

FRAMEWORK CONTRACT

WITH THE CEFTA SECRETARIAT

CONTRACT No CEFTA 2017-02

The Secretariat of the Central European Free Trade Agreement 2006,
Rue de la Loi 42,
1040 Brussels,
BELGIUM

(‘the Contracting Authority’),

of the one part,

and

[<Full official name of the Contractor>

[<Legal status/title>]¹

[<Official registration number>]²

<Full official address>

[<VAT number>],³

(hereinafter referred to as “the FW Contractor”),

of the other part,

HAVE AGREED

the **Special Conditions** and the **General Conditions** below and the following Annexes:

Annex I Terms of Reference

Annex II Contractor's Tender (No [*complete*] of [*complete*])

Annex III (A) Order Form and
 (B) Specific Contract

¹ Where the contracting party is an individual.

² Where applicable. For individuals, mention their ID card, passport or equivalent document number.

³ Except where the contracting party is not VAT registered.

- Annex IV** Power of attorney
- Annex V** Price Schedule
- Annex VI** Financial Identification form
- Annex VII** Legal Entity form
- Annex VIII** Declaration on honour

which form an integral part of this contract (hereinafter referred to as “the Contract”).

The terms set out in the Special Conditions shall take precedence over those in the other parts of the Contract. The terms set out in the General Conditions shall take precedence over those in the Annexes. The terms set out in the Terms of Reference (Annex I) shall take precedence over those in the orders and specific contracts (Annex III), the latter taking precedence over the Tender (Annex II).

Subject to the above, the several instruments forming part of the Contract are to be taken as mutually explanatory. Ambiguities or discrepancies within or between such parts shall be explained or rectified by a written instruction issued by the CEFTA Secretariat, subject to the rights of the Contractor under Article I.8 should he dispute any such instruction.

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I - SPECIAL CONDITIONS

ARTICLE I.1 - SUBJECT

I.1.1 The subject of the Contract is:

I.1.1.1. The provision of full logistical support to organise information events, conferences, workshops and meetings in the context of, mainly but not exclusively, Trade policy. Such events, conferences, workshops and meetings are to take place in the CEFTA Parties, the European Union, and in Switzerland.

I.1.1.2. The provision of full logistical support to organise travel missions of CEFTA staff. Such travel missions are to take place in the CEFTA Parties, the European Union, and in Switzerland.

I.1.2 Signature of the Contract imposes no obligation on the CEFTA Secretariat to purchase. Only implementation of the Contract through orders and specific contracts is binding on the CEFTA Secretariat.

I.1.3 Once implementation of the Contract has been asked for or has commenced, the Contractor shall reply and execute the tasks in accordance with all terms and conditions of the Contract.

I.1.4 The Contract does not confer on the Contractor any exclusive right to provide the services described in Annex I to the CEFTA Secretariat.

The Contractor is selected as one of three Contractors in a multiple framework contract. The other contractors selected at the time of the evaluation of tenders are:

[names and addresses of the other two contractors]

ARTICLE I.2 - DURATION

I.2.1 The Contract shall enter into force on the date on which it is signed by the last of the contracting parties.

I.2.2 Under no circumstances may implementation commence before the date on which the Contract enters into force. Execution of the tasks may under no circumstances begin before the date on which the order or specific contract enters into force.

I.2.3 The Contract is concluded for a period of 1 year with effect from the date on which it enters into force. This contractual period and all other periods specified in the Contract are calculated in calendar days unless otherwise indicated.

I.2.4 The orders or specific contracts shall be returned signed before the Contract to which they refer expires.

I.2.5 The Contract may be renewed thrice for a period of one year, but only before expiry of the Contract and with the express written agreement of the parties. Renewal shall not imply any modification or deferment of existing obligations.

ARTICLE I.3 – PRICES

I.3.1 The price of the services shall always be calculated on the basis of the price schedule as set out in Annex II.

