

CONTRACT No 518318 (SES6)
Specific Targeted Research Project



The European Community (the "*Community*"), represented by the Commission of the European Communities (the "*Commission*"), itself represented for the signature of this *contract* by José Manuel Silva Rodríguez, Director General for Research Directorate-General or his duly authorised representative,

of the one part,

and DANMARKS OG GROENLANDS GEOLOGISKE UNDERSOEGELSE, established in Oster Voldgade 10, Copenhagen, 1350, Denmark, represented by Niels Peter Christensen, International Ventures Director, and/or Nette Rasmussen, Head of Finance, or her/his/their authorised representative the *contractor* acting as *coordinator* of the *consortium*, (the "*coordinator*") and the other *contractors* identified in Article 1.2 below,

of the other part

HAVE AGREED to the following terms and conditions established in this contract and its annexes (the "*contract*").

Article 1 - Scope

1. The *Community* agrees to grant a financial contribution for the implementation of a *project* called *Assessing European Capacity for Geological Storage of Carbon Dioxide (EU GeoCapacity)* within the framework of the specific research and technological development programme "Integrating and strengthening the European Research Area" (the "*specific programme*").
2. The *consortium* is composed of the *contractor* acting as *coordinator* and the following legal entities, who shall accede to the *contract* in accordance with the procedure referred to in Article 2, as *contractors* assuming the rights and obligations established by the *contract* with effect from the date on which it enters into force:
 - SOFIISKI UNIVERSITET "SVETI KLIMENT OHRIDSKI", established in Tzar Osvoboditel boulevard 15, Sofia, 1504, Bulgaria represented by Georgi Georgiev, Leader of Fossil Fuel Group, and/or Vassil Kalkandjiev, Director -NIS, or her/his/their authorised representative ("*contractor*")
 - SVEUCILISTE U ZAGREBU - RUDARSKO-GEOLOSKO-NAFTNI FAKULTET, established in Pierottijeva 6, Zagreb, 10000, Croatia represented by Zdenko Kristafor, professor, and/or Bruno Saftic, professor, or her/his/their authorised representative ("*contractor*")
 - CESKA GEOLOGICKA SLUZBA, established in Klarov 3, Prague, 11821, Czech Republic represented by Petr Mixa, Deputy Director, and/or Zdenek Venera, Director, or her/his/their authorised representative ("*contractor*")
 - TALLINNA TEHNIKAULIKOOL GEOLOGIA INSTITUUT, established in Estonia pst 7, Tallinn, 10143, Estonia represented by Soesoo Alvar, Director, and/or Mati Viinul, Managing Director, or her/his/their authorised representative ("*contractor*")
 - BUREAU DE RECHERCHES GEOLOGIQUES ET MINIERES, established in 39-43, Quai Andre Citroen - Tour Mirabeau, Paris, Cedex 15, 75739, France represented by Didier Houssin, Director General Delegation, and/or Christian Fouillac, Research Director, or her/his/their authorised representative ("*contractor*")
 - INSTITUT FRANCAIS DU PETROLE, established in 1 et 4 Avenue de Bois-Preau, Rueil Malmaison, 92852, France represented by Olivier Appert, Chairman, or his authorised representative ("*contractor*")

