

**AFBs FROM 01.01.2025**

# **General Funding Conditions for the Funding of Christian Doppler Laboratories and Josef Ressel Centres (AFBs - Allgemeine Förderungsbedingungen)**

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## **Disclaimer**

Every effort has been made to ensure the accuracy of this translation. Nevertheless, the Christian Doppler Forschungsgesellschaft cannot assume responsibility for any errors that may inadvertently have occurred. In the event of any discrepancy, the German version is to be taken as valid.

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## Glossary

### Host institution of Christian Doppler Laboratories and Josef Ressel Centres

Universities, universities of applied sciences or non-university research institutions that receive funding from the CDG for the hosting of a CD laboratory or a JR centre.

See also "Funding recipients" and "Scientific partners"

### Inventions

European Patent Convention (EPC): According to Article 52 EPC, European patents can be granted for inventions which are new, involve an inventive step and are susceptible of industrial application. An invention must therefore fulfil three main criteria:

1. **Novelty:** The invention must not belong to the state of the art, i.e. it must not have been publicly available before the filing date.
2. **Inventive step:** An invention shall be considered as involving an inventive step if, having regard to the state of the art, it is not obvious to a person skilled in the art.
3. **Industrial applicability:** An invention shall be considered as susceptible of industrial application if it can be made or used in any kind of industry, including agriculture.

See also "Protectable results"

### Third-party companies within the scope of material transfer agreements

Third-party companies are companies that do not participate in a CD Laboratory or JR Centre as commercial partners respectively corporate cooperation partners but provide materials that are necessary for the research work and with which Material Transfer Agreements are concluded.

### Funding recipient

Universities, universities of applied sciences or non-university research institutions that receive funding from the CDG for hosting a CD Laboratory or a JR Centre or through participation in an active CD Laboratory or JR Centre in the form of an External or International module.

See also "Scientific partners" and "Host institution"

### Research unit

CD Laboratories or JR Centres are also referred to as research units.

## **Research results (Definitions according to the Frascati Manual of the OECD )<sup>1</sup>**

### **Basic research**

Basic research is experimental or theoretical work that is primarily aimed at acquiring new knowledge about the fundamental causes of phenomena and observable facts without having specific applications or uses in mind. This research serves to understand the fundamental principles and mechanisms and contributes to the expansion of scientific knowledge.

### **Application-orientated basic research (also referred to as Oriented basic research)**

Application-oriented basic research is a form of basic research that, while primarily aimed at expanding scientific knowledge, has specific practical applications or uses in mind. This type of research attempts to bridge the gap between purely theoretical research and practical applications by developing fundamental scientific knowledge towards potential applications.

### **Applied Research**

Applied research is an original investigation to gain new knowledge. However, it is primarily focussed on a specific, practical aim or purpose. This type of research aims to utilise the acquired knowledge to develop new applications, processes or technologies and to solve practical problems.

### **Research results**

According to the Frascati Manual, research results therefore include all new findings and developments that result from creative and systematic work, be it to expand the body of knowledge (basic research), to bridge theory and practice (application-oriented basic research) or to solve practical problems ( applied research). (OECD, 2018)<sup>1</sup>.

## **Federal Ministry responsible for economic affairs**

This is the federal ministry responsible for economic affairs. The specific designation of the responsible federal ministry may change.

### **Protectable results**

Protectable results are results that can obtain legal protection through intellectual property rights (IPR).

Protectable results include

1. Protection for technical inventions that are new, inventive and industrially applicable (patents).
2. Similar to patents, but often with lower requirements for inventive step and a shorter term of protection (industrial design).
3. Protection for signs that are suitable for distinguishing the goods or services of one company from those of other companies (trade marks).

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<sup>1</sup> OECD (2018), Frascati Manual 2015: *Guidelines for the collection and reporting of data on research and experimental development*, OECD Publishing, Paris, <https://doi.org/10.1787/9789264239012-en>.

4. Protection for the external appearance of a product or part thereof that is new and unique (designs).
5. Protection for literary, scientific and artistic works, including software and databases (copyrights).
6. Protection for products whose quality or reputation is essentially linked to their geographical origin (geographical indications and designations of origin).

See also "Inventions"

### **Commercial partner**

CDG member companies that maintain concrete research collaborations with one or more CD Laboratories or JR Centres, which are described in research, time and cost plans (participate in a CD Laboratory or JR Centre).

See also "Corporate cooperation partners"

### **Corporate cooperation partner**

CDG member companies that maintain concrete research collaborations with one or more CD Laboratories or JR Centres, which are described in research, time and cost plans (participate in a CD Laboratory or JR Centre).

See also "Commercial partners"

### **Scientific partners**

Scientific partners in the narrower sense

Universities, universities of applied sciences or non-university research institutions that receive funding from the CDG for the operation of a CD Laboratory or a JR Centre or through participation in an active CD Laboratory or JR Centre in the form of an external or international module.

See also "Host institution" and "Recipient of funding"

Scientific partnerships in the broader sense with researchers or research groups at Austrian or foreign universities or research institutions, which are typical for research projects, are to be distinguished from this and remain unaffected.

## Preamble

The Christian Doppler Research Association (CDG) sees itself as a pioneer of co-operation between science and industry. Since 1995, the CDG has been operating at the interface between companies and universities and non-university research institutions, whereby its organisational form as an association guarantees a great deal of creative freedom and flexibility.

The non-profit organisation aims exclusively and directly to promote innovative scientific research, particularly in the fields of natural sciences, technology, medicine and life sciences, as well as economics and its social impact.

### **The CDG as a national research funding institution of the Austrian government**

In order to strengthen Austria's research and innovation power, the federal government finances funding programmes that address important topics of the future and combine technological, economic and socio-political objectives. As a national research funding institution of the Austrian government (§ 3 para. 2 no. 2 FoFinaG), the CDG supports the establishment and operation of Christian Doppler Laboratories (CD Laboratories) at universities and non-university research institutions and Josef Ressel Centres (JR Centres) at universities of applied sciences. These research units are headed by selected, excellent scientists and represent the operational units of the public-private partnership model. The central questions, which are researched in these research units over several years in a basic research-orientated manner, come from the companies, which participate in the research units at a rate of approx. 50%.