I.3.2 Prices shall be expressed in euros.

I.3.3 Prices shall be fixed and not subject to revision for the first one-year period of the Contract.

Subject to renewal for a second one-year period, each price may be revised upwards or downwards, where such revision is requested by one of the contracting parties by registered letter no later than three months before the second anniversary of the date on which it was signed. The CEFTA Secretariat shall purchase on the basis of the prices in force on the date on which orders or specific contracts are signed. Such prices shall not be subject to revision.

I.3.4 Reimbursement of travel expenses – Not applicable.

ARTICLE I.4 - IMPLEMENTATION OF THE CONTRACT

When the CEFTA Secretariat sends a request for services to the Contractor for Part A of the assignment, it shall receive an estimate of the human and financial resources to be allocated for its execution, with particulars in support, within the period of time specified in its request, counting from the date on which the request was sent.

Should the Contractor be unavailable, he shall give reasons for refusal within 24 hours for staff missions requests and within three working days for specific contracts, and the CEFTA Secretariat shall be entitled to send a request to one of the other Contractors on the list. In the event of failure to observe these deadlines, of disagreement on the bid or in case of suspension of the right to receive a request for services provided for in Article I.10, the Contractor shall be considered unavailable.

Within one working day of a specific contract being sent by the CEFTA Secretariat to the Contractor, the CEFTA Secretariat shall receive it back electronically, duly signed and dated. In the event of failure to observe this deadline, the Contractor shall be considered unavailable.

ARTICLE I.5 - PAYMENT PERIODS

Payments under the Contract shall be made in accordance with Article II.4. Payments shall be executed only if the Contractor has fulfilled all his contractual obligations by the date on which the invoice is submitted. Payment requests may not be made if payments for previous orders or specific contracts have not been executed as a result of default or negligence on the part of the Contractor.

I.5.1 Pre-financing

If requested by the Contractor, a pre-financing payment of 30% of the total value of the order or specific contract shall be made within thirty days of the date on which the Contractor returns the order form or specific contract and the relevant invoice, indicating the reference number of the Contract and of the order or specific contract to which it refers.

I.5.2 Payment of the balance

The request for payment of the balance shall be admissible if accompanied by:

- the final report in accordance with the instructions laid down in the order or specific contract;
- statements of reimbursable expenses in accordance with Article II.7;
- the relevant invoices, indicating the reference number of the Contract and of the order or specific contract to which they refer.

The CEFTA Secretariat shall have twenty days from receipt to approve or reject the final report, and the Contractor shall have ten days in which to submit additional information or a new report.

The balance corresponding to the relevant invoices shall be paid within thirty days of the date on which the report is approved by the CEFTA Secretariat.

[For Contractors established in Belgium, the orders shall include the following provision: "En Belgique, l'utilisation de ce bon de commande vaut présentation d'une demande d'exemption de la TVA n° 450" or an equivalent statement in Dutch or German. The Contractor shall include the following statement in his invoice(s): "Exonération de la TVA, article 42, paragraphe 3.3 du code de la TVA" or an equivalent statement in Dutch or German.]

ARTICLE I.6 - BANK ACCOUNT

Payments shall be made to the Contractor's bank account denominated in euros, and identified as follows:

Name of bank: **[complete]**
Address of branch in full: **[complete]**
Exact designation of account holder: **[complete]**
Full account number including codes: **[complete]**
[IBAN code: **[complete]**]

ARTICLE I.7 - GENERAL ADMINISTRATIVE PROVISIONS

The requests of payment have to be sent to the following address:

CEFTA Secretariat
Rue de la Loi 42
B - 1040 Brussels
Belgium

Any communication relating to the Contract shall be made in writing and shall bear the Contract number. Ordinary mail shall be deemed to have been received by the CEFTA Secretariat on the date on which it is registered. Communications shall be sent to the following address:

CEFTA Secretariat:

CEFTA Secretariat
Rue de la Loi 42
B - 1040 Brussels

Belgium
Tel.: +32 2 229 10 11
Email: projects@cefta.int

Contractor:

Mr/Mrs/Ms [complete]
[Function]
[Company name]
[Official address in full]

ARTICLE I.8 - APPLICABLE LAW AND SETTLEMENT OF DISPUTES

I.8.1 The Contract shall be governed by the law of Belgium.

