budget for the administration of the AAL programme;
- An estimation of annual payments for already contracted projects.

c. Payment modalities

(1) After the termination of the evaluation process and the signature of the grant agreements the final budget of a call shall be calculated.

(2) The effective Community financial contribution to a project after bits termination shall be calculated on the basis of eligible costs of the project after termination as approved by the national funding authority after the final financial project control.

(3) The national funding authorities shall process the cost reimbursement or pre payment claims of grant beneficiaries in its own language according to its national procedures. It shall ensure that the claims are valid and that costs are eligible and in line with the national grant agreement. All necessary verifications shall be the responsibility of the national funding authority.

(4) The Community financial contribution shall be disbursed by the AAL Association upon request of the national funding authority with full AAL Association membership rights. A copy of the national payment document of the national contribution shall be submitted with such request. In order to facilitate payments it is possible to bundle payments for several projects. The signature of the person(s) authorised to sign payment requests and to manage the confirmed bank account of the national funding authority has to be deposited at the AAL Association.

(5) Payments of the Community financial contributions shall be executed to the national funding authority with full membership rights within 14 calendar days after receipt of the properly justified request. After receipt of the Community financial contribution, the payment to the beneficiary shall be executed within 14 calendar days.

(6) Technical details of the payment procedures and modalities shall be laid down in a separate manual.

(7) The national funding authority shall document the amount of accepted costs, any other financial or contractual issues as regards the execution of the national grant agreement and each payment made to the grant beneficiary and provide access to the documents on request of the AAL Association.

(8) Each national funding authority shall notify the treasurer of the AAL Association in the event of withholding or reduction of payments as a result of unsatisfactory performance of

the beneficiary or of other reasons within 14 calendar days after the date when such a decision was adopted by the national funding administration.

(9) The national funding authority of the consortium coordinator has to coordinate and supervise the financial report of the joint project as part of the annual project report to be provided in English. For this purpose, he may request respective support from the project coordinator and the other participating national funding authorities.

7. Reporting, audits and controls

(1) An annual standardised project report including a project progress report and a financial control report (both with remarks if any provided by the corresponding national funding authorities) has to be provided by the collaborative trans-national project coordinator to the AAL Association within 60 calendar days after the end of the calendar year.

The national funding authority of the coordinator of a collaborative trans-national project shall include this obligation into the grant agreement. The other national funding authorities responsible for the collaborative project in question shall include the respective reporting obligations of their beneficiaries to the project coordinator in their national grant agreements.

(2) After the termination of a collaborative trans-national project, the national funding authorities have to submit a final scientific and financial project report of each individual project to the collaborative trans-national project coordinator within 30 calendar days. The coordinator has to submit a standardised summary report of the collaborative trans-national project within 30 calendar days after the termination of the project to the AAL Association.

(3) A description, providing an overview, and any following changes of the national internal control system in place allowing the AAL Association to centrally assess control risks, in particular the audit and control procedures to prevent fraud and irregularities, as well as the audit strategy to be deployed by the national funding authority, including the methodology to select the grant agreements and the contract to audit, shall be provided by the national funding authority according to a standardised template (Annex 2) within 60 calendar days after the signature of this agreement. The document shall become an amendment to this agreement.

(4) The national funding authority shall contribute to the bi-annual financial reporting and financial forecasting of the AAL Association, necessary to manage the financial contributions of the EU to the AAL Programme, by providing a bi-annual summary report. The report shall especially include:

- The use of the Community contribution, including the payments per project at participant level;
- The payments from the national budget to the projects;
- The implementation and results of national financial audit(s);
- A forecast of payments per project for the next six month for both the Community contribution and the national payments;
- If necessary, measures taken by the national funding authority to protect the national and the Community financial interests.

(5) The national funding authority accepts the rights of the AAL Association, the Commission or Commission authorised bodies or physical or legal persons, the Court of Auditors and the

European Anti Fraud Office (OLAF) to carry out checks and audits as provided for in Article 21 of the General Agreement, and provides the appropriate right of access to its premises and to all the information needed for the purpose of carrying out the controls, checks, inspections, audits and evaluations to. All contracts and agreements signed between the national funding authorities and the beneficiaries shall also state expressly these rights to carry out checks, inspections and audits and to get access to its premises and to all information needed for the purposes of such checks, inspections and audits.

(6) The national funding authority shall also timely contribute to the mid-term and final evaluation of the AAL Joint Programme.

(7) The national funding authority shall undertake to foresee the same obligation to accept such checks, audits and reporting obligations in their contracts or agreements with the final beneficiaries.