The decades of growth and the consistency of the framework conditions of the two funding programmes "Christian Doppler Laboratories" and "Josef Ressel Centres", which have been repeatedly adapted to current requirements but have remained unchanged in their basic concept, have created great trust both in the scientific community and in the corporate sector. The CDG's well-known funding programmes are therefore highly attractive to scientists and companies.

### **Special CDG programmes**

In addition, the CDG supports research projects via specific, usually time-limited funding programmes, which are financed from the CDG's reserves or by public funding bodies such as the Austrian Future Fund of the National Foundation for Research, Technology and Development. There are specific funding conditions for these programmes, which are defined in the respective tender documents.

## 1. Object of funding

The object of funding is the promotion of research projects

- particularly in the area of application-oriented basic research<sup>2</sup> in the form of Christian Doppler Laboratories (CD Laboratories) or in application-oriented research in the form of Josef Ressel Centres (JR Centres),
- whose scientific questions and methods are precisely described,
- which are limited in time,
- are joint collaboration projects between companies and research institutions within the meaning of the Union framework for State aid for research, development and innovation (2014/C 198/01).

The AFBs form an integral part of the host agreements (in accordance with point 7.1.) for specific CD Laboratories and JR Centres.

## 2. Involved partners

The Federal Ministry responsible for economic affairs and the National Foundation for Research, Technology and Development act as public funding providers, the Christian Doppler Research Association (hereinafter referred to as CDG) acts as a funding institution, universities, universities of applied sciences and non-university research institutions are funding recipients or scientific partners and operators of the CD laboratories or JR centres, and the companies are private funding providers and cooperation partners.

### 2.1. Funding recipient

Funding recipients are higher education research institutions (public or private universities, universities of applied sciences) or non-university research institutions.

The funding recipients are also the "scientific partners" in the narrower sense in CD Laboratories and JR Centres as well as the operators of the CD Laboratories and JR Centres. Scientific partnerships in the broad sense with researchers or research groups at Austrian or foreign universities or research institutions, which are typical for research projects, are to be distinguished from this and remain unaffected.

### 2.2. Research collaborations

CDG member companies maintain specific research collaborations with one or more CD Laboratories or JR Centres with the scientific partners in the narrow sense (point 2.1), which are described in research, time and cost plans. The term "participation" of a company in a CD Laboratory or JR Centre is used synonymously. Such companies are subsequently referred to as commercial partners or corporate

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<sup>2</sup> "Oriented basic research is carried out with the expectation that it will produce a broad base of knowledge likely to form the basis of the solution to recognised or expected current or future problems or possibilities." OECD (2018), Frascati Manual 2015: Guidelines for the collection and reporting of data on research and experimental development, measurement of scientific, technological and innovation activities, OECD Publishing, Paris. <https://doi.org/10.1787/9789264239012-en>

cooperation partners. Insofar as obligations of commercial partners towards the Recipient are provided for in the AFB, the CDG undertakes to provide for corresponding internal regulations or agreements with the commercial partners in order to fulfil these obligations.

### **3. Coming into effect**

The AFBs will come into effect on 1 January 2025.

The AFBs will also become an integral part of the contract for Concrete Host Agreements already in place at this time through a contract amendment with the funding recipients. The previous General Host Agreements will expire on 31 December 2024.

In the event of inconsistencies with already concluded Concrete Host Agreements of CD Laboratories or JR Centres, the provisions of these AFBs shall take precedence.

For all CD Laboratories or JR Centres running on 1 January 2025 for which a contract amendment has been concluded, or CD Laboratories or JR Centres established from this date, the AFBs apply in their current version. For all CD Laboratories or JR Centres newly established from 01.01. 2025, the name of the funding agreement changes to "Host Agreement" (previously "Concrete Host Agreement"). For CD Laboratories or JR Centres running on 01.01.2025 for which no contract amendment has been concluded, the latest version of the General Host Agreement shall apply until the end of the contract phase, which is operational on 01.01.2025.

### **4. Legal basis<sup>3</sup>**

#### **4.1. Establishment of CD Laboratories and JR Centres**

The establishment of CD Laboratories and JR Centres is funded by the CDG in conjunction with public funding from the federal government (Federal Ministry responsible for economic affairs or the National Foundation for Research, Technology and Development).

#### **4.2. Legal basis**

The agreement is also based on the following legal basis in particular:

- Union framework for State aid for research, development and innovation (2014/C 198/01 of 27 June 2014) for specific parts of RTI funding, such as for eligible costs or for the distinction between economic and non-economic activities of research institutions or corresponding successor regulation

in the current version.

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<sup>3</sup> References to laws refer to Austrian laws unless otherwise stated.



### **4.3. Legal basis of the funding recipients**

The laws issued for the respective funding recipient apply, in particular:

- University of Applied Sciences Studies Act (FHStG)
  - Universities Act (UG 2002), whereby the establishment of CD Laboratories at universities constitutes funding within the meaning of § 27 para. 1 no. 2 UG
  - Private University Act § 6
- as amended from time to time.

### **4.4. Funding by the Federal Ministry responsible for economic affairs**

In the case of funding by the Federal Ministry responsible for economic affairs, the following legal bases also apply:

- Research and Technology Promotion Act (FTFG)
- Research Financing Act (FoFinaG)
- the financing agreements concluded between the CDG and the federal government on the basis of the FoFinaG for three years at a time
- Directive pursuant to § 15 in conjunction with. § 12a FTFG (2024) for the programme to promote the establishment and operation of Christian Doppler Laboratories as amended (GZ.: 2024-0.243.359) and for the programme to promote the establishment and operation of Josef Ressel Centres as amended (GZ.: 2024-0.243.349)

as amended from time to time.

### **4.5. Funding from the National Foundation for Research, Technology and Development**

In the case of funding by the National Foundation for Research, Technology and Development), the following legal bases apply in addition to points 4.1. to 4.3:

- RTD National Foundation Act as amended.

### **4.6. Further regulations**

Furthermore, the regulations issued for the specific funding programme must be observed, in particular:

- Evaluation handbook for supporting the establishment and operation of Christian Doppler Laboratories and Josef Ressel Centres
  - Handbook for the operation of a Christian Doppler Laboratory or Josef Ressel Centre
- as amended from time to time.