I.8.2 Any dispute between the parties resulting from the interpretation or application of the Contract which cannot be settled amicably shall be brought before the courts of Brussels.

ARTICLE I.9 - DATA PROTECTION

Not applicable.

ARTICLE I.10 - OTHER SPECIAL CONDITIONS

Suspension of the right to receive a request for services

The CEFTA Secretariat may, in certain cases, suspend the award of services to the defaulting Contractor.

If a Contractor fails to perform the services by the deadline set with an effect which is damaging to the results of the action and provided that this delay is not caused by the CEFTA Secretariat, or if a Contractor is found to have executed an order or specific contract inadequately in at least two respects, the CEFTA Secretariat may suspend, by registered letter, the award of the next three services to this Contractor.

II - GENERAL CONDITIONS

ARTICLE II. 1 - PERFORMANCE OF THE CONTRACT

II.1.1 The Contractor shall perform the Contract to the highest professional standards. The Contractor shall have sole responsibility for complying with any legal obligations incumbent on him, notably those resulting from employment, tax and social legislation.

II.1.2 The Contractor shall have sole responsibility for taking the necessary steps to obtain any permit or licence required for performance of the Contract under the laws and regulations in force at the place where the tasks assigned to him are to be executed.

II.1.3 Without prejudice to Article II.3, any reference made to the Contractor's staff in the Contract shall relate exclusively to individuals involved in the performance of the Contract.

II.1.4 The Contractor must ensure that any staff performing the Contract have the professional qualifications and experience required for the execution of the tasks assigned to him.

II.1.5 The Contractor shall neither represent the CEFTA Secretariat nor behave in any way that would give such an impression. The Contractor shall inform third parties that he does not belong to the CEFTA Secretariat.

II.1.6 The Contractor shall have sole responsibility for the staff who execute the tasks assigned to him.

The Contractor shall make provision for the following employment or service relationships with his staff:

- staff executing the tasks assigned to the Contractor may not be given orders direct by the CEFTA Secretariat;
- the CEFTA Secretariat may not under any circumstances be considered to be the staff's employer and the said staff shall undertake not to invoke in respect of the CEFTA Secretariat any right arising from the contractual relationship between the CEFTA Secretariat and the Contractor.

II.1.7 In the event of disruption resulting from the action of a member of the Contractor's staff working on CEFTA Secretariat premises or in the event of the expertise of a member of the Contractor's staff failing to correspond to the profile required by the Contract, the Contractor shall replace him without delay. The CEFTA Secretariat shall have the right to request the replacement of any such member of staff, stating its reasons for so doing. Replacement staff must have the necessary qualifications and be capable of performing the Contract under the same contractual conditions. The Contractor shall be responsible for any delay in the execution of the tasks assigned to him resulting from the replacement of staff in accordance with this Article.

II.1.8 Should any unforeseen event, action or omission directly or indirectly hamper execution of the tasks, either partially or totally, the Contractor shall immediately and on his own initiative record it and report it to the CEFTA Secretariat. The report shall include a description of the problem and an indication of the date on which it started and of the remedial action taken by the Contractor to ensure full compliance with his obligations under the Contract. In such event the Contractor shall give priority to solving the problem rather than determining liability.

II.1.9 Should the Contractor fail to perform his obligations under the Contract in accordance with the provisions laid down therein, the CEFTA Secretariat may - without prejudice to its right to terminate the Contract - reduce or recover payments in proportion to the scale of the failure. In addition, the CEFTA Secretariat may impose penalties or liquidated damages as provided for in Article II.16.