8. Protection of Community Funds

a. Liability of the national funding authority

(1) The national funding authorities are liable for all obligations of the AAL Association, especially all obligations from the General Agreement and Annual Agreements concluded between the European Commission and the AAL Association

(2) The individual liability of a national funding authority is defined as a percentage of the total liability of the AAL Association calculated on the basis of

- The initial commitment to the AAL Joint Programme for obligations for administration and accompanying activities;
- The money received from Community funds for collaborative R&D projects.

(3) For obligations of the AAL Association with regards to administration and accompanying activities of the annual work programmes the amount of the individual liability of a national funding authority is based on the amount of the initial committed contribution to the AAL programme (Annex 1). The individual liability shall be calculated as the percentage of the national committed contribution relative to the total of all national contributions.

(4) For obligations related to collaborative R&D projects the national liability shall be determined on the basis the grant money received from the European Commission. The amount of EU grant money received shall be calculated on the basis of the project agreements after finalising the negotiation process by the national funding authority. It shall be approved by the AAL Executive Board and the annual Audit Report. The individual liability of a national funding authority shall be calculated as the percentage of the annual EU grant money received to the total of the EU grant money provided for collaborative R&D projects (calls) of an annual work programme of the AAL Joint Programme. National liabilities of calls of several annual work programmes shall be calculated accordingly.

(5) Individual liabilities shall be calculated by the AAL Executive Board and approved by the Auditor. They have to be confirmed in writing by the national funding authorities within 60 days after the confirmation was requested by the AAL Association. After confirmation by the national funding authority they shall be amended to this agreement.

(6) Calculation and administrative details of the national liability shall be included into the AAL administrative manual.

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b. The right to repayment

(1) Each party shall advise the other in writing as soon as it becomes aware of a beneficiary having breached the grant agreement with this party, including the beneficiary's obligation to use the grant for the approved purpose.

(2) Each party shall take appropriate measures to prevent irregularities, fraud, corruption or any illegal activity.

(3) The national funding authority is liable for all losses of Community financial contributions resulting from insolvency of a beneficiary and an illegal and irregular use of grants in individual projects if the national funding authority has not applied all national legal measures to take possession of the funds. For any such cases, a detailed report has to be submitted to the AAL Association.

(4) If any amount of EU funds is unduly paid by the AAL Association to the national funding authority or if recovery is justified under this administrative agreement, the national funding authority undertakes to repay to the AAL Association the amounts in question on whatever terms and by whatever date it may specify.

(5) If any amount of EU funds is unduly paid by the national funding authority to a beneficiary of these funds, or if recovery is justified under the terms of the contract or grant agreement signed with the beneficiary, the national funding authority undertakes to repay to the AAL Association the amounts in question on whatever terms and by whatever date it may specify.

(6) All legal and administrative measures have to be taken to recover funds unduly paid. In the event that, in spite of applying due diligence to assure recovery, the national funding authority is unable to recover amounts from a beneficiary in full but only in part, recovered funds shall be shared between the national funding authority and the Commission according to the ratio between the Community contribution and the national contribution of the specific project.

9. Intellectual property

(1) The IPR policy of the AAL Joint Programme shall promote knowledge creation, together with the exploitation and dissemination of the project results of the AAL Joint Programme. They shall be based on the Rules for Participation of the 7th Framework Programme as a model. With regard to these basic guidelines, the partners of a collaborative project are free in their contractual decisions.

(2) For all funded collaborative R&D projects a consortium agreement is mandatory and shall be signed by all participating partners prior to the grant agreements. The consortium agreement shall address IPR in detail, in particular regarding the protection of knowledge, the ownership of results, the exploitation and the access rights, both for the execution of the projects and for the exploitation phase.

(3) Guidelines for a consortium agreement shall be part of the programme management manual.

10. Confidentiality

(1) The parties agree to take appropriate measures to ensure confidentiality of any data, documents or other material that is identified as confidential for the duration of the AAL Joint

Programme and for 3 years after its end. All information received pertaining to the evaluation of project proposals is strictly confidential.

(2) This includes the obligation not to use confidential information otherwise than for the purpose for which it was disclosed, nor to disclose confidential information to any third party without the prior written consent by the disclosing party, to ensure that internal distribution of confidential information by a recipient shall take place on a strict need-to-know basis and to return to the disclosing party on demand all confidential information which has been supplied to or acquired by the recipients including all copies thereof, and to delete all information stored in a machine readable form. If needed for the recording of ongoing obligations, the recipients may however request to keep a copy for archival purposes only.