## 5. Projects eligible for funding/ scope

### 5.1. Projects

The AFBs apply to individual contracts for the following projects:

#### 5.1.1. Christian Doppler Laboratories (CD Laboratories) and Josef Ressel Centres (JR Centres)

CD Laboratories and JR Centres are the regular main type of funded individual projects. They are the operational research units for achieving the objectives of the funding programmes. CD Laboratories are set up at Austrian universities or non-university research institutions, JR Centres at Austrian universities of applied sciences. The hosts of JR Centres are R&D-experienced universities of applied sciences that are technically and organisationally capable of implementing a multi-year research programme with companies. Austrian and foreign companies are eligible as corporate co-operation partners.

The head of the CD Laboratory/JR Centre must have a valid employment contract with the funding recipient at the start of the research unit<sup>4</sup>. The corresponding personnel costs do not count as eligible costs (for exceptions see points 5.1.6.2. and 11.4.2.). In order to maintain the independence of the cooperation partners from each other in the CD Laboratory or JR Centre, even partial employment of the Head of the Laboratory or Head of the Centre by the commercial partner or any other significant influence on the management is excluded. Further details will be determined by the CDG Executive Board.

The organisational structure of a CD Laboratory or JR Centre is open to the extent that the expansion of the research programme, the addition of new commercial partners or the integration of further research institutions into the research cooperation should be possible at any time.

#### 5.1.2. Christian Doppler Pilot Laboratories (CD Pilot Laboratories)

CD Pilot Laboratories are a special form of the introductory phase of CD Laboratories. An application for establishment of a (regular) CD Laboratory may be approved in this manner if the primary argument against the establishment of a regular CD Laboratory is that the topic is associated with a high degree of risk and/or the Head of the Laboratory has not shown him- or herself to be appropriate to lead the Laboratory but it cannot be certain that she or he would not represent a suitable Head of the Laboratory. In any event, both the scientific value of the research and the potential economic interest in research in the area must be sufficient to justify establishment of a CD Laboratory.

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<sup>4</sup> The Recipient guarantees the employment of the Head of the CD Laboratory/JR Centre for the entire duration of the grant or seriously intends to do so. The salary of the head of the CD Laboratory/JR Centre will be financed from the overall budget of the funding recipient.

After the introductory phase it is possible to convert the Pilot Laboratory to a regular CD Laboratory in the first phase of extension. CD Pilot Laboratories are more intensely supervised by the CDG. Generally, the interim evaluation takes place at an earlier date and pays particular attention to the special requirements (and, where applicable, conditions). The evaluation should resolve the issue of whether conversion to a regular CD Laboratory is possible and/or desirable.

In the following, a distinction is only made between CD Laboratory and CD Pilot Laboratory if there are separate regulations for CD Pilot Laboratories.

#### **5.1.3. International Christian Doppler Laboratories (located outside Austria)**

CD Laboratories can also be established at Non-Austrian universities/research institutions (funding recipients) under the conditions set out in 4.3. Programme Directive<sup>5</sup>.

#### **5.1.4. External Module of a CD (pilot) Laboratory or JR Centre established at another Austrian university of applied sciences, university or research institution**

CD Laboratories and JR Centres have the option of establishing an External Module at a university of applied sciences, university or non-university research institution within Austria other than the one at which the CD Laboratory or JR Centre is hosted. A separate responsible Head of Module must be appointed at the respective additional research location. The period of operation of an External Module may not extend beyond the end of the CD Laboratory or JR Centre. The respective Module is subject to the Directives of the respective funding programme. For example, the Programme Directive for CD Laboratories applies to an External Module that is established at a university of applied sciences but is part of a CD Laboratory.

#### **5.1.5. International Modules of a CD (Pilot) Laboratory or JR Centre**

CD Laboratories and JR Centres have the option of establishing an International Module at a university/research institution outside Austria. The preconditions will be verified during the evaluation of the application or for any modules to be added during the period of operation. There must be a separate responsible Head of Module at the location. The period of operation of an International Module may not extend beyond the end of the CD Laboratory or JR Centre. These provisions also apply to the transfer of an existing External Module to a location outside Austria. The respective Module is subject to the Directives of the respective funding programme. For example, the Programme Directive for CD Laboratories applies to an External Module that is established at a university of applied sciences but is part of a CD Laboratory.

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<sup>5</sup> Directive pursuant to § 15 i.V.m. § 12a FTFG (Research and Technology Promotion Act) (2024) for the programme to promote the establishment and operation of Christian Doppler Laboratories as amended (GZ.: 2024-0.243.359)

### **5.1.6. In the case of CD Laboratories: special programme elements to promote young scientists and women in CD Laboratories**

Through special additional programme elements, CD Laboratories aim to promote young scientists, especially in the STEM fields (mathematics, computer science, natural sciences and technology), as well as the more general goal of promoting women in the sciences. Some of the measures are explicitly designed to promote gender equality and eliminate discrimination against women in science.

#### **5.1.6.1. CDG Internship**

Students enrolled in a Master's degree programme should have the opportunity to work as student assistants for three months in a CD Laboratory, including if possible a month at one of the Laboratory's commercial partners. This should win them over to the idea of embarking on a research career. The focus should be very much on their education. Students who perform a CDG Internship should be appropriately remunerated, with the costs covered separately. The CDG will issue special calls for applications from CD Laboratories that wish to request CDG internships.

#### **5.1.6.2. Head of Laboratory endowed by the CDG**

As a special programme element for the promotion of women, in the event that a potential Head of Laboratory does not have a valid employment contract with the funding recipient at the time of the application or one that is financed from third-party funds or financed from the university's global budget and for a fixed term and the non-employment is the only obstacle to a positive funding decision on an application for the establishment of a CD Laboratory, the requirement of a valid employment contract with the funding recipient at the time of the application can be waived. <sup>6</sup>In such individual cases, 50% of the personnel costs for the Head of Laboratory endowed by the CDG (in accordance with point 4.6.2 of the Programme Directive for CD Laboratories) can be funded over a maximum of four years. The university/research institution must provide funding for the duration of the CD Laboratory .