ARTICLE II. 2 – LIABILITY

II.2.1 The CEFTA Secretariat shall not be liable for damage sustained by the Contractor in performance of the Contract except in the event of wilful misconduct or gross negligence on the part of the CEFTA Secretariat.

II.2.2 The Contractor shall be liable for any loss or damage caused by himself in performance of the Contract, including in the event of subcontracting under Article II.13. The CEFTA Secretariat may not be held liable for any act or default on the part of the Contractor in performance of the Contract.

II.2.3 The Contractor shall provide compensation in the event of any action, claim or proceeding brought against the CEFTA Secretariat by a third party as a result of damage caused by the Contractor in performance of the Contract.

II.2.4 In the event of any action brought by a third party against the CEFTA Secretariat in connection with performance of the Contract, the Contractor shall assist the CEFTA Secretariat. Expenditure incurred by the Contractor to this end may be borne by the CEFTA Secretariat.

II.2.5 The Contractor shall take out insurance against risks and damage relating to performance of the Contract if such is required by the relevant applicable legislation. He shall take out supplementary insurance as required by standard practice in the industry. A copy of all the relevant insurance contracts shall be sent to the CEFTA Secretariat should it so request.

ARTICLE II.3 - CONFLICT OF INTERESTS

II.3.1 The Contractor shall take all necessary measures to prevent any situation that could compromise the impartial and objective performance of the Contract. Such a conflict of interest 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 performance of the Contract must be notified to the CEFTA Secretariat in writing without delay. In the event of such conflict, the Contractor shall immediately take all necessary steps to resolve it.

The Commission reserves the right to verify that such measures are adequate and may require additional measures to be taken, if necessary, by a deadline which it shall set. The Contractor shall ensure that his staff, board and directors are not placed in a situation which could give rise to a conflict of interests. Without prejudice to Article II.1, the Contractor shall replace, immediately and without compensation from the CEFTA Secretariat, any member of his staff exposed to such a situation.

II.3.2 The Contractor shall abstain from any contact likely to compromise his independence.

II.3.3 The Contractor declares:

- that he has not made and will not make any offer of any type whatsoever from which an advantage can be derived under the Contract;
- that he has not granted and will not grant, has not sought and will not seek, has not attempted and will not attempt to obtain, and has not accepted and will not accept any advantage, financial or in kind, to or from any party whatsoever, where such advantage constitutes an illegal practice or involves corruption, either directly or indirectly, inasmuch as it is an incentive or reward relating to performance of the Contract.

II.3.4 The Contractor shall pass on all the relevant obligations in writing to his staff, board and directors as well as to third parties involved in performance of the Contract. A copy of

the instructions given and the undertakings made in this respect shall be sent to the CEFTA Secretariat should it so request.

ARTICLE II. 4 - INVOICING AND PAYMENTS

II.4.1 Pre-financing

If requested by the Contractor, a pre-financing payment of 30% of the total value of the specific contract shall be made within thirty days of the date on which the Contractor returns the specific contract and the relevant invoice, indicating the reference number of the Contract and of the specific contract to which it refers.

II.4.2 Interim payment

At the end of each of the periods indicated in Annex I, the Contractor shall submit to the Commission a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

- an interim technical report in accordance with the instructions laid down in Annex I;
- the relevant invoices indicating the reference number of the Contract and the specific contract to which they refer;
- statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, the CEFTA Secretariat shall, on receiving it, have the period of time indicated in the Special Conditions in which:

- to approve it, with or without comments or reservations, or suspend such period and request additional information; or
- to reject it and request a new report.

If the CEFTA Secretariat does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations and information enclosed.