- **BUNDESANSTALT FUER GEOWISSENSCHAFTEN UND ROHSTOFFE**, established in Stilleweg 2, Hannover, 30655, Germany represented by Jörg Hamman, Abteilungsdirektor, and/or Ulrich Franken, Regierungsdirektor, or her/his/their authorised representative ("contractor")
- **INSTITUTE OF GEOLOGY AND MINERAL EXPLORATION**, established in Messoghion Street 70, Athens, 11527, Greece represented by Constantinos Melas, General Director, and/or Dionisios Dimakos, Head of Dept. of Finance, or her/his/their authorised representative ("contractor")
- **MAGYAR ALLAMI EOTVOS LORAND GEOFIZIKAI INTEZET**, established in Kolumbusz u. 17-23, Budapesti, 1145, Hungary represented by Tamas Fancsik, Institute Director, and/or Istvanne Hafvani, Chief Accountant, or her/his/their authorised representative ("contractor")
- **ISTITUTO NAZIONALE DI OCEANOGRAFIA E DI GEOFISICA SPERIMENTALE**, established in Borgo Grotta Gigante 42/C, Sgonico-Trieste, 34010, Italy represented by Iginio Marson, President, and/or Sergio Presoglia, International Collaboration Director, or her/his/their authorised representative ("contractor")
- **LATVIJAS VIDES, GEOLOGIJAS UN METEOROLOGIJAS AGENTURA**, established in Maskavas Street 165, Riga, 1019, Latvia represented by Andris Leitass, Director, and/or Inita Stikute, Deputy Director, or her/his/their authorised representative ("contractor")
- **GEOLOGIJOS IR GEOGRAFIJOS INSTITUTAS**, established in T. Sevcenkos 13, Vilnius, 3223, Lithuania represented by Algirdas Zuzevicius, Director, and/or Sinkunas Petra, Deputy Director, or her/his/their authorised representative ("contractor")
- **NEDERLANDSE ORGANISATIE VOOR TOEGEPAST NATUURWETENSCHAPPELIJK ONDERZOEK - TNO**, established in Schoemakerstraat 97, Delft, 2628 VK, Netherlands represented by Mart van Bracht, Managing Director, and/or Emile Elewaut, Deputy Head Division Geo-Energy, or her/his/their authorised representative ("contractor")
- **ECOFYS B.V.**, established in Kanaalweg 16G, Utrecht, 3526KL, Netherlands represented by Cornelis Blok, Managing Director, and/or John Baken, Managing Director, or her/his/their authorised representative ("contractor")
- **MINERAL AND ENERGY ECONOMY RESEARCH INSTITUTE - POLISH ACADEMY OF SCIENCES**, established in Wybickiego 7, Krakow, 30950, Poland represented by Eugeniusz Mokrzycki, Director, and/or Barbara Klich-Mateja, Vice-Director, or her/his/their authorised representative ("contractor")
- **PRZEDSIĘBIORSTWO BADAN GEOFIZYCZNYCH**, established in Jęgielłonska 76, Warszawa, 03-301, Poland represented by Andrzej Gajewski, General Director, and/or Edmund Rybzyński, Economic Director, or her/his/their authorised representative ("contractor")
- **NATIONAL INSTITUTE OF MARINE GEOLOGY AND GEO-ECOLOGY**, established in Dimitrie Onciul Street 23-25, Bucuresti, 024053, Romania represented by Nicolae Panin, General Director, and/or Gheorghe Oaie, Scientific Director, or her/his/their authorised representative ("contractor")
- **STATE GEOLOGICAL INSTITUTE OF DIONYZ STUR**, established in Mlynska dolina 1, Bratislava, 81704, Slovakia represented by Michal Kaliciak, Director General, and/or Eduard Lukacik, Deputy Director, or her/his/their authorised representative ("contractor")
- **GEOINZENIRING D.O.O**, established in Dimiceva 14, Ljubljana, 1000, Slovenia represented by Boris Rijavec, Director, and/or Katarina Adzaga, Accounting Officer, or her/his/their authorised representative ("contractor")
- **INSTITUTO GEOLOGICO Y MINERO DE ESPANA**, established in Rios.Rosas 23, Madrid, 28003, Spain represented by Calvo Sorando Jose Pedro, General Director, or his authorised representative ("contractor")
- **NATURAL ENVIRONMENT RESEARCH COUNCIL**, established in Polaris House, North Star Avenue, Swindon Wiltshire, SN2 1EU, United Kingdom represented by Lynne Kay Riley, Head of Contracts, and/or Steven Jackson, Contracts Officer, or her/his/their authorised representative ("contractor")

• **ENITECNOLOGIE S.P.A.**, established in Via Felice Maritano 26, San Donato Milanese, 20097, Italy represented by Ugo Romano, Chief Executive Officer, or his authorised representative ("*contractor*")

• **ENDESA GENERACION SA**, established in avenida de la Borbolla 5, Sevilla, 41004, Spain represented by Sabugal Garcia Santiago, Main Director of Engineering & R&D, and/or Santos Eduardo, Subdirector of Engineering & R&D, or her/his/their authorised representative ("*contractor*")

• **VATTENFALL UTVECKLING AB**, established in Aelvkärlabylaboratoriet, AELVKARLEBY, 81426, Sweden represented by Martin Sjölund, Managing Director, or his authorised representative ("*contractor*")

• **TSINGHUA UNIVERSITY**, established in Qing Yu Yuan, Beijing, 100084, China (People's Republic of) represented by Kejun Kang, Vice President of Tsinghua University, or his authorised representative ("*contractor*")

(Hereinafter referred to as the "*contractors*").