The application for a CDG Head of Laboratory endowed by the CDG must be in connection with a specific application for the establishment of a CD Laboratory.

The remuneration for heading a laboratory set by the CDG Executive Board is also eligible for funding for Head of Laboratory endowed by the CDG.

## **5.2. Module contracts**

In cases 5.1.4. and 5.1.5., the host institution of the CD Laboratory or JR Centre must conclude Module Agreements with the host institution of the External Module or International Module in which the General

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<sup>6</sup> The Recipient guarantees or seriously endeavours to employ the Head of Laboratory for the entire duration of the project. The share of the Head of Laboratory's salary is financed from the grantee's overall budget.

Funding Conditions for the Funding of Christian Doppler Laboratories and Josef Ressel Centres are transferred with regard to the External Module or International Module. The willingness to conclude such Module Agreements must be demonstrated in the form of a declaration of consent when submitting the application.

### **5.3. Duration**

The regular period of operation of a CD Laboratory is seven years, that of a JR Centre is five years. The Scientific Board of the CDG conducts scientific evaluations during the term and makes recommendations on the possible extension of the CD Laboratory/JR Centre. The primary aim of the evaluations is to assess the progress of (basic) research.

CD Laboratories are evaluated before the end of the second and fifth year from the start of the term.

JR Centres are evaluated before the end of the second year from the start of the term. In the case of JR Centres, an scientific interim assessment is also carried out before the end of the three-and-a-half to four-year term, the positive assessment of which is a prerequisite for further funding of the JR Centre until the end of the term.

### **5.4. Head of Laboratory or Head of Centre**

The heads responsible for the operation of the respective CD Laboratories or JR Centres, hereinafter referred to as Head of Laboratory or Head of Centre, must be appointed personally in the corresponding host agreements (point 7.1). In principle, there are no plans to change the person heading the Laboratory or the Centre. This is only permitted in justified individual cases and in agreement between the contracting parties and the commercial partners. A new evaluation by the CDG Scientific Board - and, if necessary, a hearing in the course of this - is necessary in any case.

### **5.5. Change of host institution for CD Laboratories/JR Centres**

If the Head of a CD Laboratory or JR Centre moves to a new university, non-university research institution or university of applied sciences, the CD Laboratory or JR Centre in question can be relocated to the new establishment. In the case of a CD Laboratory, a transfer can only be made to another university or non-university research institution. In the case of JR Centres, a transfer can only be made to another Austrian university of applied sciences. For such a change of host institution, agreement must be reached with the commercial partners of the CD Laboratory or JR Centre and with the future host. Agreement must also be sought with the previous host institution. The CDG Executive Board will decide how to proceed based on these documents.

With regard to fixed assets, the provisions of Point 15.9.3 apply.

## **6. Application / submission of request for funding**

### **6.1. Application**

A CD Laboratory or a JR Centre is established on the basis of an application submitted to the CDG by the Head of the Laboratory or Head of Centre, with the agreement of the funding recipient. Applications to establish a CD Laboratory or a JR Centre must be prepared in accordance with the Guidelines for the Establishment of a CD Laboratory issued by the CDG. Formally correct applications will be submitted to an evaluation procedure.

### **6.2. Extension of the support**

For the extension of funding for a CD Laboratory or JR Centre beyond the introductory phase and, in the case of CD Laboratories, beyond the first extension phase, a positive evaluation pursuant to Point 21. is required. In the case of JR Centres, the extension until the end of the term is also dependent on a positive interim assessment in accordance with Point 21.1. para. 2.

It is not necessary for the funding recipient to submit a separate application for extension.

### **6.3. Changes**

The Head of the Laboratory or Centre is responsible for any qualitative or quantitative changes to the research plan, the time plan or the cost plan given in the application, particularly relating to collaborations with companies that were not initially planned – the Head of the Laboratory or Centre may at any time submit an application for such a change to the CDG for approval. Changes may only be effected following prior express approval from the CDG. Should the changes make it necessary for the funding recipient to increase its level of in-kind contributions by making additional resources available (e.g. additional premises), the funding recipient's approval is also required.

## **7. Contract structure**

### **7.1. Host agreement<sup>7</sup>**

In order to establish a specific CD Laboratory or JR Centre or to receive funding, a host agreement must be concluded between the CDG, the funding recipient as the host institution of the CD Laboratory or JR Centre and the Head of the Laboratory or Centre.

The host agreement governs the establishment and operation of a specific CD Laboratory or JR Centre and contains, in particular, provisions relating to the Head of Laboratory or Centre, to the research topic

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<sup>7</sup> The host agreement corresponds to the former "Concrete agreement with the host institution" (until 31.12.2024)

in the form of research, time and cost plans, the approved budgetary framework and to the organisational unit of the funding recipient at which the CD Laboratory or JR Centre is located.

Host agreements are generally concluded for two years (introductory phase).

In the case of CD Laboratories, the host agreements contain options for an extension of three years for the first extension phase and a further two years for the second extension phase, subject to successful evaluations in accordance with Point 21.

In the case of JR Centres, the host agreements include an option for a three-year extension phase. The three-year extension phase is granted on condition of a positive interim assessment in accordance with Point 21. before the end of a total of three and a half to four years (two-year introductory phase plus one and a half to two-year extension phase).

The letters of approval for the establishment and extension of CD Laboratories or JR Centres contain the conditions and terms of funding resulting from the review process or interim evaluations, where applicable.

The host agreements restrict the project that is funded to a specified research plan, time plan and cost plan, although it is possible to apply for modifications to reflect developments in the progress of the research (see Point 9.4. Programme Directive for CD Laboratories and JR Centres). The CDG Executive Board decides on requested changes, in compliance with Point 9.4. Programme Directive for CD Laboratories and JR Centres.

## **7.2. Preconditions for the conclusion of host agreements**

Preconditions for the conclusion of host agreements are

1. an agreement with the commercial partners regarding the research programme;
2. a declaration by the commercial partners (with effect vis-à-vis the funding provider) that they will respect the scientific freedom of the CD Laboratory or JR Centre and assume joint and several liability (§ 891 of the Austrian Civil Code ABGB) pursuant to Point 9.1.2.2. of the Directives for the CD Laboratory or JR Centre for the repayment of the funding in the event that a reason for repayment arises;
3. a positive conclusion of the evaluation procedure (by the CDG Scientific Board and international review);
4. the availability of financial support;
5. a positive decision on funding by the CDG Executive Board.