Where the CEFTA Secretariat requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

II.4.3 Payment of the balance

Within thirty days of completion of the tasks referred to in each order or specific contract, the Contractor shall submit to the CEFTA Secretariat a formal request for payment accompanied by those of the following documents which are provided for in the Special Conditions:

- a final technical report in accordance with the instructions laid down in Annex I;
- the relevant invoices indicating the reference number of the Contract and of specific contract to which they refer;
- statements of reimbursable expenses in accordance with Article II.7.

If the report is a condition for payment, the CEFTA Secretariat shall, on receiving it, have the period of time indicated in the Special Conditions in which:

- to approve it, with or without comments or reservations, or suspend such period and request additional information; or
- to reject it and request a new report.

If the CEFTA Secretariat does not react within this period, the report shall be deemed to have been approved. Approval of the report does not imply recognition either of its regularity or of the authenticity, completeness or correctness of the declarations and information enclosed.

Where the CEFTA Secretariat requests a new report because the one previously submitted has been rejected, this shall be submitted within the period of time indicated in the Special Conditions. The new report shall likewise be subject to the above provisions.

ARTICLE II. 5 - GENERAL PROVISIONS CONCERNING PAYMENTS

II.5.1 Payments shall be deemed to have been made on the date on which the CEFTA Secretariat's account is debited.

II.5.2 The payment periods referred to in Article I.5 may be suspended by the CEFTA Secretariat at any time if it informs the Contractor that his payment request is not admissible, either because the amount is not due or because the necessary supporting documents have not been properly produced. In case of doubt on the eligibility of the expenditure indicated in the payment request, the CEFTA Secretariat may suspend the time limit for payment for the purpose of further verification, including an on-the-spot check, in order to ascertain, prior to payment, that the expenditure is eligible.

The currency exchange losses are considered non-eligible costs.

The CEFTA Secretariat shall notify the Contractor accordingly by registered letter with acknowledgment of receipt or equivalent. Suspension shall take effect from the date of dispatch of the letter. The remainder of the period referred to in Article I.5 shall begin to run again once the suspension has been lifted.

II.5.3 In the event of late payment, the Contractor may claim interest within two months of receiving the payment. Interest shall be calculated at the rate applied by the European Central Bank to its most recent main refinancing operations ("*the reference rate*") plus seven percentage points ("*the margin*"). The reference rate in force on the first day of the month in which the payment is due shall apply. Such interest rate is published in the C series of the Official Journal of the European Union. Interest shall be payable for the period elapsing from the calendar day following expiry of the time limit for payment up to the day of payment. Suspension of payment by the CEFTA Secretariat may not be deemed to constitute late payment.

ARTICLE II. 6 – RECOVERY

II.6.1 If total payments made exceed the amount actually due or if recovery is justified in accordance with the terms of the Contract, the Contractor shall reimburse the appropriate

amount in euros on receipt of the debit note, in the manner and within the time limits set by the CEFTA Secretariat.

II.6.2 In the event of failure to pay by the deadline specified in the request for reimbursement, the sum due shall bear interest at the rate indicated in Article II.5.3. Interest shall be payable from the calendar day following the due date up to the calendar day on which the debt is repaid in full.

II.6.3 In the event of failure to pay by the deadline specified in the request for reimbursement, the CEFTA Secretariat may, after informing the Contractor, recover amounts established as certain, of a fixed amount and due by offsetting in cases where the Contractor has a claim on the CEFTA Secretariat that is certain, of a fixed amount and due. The CEFTA Secretariat may also claim against the guarantee, where provided for.

ARTICLE II. 7 – REIMBURSEMENTS

II.7.1 Where provided for by the Special Conditions or by Annex I, the CEFTA Secretariat shall reimburse the expenses that are directly connected with execution of the tasks on production of original supporting documents, including receipts and used tickets.

II.7.2 Travel and subsistence expenses shall not be reimbursed by the Framework contractors to the sponsored participants or staff.

II.7.3 Travel expenses: Not applicable.

II.7.4 Subsistence expenses: Not applicable.