3. The *consortium* shall carry out the work set out in Annex I to this *contract* (the "*project*") in accordance with the conditions set out in this *contract*.

4. The *consortium* shall make appropriate arrangements for its internal operation and management which may include any intellectual property provisions. To this end, a *consortium agreement* may be established, which will cover any other additional aspects necessary for the *consortium* management and the implementation of the *project*.

Article 2 - Constitution of the *consortium*

1. The *coordinator* shall ensure that the legal entities identified in Article 1.2 complete the formalities for them to accede to the *contract*. At the latest 45 calendar days after the entry into force of the *contract*, the *coordinator* shall send to the *Commission* one of the three duly completed and signed originals of Form A (set out in Annex IV), which shall be obtained from each of the *contractors* identified in Article 1.2. The two remaining signed originals shall be kept by the *coordinator* and the *contractor* concerned and be made available for consultation at the request of any other *contractor*.

2. Should any legal entity identified in Article 1.2 fail or refuse to accede to the *contract* within the deadline established in the previous paragraph, the *Commission* is no longer bound by its offer to *contract* with the said legal entity(ies). The *Commission* may terminate the *contract* in accordance with Article II.15.5, where any legal entity identified in Article 1.2 does not accede to the *contract* in accordance with the provisions established by the *Commission*.

3. However, the *consortium* may propose appropriate solutions to the *Commission* to ensure the implementation of the *project* including, where necessary, the accession to the *contract* of legal entities other than those identified in Article 1.2 in accordance with the provisions in Article 3.

4. In the case of termination, no costs incurred by the *consortium* under the *project* up to the date of *contract* termination can be approved or accepted as eligible for reimbursement by the *Community* financial contribution. Any *pre-financing* provided to the *consortium* and any interest generated by the *pre-financing* must be returned in full to the *Commission* within 30 days of notification of termination.

Article 3 - Evolution of the *consortium*

The *consortium* may be enlarged to include other legal entities, which shall accede to the *contract* by means of Form B (set out in Annex V). The *Commission* is deemed to have accepted this legal entity as a *contractor* in the *consortium*, if it does not object within six weeks of receipt of Form B. Any new *contractor* shall comply with the participation rules established by the *Rules for Participation*. This is subject to any condition required by the *Financial Regulation* or other formalities that may be required by any other provision of this *contract*.

They shall assume the rights and obligations of *contractors* as established by the *contract* with effect

from the date of their accession to the *contract*. Contractors leaving the *consortium* shall be bound by the provisions of the *contract* regarding the terms and conditions applicable to the termination of their participation.

Article 4 - Entry into force of the *contract* and duration of *project*

1. This *contract* shall enter into force on the day of its signature by the *coordinator* and the *Commission*.

2. The duration of the *project* shall be 36 months from 1st January 2006 (hereinafter referred to as the "start date").

This *contract* shall be completed once the rights and obligations of all the parties to the *contract* have been met. The implementation and payment phases relating to the *project* must be completed by the final implementation date of the *contract*.

The provisions set out in Articles II.7, II.9, II.10, II.11, II.29, II.30, II.31 and Part C of Annex II shall continue to apply after the final implementation date as well as any provisions in Annex III which specifically state that they shall continue to apply after the final implementation date.

Article 5 - *Community* financial contribution

The *Community* financial contribution shall be in the form of a grant to the budget.

The maximum *Community* contribution to the *project* shall be 1,900,000.00 EUR (one million nine hundred thousand Euro and zero Cents). The *Community* financial contribution shall be limited to the maximum rates of contribution to the activities identified in Part B of Annex II, as modified by any provision of Annex III. Annex I indicates the estimated breakdown of costs and activities to be carried out under the *project*.