## **7.3. Subcontracts**

In concluding subcontracts (in particular contracts of employment and contracts for works and services), the funding recipient must ensure that these include the obligations necessary for performing the research work in the appropriate way. This applies in particular to the regulations relating to nondisclosure/confidentiality issues, to publication activity and to intellectual property rights and to the legal provisions

governing data protection relating to the project. The CDG has the right to examine these subcontracts at any time and guarantees that they will be treated confidentially.

#### **7.4. Agreements between the funding recipient or the Head of Laboratory or Head of Centre and the commercial partners**

If necessary, up to six months from the start of the CD Laboratory or JR Centre the provisions made in these AFBs, in particular with regard to mutual non-disclosure/confidentiality and the use of the research results, can be further specified. To this end, an agreement is to be concluded between the funding recipient, with the involvement of the Head of Centre and the commercial partners, regarding mutual confidentiality requirements, publications and use of the research results (in particular intellectual property rights, including any agreement on remuneration for inventions and protectable results). In the case of commercial partners who join at a later date, the period begins with the start of the cooperation with them. The agreement must not conflict with the cooperative nature of the respective funding programme ( see also Point 20.2 .), as otherwise the research work will no longer be eligible for funding.

In the event of contradictions between the Agreement on Science-Business Cooperation and the General Terms and Conditions of Funding (AFBs), the AFBs shall take precedence.

Any agreement between the funding recipient or the Head of Laboratory or Centre and the commercial partner(s) of the CD Laboratory or JR Centre concerning the CD Laboratory or JR Centre must be brought to the attention of the CDG and submitted within a reasonable period of time without being requested to do so. CDG warrants that these agreements will be treated confidentially.

### **8. General obligations of the funding recipient**

#### **8.1. Incorporation**

The funding recipient is obliged to incorporate the CD Laboratory or JR Centre (or, when applicable, individual modules of a CD Laboratory or JR Centre) in its organisational structure.

In addition, the funding recipient provides each Head of Laboratory or Centre with a power of representation in accordance with Point 9.2 in relation to the Laboratory or Centre, particularly with regard to administrative aspects and to scientific leadership, to the extent legally possible and helpful to ensure that the administration of the CD Laboratory or JR Centre is flexible and largely self-sufficient.

#### **8.2. Infrastructure**

The following is agreed with regard to the funding recipient's obligation to provide infrastructure:

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### **8.2.1. General infrastructure**

The funding recipient makes basic infrastructure available free of charge and does not include costs for basic infrastructure in its calculations of eligible costs. Basic infrastructure is taken to mean appropriate space for the CD Laboratory or JR Centre, furniture, heating, telephone, Internet connection, copying equipment, administrative support etc. These costs represent a contribution from the funding recipient and may not be funded because it is to be assumed that they are balanced by contributions from the commercial partners (e.g. making company infrastructure available, working time of company staff, contributions to the financing of the evaluation and administration by the CDG etc.), which are also not eligible for funding, as well as by the ability to use items of equipment funded by the CDG in accordance with Point 15.

#### **8.2.1.1.**

In the case of CD Laboratories, costs for any additional space necessary for the establishment and operation of the CD Laboratory may be accepted as eligible for funding under Point 11.5.5 up to a limit of 3% of the actual personnel costs. For such costs to be eligible they must arise directly, actually and additionally to the normal costs for the duration of the research activity being supported, which is generally assumed to be the case. The costs should be covered from the CD Laboratory's budget.

#### **8.2.1.2.**

In the case of JR Centres, expenses incurred by the funding recipient in providing the basic infrastructure and basic resources (in terms of material and personnel) are deemed to be covered within the scope of initial funding under Point 11.5.8.

### **8.2.2. Special infrastructure**

#### **8.2.2.1. Purchase and adaptation**

Purchases of equipment or facilities that go beyond the basic infrastructure mentioned under Point 8.2.1 and adaptations to the funding recipient's infrastructure (e.g. installation of air conditioning, modification of rooms to house items of equipment that are funded by the CDG) that are immediately related to the project being funded may be recognized as eligible costs under Point 11.5.2. The corresponding costs should be taken into account in the application. After approval of an application to this effect, the costs may be covered from the CD Laboratory's or JR Centre's budget.

#### **8.2.2.2. Operational costs**

It is possible to include in the application (under Point 11.5.5) a reasonable amount to cover reimbursement of costs for scientific, technical and infrastructural support provided by the funding recipient beyond the basic infrastructure mentioned under Point 8.2.1 if the funding recipient provides such support to the CD Laboratory or JR Centre. Examples include costs

for the (shared) use of central facilities or large items of equipment (e.g. measuring or testing facilities, electron microscopes, computing time on mainframe computers, use of cleanrooms etc.) or increased operating expenses resulting from measures connected with the purchase and adaptation of equipment in accordance with Point 7.2.2.1.

### **8.2.3. Use of the resources of the CD Laboratory or JR Centre by the funding recipient**

Conversely, the material resources acquired for the CD Laboratory or JR Centre and funded as part of the project (e.g. books, journals, software licences, equipment whose acquisition value is below the depreciation limit for low-value assets in accordance with § 13 of the Income Tax Act (EStG), etc.) are also available to the funding recipient for purposes other than direct research work of the CD Laboratory or JR Centre, provided they are not mere consumables and do not hinder the work in the CD Laboratory or JR Centre.

The use of items of equipment funded by the CDG with a purchase price above low-value assets in accordance with § 13 of the Income Tax Act (EStG), is regulated by Point 15.

It is not permitted to draw on personnel from the CD Laboratory or JR Centre (apart from the Head of Laboratory or Centre) within the portion of their time refunded by the funding programme for university work not directly related to the CD Laboratory's research work (e.g. independently holding lectures, assumption of general administrative work for the funding recipient) unless such activities serve to advance the staff member(s) concerned in the specific topic investigated by the CD Laboratory or JR Centre. However, it is desirable for the research results obtained in the CD Laboratory or JR Centre to be incorporated in the university's teaching and thus CD Laboratory or JR Centre workers may participate in the teaching programme. Nevertheless, their research work in the CD Laboratory must have priority over all other activities.