II.7.5 The cost of shipment of equipment or unaccompanied luggage shall be reimbursed provided that the CEFTA Secretariat has given its prior written authorisation.

ARTICLE II. 8 – OWNERSHIP OF THE RESULTS - INTELLECTUAL AND INDUSTRIAL PROPERTY

Any results or rights thereon, including copyright and other intellectual or industrial property rights, obtained in performance of the Contract shall be owned solely by the CEFTA Secretariat, which may use, publish, assign or transfer them as it sees fit, without geographical or other limitation, except where industrial or intellectual property rights exist prior to the Contract being entered into.

ARTICLE II. 9 – CONFIDENTIALITY

II.9.1. The Contractor undertakes to treat in the strictest confidence and not make use of or divulge to third parties any information or documents which are linked to performance of the Contract. The Contractor shall continue to be bound by this undertaking after completion of the tasks.

II.9.2. The Contractor shall obtain from each member of his staff, board and directors an undertaking that they will respect the confidentiality of any information which is linked, directly or indirectly, to execution of the tasks and that they will not divulge to third parties or use for their own benefit or that of any third party any document or information not available publicly, even after completion of the tasks.

ARTICLE II.10 - USE, DISTRIBUTION AND PUBLICATION OF INFORMATION

- II.10.1** The Contractor shall authorise the CEFTA Secretariat to process, use, distribute and publish, for whatever purpose, by whatever means and on whatever medium, any data contained in or relating to the Contract, in particular the identity of the Contractor, the subject matter, the duration, the amount paid and the reports. Where personal data are concerned, Article I.9 shall apply.
- II.10.2** Unless otherwise provided by the Special Conditions, the CEFTA Secretariat shall not be required to distribute or publish documents or information supplied in performance of the Contract. If the CEFTA Secretariat decides not to publish the documents or information supplied, the Contractor may not have them distributed or published elsewhere without prior written authorisation from the CEFTA Secretariat.
- II.10.3** Any distribution or publication of information relating to the Contract by the Contractor shall require prior written authorisation from the CEFTA Secretariat and shall mention the amount paid by the CEFTA Secretariat. It shall state that the opinions expressed are those of the Contractor only and do not represent the CEFTA Secretariat's official position.
- II.10.4** The use of information obtained by the Contractor in the course of the Contract for purposes other than its performance shall be forbidden, unless the CEFTA Secretariat has specifically given prior written authorisation to the contrary.

ARTICLE II. 11 - TAXATION

- II.11.1** The Contractor shall have sole responsibility for compliance with the tax laws which apply to him. Failure to comply shall make the relevant invoices invalid.
- II.11.2** The Contractor recognises that the CEFTA Secretariat is, as a rule, exempt from all taxes and duties, including value added tax (VAT), pursuant to Décision ET 121600 A19 LBT du 22 octobre 2015 (exemption TVA) autorisant la non-utilisation du document 450 – 20151028152536998, Article 42, paragraphe 3, alinéa 1, 4° du code de la TVA.
- II.11.3** The Contractor shall accordingly complete the necessary formalities with the relevant authorities to ensure that the goods and services required for performance of the Contract are exempt from taxes and duties, including VAT.
- II.11.4** Invoices presented by the Contractor shall indicate his place of taxation for VAT purposes and shall specify separately the amounts not including VAT and the amounts including VAT.

ARTICLE II. 12 – FORCE MAJEURE

- II.12.1** "Force majeure" shall mean any unforeseeable and exceptional situation or event beyond the control of the contracting parties which prevents either of them from performing any of their obligations under the Contract, was not due to error or negligence on their part or on the part of a subcontractor and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making it available,

labour disputes, strikes or financial problems cannot be invoked as force majeure unless they stem directly from a relevant case of force majeure.

II.12.2 Without prejudice to the provisions of Article II.1.8, if either contracting party is faced with force majeure, it shall notify the other party without delay by registered letter with acknowledgment of receipt or equivalent, stating the nature, likely duration and foreseeable effects.