Article 6 - Reporting periods

The *project* is divided into reporting periods of the following duration:

- P1: from month 1 to month 12,
- P2: from month 13 to month 24
- P3: from month 25 to the last month of the *project*.

Article 7 - Reports

1. Reports referred to in Article II.7.2 shall be submitted for each reporting period identified in Article 6 within 45 days of the end of the period in question. Reports shall be submitted in English.

2. Reports referred to in Article II.7.3 shall be submitted at the latest 45 days after the end of the following periods:

- P1 covering reporting periods from P1 to P1
- P3 covering reporting periods from P2 to the last reporting period of the *project*

3. In addition to the reports for the last period, final activity and financial reports referred to in Article II.7.4 (except for the report referred to in Article II.7.4.d)) shall be submitted to the *Commission* at the

at least 45 days after the end of the *project*. This delay may be increased by 45 days at the request of the *consortium*. Where the work is completed before the end of the duration of the *project*, the related activity and financial reports shall cover the period up to that date.

Article 8 - Payment modalities

The *Community* financial contribution to the *project* shall be paid to the *coordinator* on behalf of the *contractors* in accordance with the following provisions:

(a) the *consortium* shall determine the allocation of each tranche of the *Community* financial contribution between the *contractors*, in accordance with this *contract* and any relevant provisions in their *consortium agreement*.

(b) the payment of the *Community* financial contribution to the *coordinator* discharges the *Commission* from its obligation to make this payment to the *contractors*.

(c) the *coordinator* shall distribute the *Community* financial contribution without unjustified delay. However, the initial *pre-financing* shall not be distributed to the *contractors* until the minimum number of *contractors* required by the *Rules for Participation* have acceded to the *contract*.

The *Community* financial contribution shall be paid in accordance with the provisions of Article 7 and the following:

(a) *pre-financing* of 892,500.00 EUR (eight hundred and ninety two thousand five hundred Euro and 0 Cents) of the estimated *Community* financial contribution corresponding to the first reporting period and the first six months of the subsequent reporting period indicated in the table of estimated breakdown of costs for this period in Annex I, within 45 days following the date of entry into force of the *contract*.

(b) within 45 days following approval by the *Commission* of the reports relating to each reporting period:

(i) an audit certificate has been submitted:

(1) payment to settle the amounts justified and accepted during the reporting period; and

(2) an intermediate *pre-financing* of 85.00% of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

(ii) if the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, that part of the *pre-financing* is re-qualified as a payment and the *Commission* shall deduct the difference from the subsequent *pre-financing*.

(iii) if the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *pre-financing* is re-qualified as a payment and the *Commission* shall add the difference as a complementary payment at the time of the payment of the subsequent *pre-financing*.

(c) if an audit certificate has not been submitted:

(1) an intermediate *pre-financing* of 85.00% of the estimated *Community* financial contribution corresponding to the subsequent period and the first six months of the period following, indicated in the table of estimated breakdown of costs for this period in Annex I.

(2) if the amount justified and accepted for the reporting period is less than the *pre-financing* already paid to the *consortium*, the *Commission* shall deduct the difference from the subsequent *pre-financing*.

(3) if the amount justified and accepted for the reporting period is more than the *pre-financing* already paid to the *consortium*, the *Commission* shall add the difference to the subsequent *pre-financing*, within the limits established by the *Financial Regulation*.

(d) within 45 days following approval by the *Commission* of the reports relating to the last period and

final reports referred to in Article II.7, the *Commission* shall pay a final payment for that period.

Any payment at the end of a reporting period accompanied by an audit certificate shall be considered as final, subject to the results of any audit or review, which may be carried out pursuant to provisions of Article II. 29.

Where less than 70% of a *pre-financing* has been used at the end of a reporting period, and notwithstanding the approval by the *Commission* of the related reports, subsequent intermediate financing may be paid only:

if an audit certificate is provided for that reporting period; or

on the basis of a complementary periodic management report referred to in Article II.7.2 b that will be submitted to the *Commission* once the above-mentioned spending rate has been achieved.