## **8.3. Public relations**

It is expected that the CD Laboratory or JR Centre is appropriately indicated and that the funding recipient presents the CD Laboratory or JR Centre as an independent entity on its website or that of the appropriate organisational unit. All publications related to the CD Laboratory or JR Centre (scientific publications, reports, press releases etc.) must include appropriate mention of the financial support from the Federal Ministry responsible for economic affairs or the National Foundation for Research, Technology and Development and of the Christian Doppler Research Association.

The CDG supports the communication of scientific findings from CD Laboratories and JR Centres to the general public.

## **9. Head of Laboratory or Head of Centre**

### **9.1. Leading a CD Laboratory or JR Centre**

Each CD Laboratory or JR Centre is headed by a Head of Laboratory or Head of Centre.

### **9.2. Rights and specifications**

The funding recipient ensures that the following rights are transferred to the Head of the Laboratory or Centre and that the following specifications are passed to the Head of the Laboratory or Centre:

1. The Head of Laboratory / Head of Centre shall perform his/her activities as Head of Laboratory / Head of Centre in accordance with the Host Agreement and the AFBs and shall fulfil all obligations specified therein, which the funding recipient has assumed vis-à-vis the CDG , with the diligence of a conscientious scientist and Head of Laboratory / Head of Centre.
2. The funding recipient transfers all rights and obligations relating to the CD Laboratory or JR Centre arising from the AFBs to the Head of Laboratory or Centre, insofar as this is legally permissible and necessary for the operation of the CD Laboratory or JR Centre (in the case of CD Laboratories at Austrian universities: Power of representation in accordance with § 28 UG, unless a management function is already given in accordance with § 27 UG). This includes, in particular, the selection of staff for the CD Laboratory or JR Centre, the supervision of the staff employed in the CD Laboratory or JR Centre and the tasks in accordance with Points 7.5. and 19. In all cases, the Head of Laboratory or Centre is bound by the legal framework and the Directives of the funding recipient. The requirements of the AFBs must be taken into account when drawing up contracts with staff. In the case of JR Centres and non-university research institutions, the signing of employment contracts is the responsibility of the executive management.
3. The Head of Laboratory / Head of Centre also undertakes to strictly observe the legal regulations and the regulations of the university/university of applied sciences/research institution, in particular with regard to personnel, use of equipment, safety and the environment. The Head of Laboratory / Head of Centre shall ensure that all necessary notifications are made to the funding recipient and that all necessary approvals are obtained.
4. The funding recipient authorises the Head of Laboratory or Head of Centre to make all decisions of a substantive, organisational and financial nature within the framework of these AFBs and taking into account statutory (in the case of CD Laboratories at Austrian universities, in particular the Austrian Universities Act) and internal operator Directives as well as any additional agreements in accordance with Point 9.3. alone and without consulting the funding recipient. Existing reporting obligations remain unaffected.
5. The Head of Laboratory/ Head of Centre must ensure that he/she has sufficient time for heading the Laboratory or Centre - in particular for the scientific processing of problems, for knowledge transfer and for supervising the CD Laboratory or JR Centre team. A minimum of bureaucratic and organisational effort is required for the integration of the CD Laboratory or JR Centre into the

overall objectives of the CDG; this should also ensure the proper use of funds and make it verifiable for the funding bodies.

### **9.3. Additional agreement**

An additional agreement on further procedural elements may be concluded between the funding recipient and the Head of Laboratory or Head of Centre.

## **10. Team of the CD Laboratory or JR Centre**

### **10.1. Team**

The CD Laboratory's team or the JR Centre's team comprises all persons who contribute to performing the work assigned to the CD Laboratory or JR Centre. Hiring and payment of staff of the CD Laboratory or JR Centre may be via a contract of employment, a (free) work contract or a contract for works and services, depending on the work to be undertaken. The funding recipient is the sole employer for all employments and the contractor for all additional agreements with the staff of the CD Laboratory or JR Centre. The funding recipient is responsible for all issues relating to labour and social law and data protection law and assumes all legal responsibilities – both from civil law and from public law – towards staff and authorities.

### **10.2. Remuneration**

Remuneration including all incidental wage costs, taxes and other components of the remuneration are paid by the funding recipient. Appropriate amounts should be included in the budget of the CD Laboratory or JR Centre to cover them, to the extent they are eligible for support. If staff at the funding recipient are drawn on for only a proportion of their time to work for the CD Laboratory or JR Centre, personnel costs should be claimed only for this proportion.

### **10.3. Contracts**

Contracts must be concluded between the funding recipient and the employees of the CD Laboratory or JR Centre that include at least the following points:

- Assignment to the CD Laboratory or JR Centre;
- Extent of employment in the CD Laboratory or JR Centre;
- Salary or if applicable classification according to the applicable collective agreement;
- Regulation of nondisclosure/confidentiality and the handling of service inventions;
- Compliance with data protection regulations.

#### **10.4. Further specifications**

In addition, the following requirements must be implemented accordingly:

- Personnel costs are only eligible for funding up to the extent of the personnel cost scheme determined by the CDG Executive Board or, if applicable, in accordance with the applicable collective agreement. The CDG cannot subsidise salary components in excess of this amount. In justified individual cases, higher personnel cost rates may be approved by the CDG Executive Board.
- It is a basic principle that the CDG is only responsible for covering costs or settling claims (such as for severance pay and the payment for untaken leave and relating to notice periods and termination dates) that arise during the CD Laboratory's or JR Centre's period of operation, not for entitlements that relate to previous periods of employment.
- If the CD Laboratory or JR Centre is terminated ahead of schedule, the CDG will only repay personnel costs following the date of closure to the funding recipient up to the expiry of the period of notice specified by law or in the collective contract (generally from the budget of the CD Laboratory or JR Centre). The CDG will not cover any other claims that may arise from special provisions in the contracts or from previous periods of employment.
- Exceptional provisions may be agreed between the university and the CDG. To be legally applicable, any exceptions must be made in writing.