II.12.3 Neither contracting party shall be held in breach of its contractual obligations if it has been prevented from performing them by force majeure. Where the Contractor is unable to perform his contractual obligations owing to force majeure, he shall have the right to remuneration only for tasks actually executed.

II.12.4 The contracting parties shall take the necessary measures to reduce damage to a minimum.

ARTICLE II. 13 - SUBCONTRACTING

II.13.1 The Contractor may not subcontract without prior written authorisation from the CEFTA Secretariat or cause the Contract to be performed de facto by third parties.

II.13.2 Even where the CEFTA Secretariat authorises the Contractor to subcontract to third parties, he shall none the less remain bound by his obligations to the CEFTA Secretariat under the Contract and shall bear exclusive liability for proper performance of the Contract.

II.13.3 The Contractor shall make sure that the subcontract does not affect rights and guarantees to which the CEFTA Secretariat is entitled by virtue of the Contract, notably Article II.17.

ARTICLE II. 14 – ASSIGNMENT

II.14.1 The Contractor shall not assign the rights and obligations arising from the Contract, in whole or in part, without prior written authorisation from the CEFTA Secretariat.

II.14.2 In the absence of the authorisation referred to in the above paragraph or in the event of failure to observe the terms thereof, assignment by the Contractor shall not be enforceable against and shall have no effect on the CEFTA Secretariat.

ARTICLE II. 15 – TERMINATION BY THE CEFTA SECRETARIAT

II.15.1 The CEFTA Secretariat may terminate the Contract, a pending order or a specific contract in the following circumstances:

- a) where the Contractor is being wound up, is having his affairs administered by the courts, has entered into an arrangement with creditors, has suspended business activities, is the subject of proceedings concerning those matters, or is in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- b) where the Contractor has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of

the country in which he is established or with those of the country applicable to the Contract or those of the country where the Contract is to be performed;

- c) where the CEFTA Secretariat has evidence or seriously suspects the Contractor or any related entity or person, of professional misconduct;
- d) where the CEFTA Secretariat has evidence or seriously suspects the Contractor or any related entity or person, of fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the CEFTA Secretariat's financial interests;
- e) where the CEFTA Secretariat has evidence or seriously suspects the Contractor or any related entity or person, of substantial errors, irregularities or fraud in the award procedure or the performance of the Contract;
- f) where the Contractor is in breach of his obligations under Article II.3;
- g) where the Contractor was guilty of misrepresentation in supplying the information required by the Commission CEFTA Secretariat as a condition of participation in the contract procedure or failed to supply this information;
- h) where a change in the Contractor's legal, financial, technical or organisational situation could, in the CEFTA Secretariat's opinion, have a significant effect on the performance of the Contract;
- i) where execution of the tasks under a pending order or a specific contract has not actually commenced within fifteen days of the date foreseen and where the new date proposed, if any, is considered unacceptable by the CEFTA Secretariat;
- j) where the Contractor is unable, through his own fault, to obtain any permit or licence required for performance of the Contract;
- k) where the Contractor, after receiving formal notice in writing to comply, specifying the nature of the alleged failure, and after being given the opportunity to remedy the failure within a reasonable period following receipt of the formal notice, remains in serious breach of his contractual obligations.

II.15.2 In cases of force majeure notified in accordance with Article II.12, either contracting party may terminate the Contract where performance thereof cannot be ensured for a period corresponding to at least one fifth of the period laid down in Article I.2.3.

II.15.3 Prior to termination under point e), h) or k), the Contractor shall be given the opportunity to submit his observations.

Termination shall take effect on the date on which a registered letter with acknowledgment of receipt terminating the Contract is received by the Contractor or on any other date indicated in the letter of termination.