(3) Where confidential information was communicated orally, its confidential character must be confirmed by the disclosing party in writing within 15 days after disclosure.

(4) The recipients shall be responsible for the fulfilment of the above obligations on the part of their employees and shall ensure that their employees remain so obliged, as far as legally possible, during and after completion of this agreement and/or after the termination of employment.

(5) Confidentiality no longer applies where the confidential information becomes publicly available by means other than a breach of confidentiality obligations. The disclosing party subsequently informs the recipient that the confidential information is no longer confidential. The confidential information is subsequently communicated to the recipient without any obligation of confidence by a third party who is in lawful possession thereof and under no obligation of confidentiality, the disclosure or communication of confidential information is required by the national law of one of the parties.

11. Suspension and termination

(1) This Agreement may be suspended by one of the parties in case where a party is not fulfilling its obligations according to this Agreement, or in case where the participation of the national funding authority to the AAL Joint Programme is suspended following a decision of the AAL Association. This suspension takes effect 30 calendar days after the receipt of the notification.

(2) No party may withdraw from this Agreement unless the participation of the national funding authority to the AAL Joint Programme is terminated following a decision of the AAL Association. In such a case, this Agreement shall automatically terminate.

(3) Suspension or termination shall not affect any agreed rights or obligations of a party for the period of the validity of the Agreement.

12. Notices and communications

[In cases where the national funding authority delegates the execution of the Agreement to another Organisation]:

For the execution of this agreement [Name of the national funding authority] names:

[Name of the NATIONAL Organisation]

Any notice and communication shall be made in writing to the following addresses:

- For the AAL Association

AAL International Association
Bischoffsheimlaan 25
1000 Brussels
Belgium

- For [INSERT NAME OF THE RESPONSIBLE NATIONAL ORGANISATION CONCERNED]

[INSERT DETAILS]

Each party to this Agreement shall inform the other party without delay and in writing of any changes in the names and addresses identified above.

13. Amendments and changes

(1) Amendments or changes to this Agreement shall be valid only if made in writing and signed by an authorised signatory of each of the parties.

(2) Each party of the agreement shall notify the other, if it considers that performance is inadequate or the agreement is no longer in line with the constituent documents of the AAL Joint Programme.

(3) Any changes in the Administrative Agreements between the AAL Association and the National Funding Authorities have to be approved by the General Assembly of the AAL Association prior to any signature.

(4) In case the national funding authority modifies its administrative structure, especially with regard to the responsible national agency for the AAL Joint Programme, such changes shall be communicated within 15 calendar days to the AAL Association for proof of entitlement and

date to come into force. Such communications shall be annexed to the present agreement which will remain into force without any further actions to be taken.

14. Language

English shall be used in all documents and notices prepared by the AAL Association or communicated to the AAL Association by the National Funding Authority, including reports and deliverables, and meetings conducted, pursuant to this Agreement or otherwise in connection herewith. Any translation shall be for convenience only and of no legal effect.

15. Settlement of disputes and applicable law

(1) Any dispute between the parties concerning the interpretation, application or validity of this agreement shall be settled amicably.

(2) The agreement and all matter arising out of this agreement shall in respect be governed by Belgium law.

16. Severability

If one or more of the provisions contained in this Agreement or any documents executed in connection herewith are found by a competent court or authority to be invalid, illegal, or unenforceable in any respect under any applicable law, including competition law, the validity, legality, and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired, provided that in such case the parties oblige themselves to use all commercially reasonable efforts to achieve the purpose of the invalid provision by a new legally valid stipulation that causes the same (or substantially similar) economic benefit or burden.

Done in two originals in English in Brussels and Lisbon.

The AAL International Association

Fundação para a Ciência e Tecnologia
FCT



Dr. Gerhard Finking
President

Prof. João Sentieiro
President

Date:

Date:

ANNEX 1

Country	Member	Committed funding (Yearly) Mio. €
Austria	Bundesministerium für Verkehr, Innovation und Technologie Renngasse 5; 1010 Wien	2.5
Belgium	IWT, Instituut voor de Aanmoediging van Innovatie door Wetenschap en Technologie in Vlaanderen, Bischoffsheimlaan 25; 1000 Brussel	1.0
Cyprus	Research Promotion Foundation P.O.BOX 23422, 1683 Lefkosia (=Nikosia)	0.5
Denmark	Danish Agency for Science, Technology and Innovation (DASTI) Bredgade 40; 1260 København K	0.5
Finland	Tekes – Finnish Funding Agency for Technology and Innovation P.O. Box 69; FI-00101 Helsinki	2.5
France	Agence National de la Recherche 212 rue de Bercy; 75012 Paris	1.5
France 2	<i>Caisse Nationale de Solidarité (CNSA), nominated ANR to represent CNSA as a member of the General Assembly</i>	1.5
Germany	Bundesministerium für Bildung und Forschung Heinemannstraße 2; 53175 Bonn	5.0
Greece	Ministry of Development; General Secretariat for Research and Technology, Mesogeion Ave. 14-18; 11527 Athens	1.5
Hungary	National Office for Research and Technology (NKTH) Neumann J. u. 1/C; 1117 Budapest	2.5
Ireland	Enterprise Ireland The Plaza; East Point Business Park, Dublin 3	0.5
Israel	Israel-Europe R&D Directorate for FP7 (ISERD) 29 Hamered St.; Tel Aviv 61500	1.0
Italy	Ministero dell' Università e della Ricerca P.le Kennedy,20; 00144 Roma	2.5
Luxembourg	Fonds de la Recherche 6, rue Antoine de Saint-Exupéry ; P.O.Box 1777, 1017 Luxembourg	0.3
Luxembourg	LUXINNOVATION GIE 7, rue Alcide de Gasperi; 1615 Luxembourg – Kirchberg	0.3
Netherlands	Ministry of Health, Welfare and Sport Parnassusplein 5; 2511 VX The Hague	1.9

Norway	The Research Council of Norway Stensberggata 26; P.O. Box 2700 St. Hanshaugen; N-0131 Oslo	0.1
Poland	Narodowe Centrum Badań i Rozwoju ul. Krucza 24/26; 00-526 Warszawa	1.0
Portugal	Agency for the Knowledge Society (UMIC) Taguspark; Edificio Inovacao I, 2º; 2740-122 Porto Salvo	0.5
Romania	National Center for Programme Management 21-25 Mendeleev Street, Sector 1, Bucharest	0.2
Slovenia	Ministrstvo Za Visoko Solstvo Znanost in Tehnologijo Kotnikova 38; 1000 Ljubljana <i>Member will become likely the Institute for Rehabilitation</i>	0.2
Spain ISCII	- Instituto de Salud Carlos III del Ministerio de Sanidad y Consumo Sinesio Delgado, 6; 28029 Madrid	2.0
Spain Mityc	- Dirección General para el Desarrollo de la Sociedad de la Información del Ministerio de Industria, Turismo y Comercio Capitán Haya, 41; 28071 Madrid	2.0
Spain Mec	Ministerio de Educación y Ciencia Dirección General de Investigación C/ Albacete, 5; 28027 Madrid	0.4
Sweden	VINNOVA VERKET FÖR INNOVATIONSSYSTEM - SWEDISH GOVERNMENTAL AGENCY FOR INNOVATION SYSTEMS SE-101 58 Stockholm	0.5
United Kingdom	Technology Strategy Board B1, North Star House North Star Avenue Swindon SN2 1JF	1.1

Members expected to join in 2009		
Switzerland	Federal Office for Professional Education and Technology (OPET) Effingerstrasse 27; 3003 Bern	2.0

Annex 2

Template for reporting to the AAL Association

National control and audit systems

1. The Internal Control System in place in the National Funding Authority

- General description of the project control system deployed
- More detailed description of the audit and control procedures to prevent fraud and irregularities. This shall consist in a sufficient description of existing audit and control procedures so as to allow the AALA to centrally assess control risks.

2. The audit process deployed by the National Funding Authorities

including the methodology applied to select the contracts and grant agreements to audit. This shall include the process by which an annual audit plan will be drawn up and timely executed. In auditing internationally accepted auditing standards must be adhered to.

a. Please describe the **internal control system** inside the National Funding Authority (or the mandated agency).

- Who prepares payments and on which basis?
- Who authorises payments and on which basis?
- Who monitors payments; who reports on payments?

b. Please describe the audit process that is usually applied, i.e. in the context of the national funding programme, by the National Funding Authority (or the mandated agency)

- What is the legal basis for the conduction of audits on the level of funded project partners?
- Who is responsible for the audits and who conducts the audits (internal or external staff)?
- How is the audit conducted? What is part of an audit?

- At which stages of a funded project, audits are conducted?
- If so, what is the legal requirement for audit controls in respect to the overall spent budget or the number of funded projects?
- What was the average number of audit controls in the last three years? If the programme basis is not that long existing, please indicate answers for similar programmes.
- What happens if irregularities are identified? How often this happened in the last three years?
- Please indicate any plans concerning auditing of project partners funded under the AAL Joint Programme.