#### **10.5. Form of the contracts**

In preparing contracts for the staff of the CD Laboratory or JR Centre the provisions of the present AFBs with the host institution must be observed. The contracts between the funding recipient and the staff of the CD Laboratory or JR Centre may also take the form of appendixes to existing contracts. The CDG will make available an appropriate sample contract to cover the necessary provisions of the host agreement and the AFBs.

#### **10.6. Students**

The funding recipient and the Head of Laboratory or Centre should involve qualified students in the preparation of relevant Master's or Diploma theses and, in the case of CD Laboratories, dissertations in the research activities of the CD Laboratory or JR Centre. In the case of JR Centres, in close cooperation with universities, PhD students should also be involved - as part of a dissertation project - in the research activities of the JR Centre.

The Head of Laboratory or Centre is therefore entitled, in accordance with the study law applicable to the students concerned, to enable them to work in the CD Laboratory or JR Centre and to supervise them professionally if the Master's or Diploma thesis or dissertation can be expected to make a professional contribution to the objectives of the CD Laboratory or JR Centre.

## **11. Type of funding and eligible costs**

### **11.1. Funding paid**

The funds required for the operation of CD Laboratories and JR Centres are provided by the CDG. The contribution of public funding comes from the Federal Ministry responsible for economic affairs, in the case of CD Laboratories also from the National Foundation for Research, Technology and Development, and - if applicable - for CD Laboratories and JR Centres from other sources. The company contribution is collected by the CDG from the commercial partners and remitted to the funding recipient together with the public funding.

### **11.2. Type of funding**

Funding is provided in the form of non-repayable grants.

### **11.3. Funding amount**

The maximum amount of funding is specified in the host agreements (Point 7.1).

### **11.4. Composition of the funding**

The funding is composed of a payment from the public purse (cf. Points 11.1) and a payment from the CDG, which includes contributions from the commercial partners.

#### **11.4.1. CD Laboratory or JR Centres, CD Pilot Laboratories and International CD Laboratories or External and International Modules of a CD Laboratory or JR Centre**

For projects eligible for funding in accordance with Points 5.1.1. to 5.1.5. the contribution from the public purse (public share) amounts to

- 50% of the eligible costs;
- 60% of the eligible costs if there are collaborations with SMEs, in relation to the extent of these collaborations. (cf. Points 4.1. and 4.2. of the Programme Directive for CD Laboratories and Point 4.1. of the Programme Directive for JR Centres).

Budget floors per year:

- JR Centre EUR 90,000
- CD Laboratory EUR 140,000
- CD Pilot Laboratory EUR 140,000

Budget ceilings per year:

- JR Centre EUR 460,000

- CD Laboratory EUR 800,000
- CD Pilot Laboratory EUR 700,000

#### **11.4.2. In the case of JR Centres: initial funding for a JR Centre**

In connection with the initial funding for a JR Centre, the contribution from the public purse is 100%.

The basis for calculating the amount of initial funding is the budget amount for the first two years in accordance with Point 5.2 of the Programme Directive for JR Centres. The amount is limited to a maximum of 10% of this budget sum. If there are External or International Modules that have already been approved as part of the initial approval of a JR Centre, the budget for these modules can be included in the budget amount for calculating the initial funding. The internal distribution of initial funding among the participating scientific partners in the case of the existence of a module is the responsibility of the Head of Centre.

The prerequisite for the granting of initial funding is the availability of financial support.

Premature termination of the JR Centre may result in the initial funding being reclaimed.

### **11.5. Eligible costs**

Eligible costs include all expenditure attributable to the research project and all costs resulting directly, actually and in addition (to the normal operational costs) from the project for the duration of the research activities supported.

#### **11.5.1. Personnel costs**

Costs for scientists, technicians and other staff members are eligible, provided they are employed by the funding recipient and directly assigned to the research project. Personnel costs that can be considered as representing a proportion of the funding recipient's administrative costs are not eligible for support. Personnel costs may be paid up to the levels given in the scheme of personnel costs set by the CDG Executive Board. Personnel cost rates in accordance with any collective agreement<sup>8</sup> are accepted. Components of a salary that exceed the CDG's scheme of personnel costs and that are voluntary and not foreseen or required by the terms of any collective agreement (e.g. private pension schemes, voluntary social contributions) are not eligible for support from the CDG.

With the exception of Heads of Laboratory endowed by the CDG, no personnel costs for the Head of Laboratory /Head of Centre are eligible for funding. However, an honorarium for heading a Laboratory or Centre may be paid, the level of which is determined by the CDG Executive Board. Additional

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<sup>8</sup> In the case of International CD Laboratories or International Modules, contracts comparable to the collective agreement, such as collective labour agreements, are also accepted.

components of the salary that relate to heading the CD Laboratory and that are voluntary and not foreseen or required by the terms of any collective contract are not eligible for support from the CDG. This rule applies analogously to the Heads of External and International Modules.

The costs for the administration of personnel costs by the Bursar's Office, Finance or Human Resources may be charged to the CDG; such costs must be paid from the budget of the CD Laboratory or JR Centre.

The funding recipient should ensure that the CDG's project accounting should be related as simply as possible to the payroll account. Payroll accounts relating to activities outside those of the CD Laboratory remain unaffected.

### **11.5.2. Costs for fixed assets (inventory)**

Fixed assets (inventory) within the meaning of the Business Enterprise Code (UGB) are items with a purchase value above the threshold value for low-value assets (GWG) in accordance with Section 13 of the Income Tax Act (EStG), which are intended to be used permanently for business or research operations in the CD Laboratory or JR Centre.

The purchase costs for such equipment constitute eligible costs if the equipment is necessary or expedient for the operation of the CD Laboratory or JR Centre, is in operation and is permanently dedicated to specific scientific work of the CD Laboratory or JR Centre for the duration of the CD Laboratory or JR Centre.

The following costs are eligible in connection with fixed assets:

- Purchase costs for inventory within the meaning of the Business Enterprise Code (UGB), i.e. equipment and software licences with a purchase value above the threshold value for low-value assets (GWG) in accordance with Section 13 of the Income Tax Act (EStG) (including costs for transport, installation and necessary adaptations)
- Costs for the purchase or adaptation of special infrastructure in accordance with Point 8.2.2.