II.15.4 Consequences of termination

In the event of the CEFTA Secretariat terminating the Contract, a pending order or a specific contract in accordance with this Article and without prejudice to any other terms of the Contract, the Contractor shall waive any claim for consequential damages, including any loss of anticipated profits for uncompleted work. On receipt of the letter

terminating the Contract, the Contractor shall take all appropriate measures to minimise costs, to prevent damage and to cancel or reduce his commitments. He shall draw up the documents required by the Special Conditions for the tasks executed up to the date on which termination takes effect, within a period not exceeding sixty days from that date.

The CEFTA Secretariat may claim compensation for any damage suffered and recover any sums paid to the Contractor under the Contract.

On termination the CEFTA Secretariat may engage any other Contractor to execute or complete the services. The CEFTA Secretariat shall be entitled to claim from the Contractor all extra costs incurred in doing so, without prejudice to any other rights or guarantees enforceable under the Contract.

ARTICLE II.15a – SUBSTANTIAL ERRORS, IRREGULARITIES AND FRAUD ATTRIBUTABLE TO THE CONTRACTOR

Where, after the award of the Contract, the award procedure or the performance of the Contract prove to have been subject to substantial errors, irregularities or fraud, and where such errors, irregularities or fraud are attributable to the Contractor, the CEFTA Secretariat may refuse to make payments, may recover amounts already paid or may terminate all the contracts concluded with the Contractor, in proportion to the seriousness of the errors, irregularities or fraud.

ARTICLE II. 16 - LIQUIDATED DAMAGES

Should the Contractor fail to perform his obligations under the Contract within the time limits set by the Contract, then, without prejudice to the Contractor's actual or potential liability incurred in relation to the Contract or to the CEFTA Secretariat's right to terminate the Contract, the CEFTA Secretariat may decide to impose liquidated damages of 0.2% of the amount of the relevant purchase per calendar day of delay. The Contractor may submit arguments against this decision within thirty days of notification by registered letter with acknowledgement of receipt or equivalent. In the absence of reaction on his part or of written withdrawal by the CEFTA Secretariat within thirty days of the receipt of such arguments, the decision imposing the liquidated damages shall become enforceable. These liquidated damages shall not be imposed where there is provision for interest for late completion. The CEFTA Secretariat and the Contractor expressly acknowledge and agree that any sums payable under this Article are in the nature of liquidated damages and not punitive and that they represent a reasonable estimate of fair compensation for the losses that may be reasonably anticipated from such failure to perform obligations.

ARTICLE II. 17 - CHECKS AND AUDITS

II.17.1 The CEFTA Secretariat shall be empowered to audit the documents held by the natural or legal persons receiving payments from the budget of the CEFTA from signature of the Contract up to five years after payment of the balance of the last implementation.

II.17.2 Not applicable.

II.17.3 Not applicable.

ARTICLE II. 18 – AMENDMENTS

Any amendment to the Contract shall be the subject of a written agreement concluded by the contracting parties. An oral agreement shall not be binding on the contracting parties. An order or a specific contract may not be deemed to constitute an amendment to the Contract.

ARTICLE II.19 - SUSPENSION OF THE CONTRACT

Without prejudice to its right to terminate the Contract, the CEFTA Secretariat may, at any time and for any reason, suspend execution of the Contract, pending orders or specific contracts or any part thereof. Suspension shall take effect on the day the Contractor receives notification by registered letter with acknowledgment of receipt or equivalent or at a later date where the notification so provides. The CEFTA Secretariat may, at any time following suspension, give notice to the Contractor to resume the work suspended. The Contractor shall not be entitled to claim compensation on account of suspension of the Contract, of the orders or specific contracts, or of parts thereof.

SIGNATURES

For the Contractor,
[*Company name/first
name/surname/function*]

For the CEFTA Secretariat,
Director EMIR DJIKIC

signature [s]: _____

signature: _ _ _ _ _

Done at [**Brussels**], [**date**]

Done at **Brussels**, [**date**]

in duplicate in English.