Where no comments, changes or substantial corrections to any of the *project* activity reports or financial statements are required or where the *Commission* approves the reports more than 45 days after reception, the *Commission* shall make the appropriate payment within 90 days of receipt of the *project* activity reports and associated financial statements.

Where substantial comments, changes, further information or adjustments are requested by the *Commission* within this period, the delay is suspended upon notification by the *Commission*. The remainder of the 90 day payment period begins again only after submission by the *contractors* of the required information.

Article 9 - Special clauses

The following special conditions apply to this *contract*:

Special clause 14.

1. Costs incurred by the following *contractors* shall not be taken into consideration for determining the *Community* financial contribution:

ENITECNOLOGIE S.P.A.

ENDESA GENERACION SA

VATTENFALL UTVECKLING AB

2. Contractors mentioned in the previous paragraph are not subject to financial audits and audits on accounting and management principles referred to in Article II.29.1.

3. Article II.18, Section 1 of Part B of Annex II and any provision of Section 2 deriving from Section 1 do not apply to those contractors.

Article 10 - Amendments

Any request for amendment to the *contract* shall be submitted in accordance with Article 11. Proposals for amendments submitted by the *coordinator* are requested on behalf of the *consortium*. The *coordinator* shall ensure that adequate proof of the *consortium's* agreement to such a request exists and is made available in the event of an audit.

The *Commission* shall undertake to approve or reject any request for an amendment within 45 days of its receipt. The absence of a response from the *Commission* within 45 days of receipt of such a request, or any other period provided for in the *contract*, does not constitute approval of the request, except for any modification or evolution of the *consortium* as foreseen in Article 3.

All amendments to the *contract* shall be in writing.

III - Communication

Requests for amendments and any communication foreseen by the *contract* shall identify the nature and details of the request or communication and be submitted in writing by means of registered mail with acknowledgement of receipt to the following addresses:

For the *Commission*: Commission of the European Communities
Research Directorate-General
J.2
B-1049 Brussels, Belgium

For the *coordinator*: DANMARKS OG GROENLANDS GEOLOGISKE UNDERSOEGELSE
International Section

Where the *contract* foresees that information or documents are to be transferred by electronic means, the following functional mailboxes shall be used:

For the *Commission*: denis.o'brien@cec.eu.int

For the *coordinator*: npc@geus.dk

The bank account of the *coordinator* to which all payments of the *Community* financial contribution shall be made is:

Name of Account holder: GEOLOGICAL SURVEY OF DENMARK AND GREENLAND GEUS
Name of the bank: NORDEA BANK DENMARK A/S
IBAN: DK1720005005873556

Each party to the *contract* shall inform the other parties without delay of any changes in the names and addresses identified in paragraphs 1 and 2 above.

Article 12 - Applicable law

The law of Belgium shall govern this *contract*.

Article 13 - Jurisdiction

The Court of First Instance or the Court of Justice of the European Communities, as is appropriate in the specific case, shall have sole jurisdiction to hear any disputes between the *Community* and the *contractors* as regards the validity, the application or any interpretation of this *contract*.

Article 14 - Annexes forming an integral part of this contract:

The following annexes form an integral part of this *contract*:

- Annex I - Description of work - *Project*
- Annex II - General Conditions - *Part*
- Annex III - Not Applicable
- Annex IV - Form A - consent of *contractors* to accede to the *contract*
- Annex V - Form B - accession of new legal entities to the *contract*
- Annex VI - Form C - financial statement per instrument

In the event of any conflict between the provisions of the Annexes to this *contract* and any provision of this part of the *contract*, the latter shall take precedence. The provisions of Annex III shall take precedence over the provisions of Annex II, and both shall take precedence over the provisions of Annex I.

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PETER CHRISTENSEN

t. Ventures Director

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(Stamp or seal of the organisation)

09 March 2006

Date

GEUS
GEOLOGICAL SURVEY OF
DENMARK AND GREENLAND
Ministry of the Environment
Østervoldgade 10
DK-1350 København K

For the Commission

.....
Name

.....
Function

[Signature]
Signature

16/03/06
Date

Angel PEREZ SAINZ
Head of Unit