The following costs are not eligible

- costs for basic infrastructural measures
- costs for buildings and premises
- depreciation costs

The federal procurement regulations (in particular the Federal Procurement Act)<sup>9</sup> are to be applied in accordance with Point 15.4. .

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<sup>9</sup> In the case of International CD Laboratories or Modules, the European procurement regulations and their respective national implementation must be applied.



### **11.5.3. Costs for hire-purchase equipment**

Hire-purchase costs for fixed assets (inventory items) in the sense of the Business Enterprise Code (UGB) are eligible for support, although the interest and charges contained in the hire-purchase payments are not. The regulations for the costs of fixed assets (inventory items) are to be applied analogously.

### **11.5.4. Material costs that do not represent fixed assets**

The following material costs that do not represent fixed assets are eligible for funding, provided the items are used for the research project:

- Low-value assets (GWG) in accordance with Section 13 of the Income Tax Act (EStG) without restriction
- Purchases above the threshold value for low-value assets (GWG) in accordance with Section 13 of the Income Tax Act (EStG) that are not intended to be used permanently for business or research operations in the CD Laboratory or JR Centre
- Materials and consumables

### **11.5.5. Costs for third-party services**

Eligible costs are costs for third-party services that are necessary or expedient for the research project, in particular:

- Purchase of research and consulting services outside the funding recipient, in the case of JR Centres also services from universities as part of a dissertation project;
- Sample preparation, external measurements and material testing;
- Specialised IT services;
- Maintenance, repairs, installations and conversions of systems and equipment in the CD Laboratory and JR Centre;
- Pro rata costs for the utilisation of special infrastructure (also within the funding recipient) in accordance with Point 8.2.2.
- In the case of CD Laboratories: costs for additional space required for the establishment and operation of the CD Laboratory up to 3% of the actual personnel costs pursuant to Point 8.2.1.

The federal procurement regulations (in particular the Federal Procurement Act)<sup>10</sup> must be applied when awarding contracts. Corresponding documentation must be enclosed with the documents relating to the award of the contract.

Financial returns to the participating commercial partners are generally not permitted. Under exceptional circumstances, however, costs of consignments or services from the commercial partner may be deemed eligible (e.g. if there is no technically or economically justifiable alternative for preparing

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<sup>10</sup> In the case of International CD Laboratories or Modules, the European procurement regulations and their respective national implementation must be applied.

samples). In each case the CDG Executive Board will decide whether an exception is justified. On no account may support provided to the commercial partner exceed the partner's original costs. Third-party services provided by staff of the funding recipient must also be approved by the CDG's Executive Board, otherwise they shall be deemed ineligible for support.

#### **11.5.6. Travel costs**

Travel costs of persons directly involved in the research work in the CD Laboratory or JR Centre are eligible for funding in accordance with the travel costs regulations applicable at the host university or university of applied sciences or, in a subsidiary manner, in the case of non-university research institutions, the travel costs regulations of the Austrian federal government apply. In the case of International CD Laboratories or Modules, the travel costs regulations of the funding recipient apply. Participation in congresses and other scientific events is eligible for funding if the participation demonstrably serves to present the research results of a CD Laboratory or JR Centre (lecture, poster, publication in proceedings). Eligibility for funding is also given for staff of the CD Laboratory or JR Centre or for the Head of a JR Centre (but not for the Head of a CD Laboratory) if participation serves the necessary or expedient acquisition of knowledge in connection with the research project (development of competence in the CD Laboratory or JR Centre).

#### **11.5.7. Other costs**

Eligible for funding are other operating costs of the CD Laboratory or JR Centre, in particular

- Scientific literature and journals, access to online media etc.;
- Workshops, scientific guest lectures, presentations.

Costs for building up of reserves and savings are not eligible unless any collective agreement provides for them.

#### **11.5.8. In the case of JR Centres: initial funding for JR Centres**

The initial funding in accordance with Point 11.4.2. serves to partially cover the expenses of the university of applied sciences in providing the basic infrastructure and basic resources (in terms of material and personnel). The initial funding is to be used in particular to offset any organisational and structural burdens on the organisational unit in which the JR Centre is embedded.

#### **11.5.9. Value added tax**

The value added tax (VAT) on eligible payments is not itself eligible for support. However, if VAT may be shown to have been actually and finally paid by the funding recipient, i.e. if the funding recipient is not entitled to VAT reimbursement, it may be included as an eligible cost.

VAT that may be reclaimed, by whatever means, is not eligible for inclusion, even if the funding recipient does not receive reimbursement.

If a payment made to the funding recipient is taxable and declarable in accordance with the 1994 Value Added Tax Act (BGBl. 663 in the currently valid version) and the tax authorities view this not as support but as payment for performance of a contract and thus claim VAT from the funding recipient, it is envisaged that the payment be treated as gross<sup>11</sup>. Under no conditions will the CDG grant an additional and separate payment to cover VAT.

#### **11.5.10. Acquisition tax**

Purchase invoices from within the EU may be marked with the funding recipient's VAT number. In such cases it must be ensured that the funding recipient pays the acquisition tax<sup>12</sup>.

#### **11.5.11. Income**

Income that is directly related to the funded activity, but not income that arises from the utilisation of the research results, reduces the funding.

#### **11.5.12. The following costs are not eligible for funding**

- Donations;
- Expenses for damages and administrative penalties.

### **11.6. Recognition of eligible costs**

Unless otherwise agreed, eligible costs may only be recognised if they arise after the start of the CD Laboratory's operation.

The costs to the funding recipient or the partners related to preparation of the contract as well as any transfer costs must be borne by the funding recipient and/or the partners and are not eligible for reimbursement from the CDG. Similarly, costs that arise after the end of the CD Laboratory's or JR Centre's period of operation are not eligible, nor are costs that are deemed ineligible as a result of provisions in the EU's competition laws.

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<sup>11</sup> For International CD Laboratories and International Modules: If a grant made to the funding recipient is taxable and declarable in accordance with the 1994 Value Added Tax Act (BGBl. 663 in the currently valid version) and the tax authorities view this not as support but as payment for performance of a contract and thus claim VAT from the funding recipient, it is envisaged that the payment be treated as gross.

<sup>12</sup> Incoming invoices from outside the EU or the EEA are to be treated in the same way.

## **12. General directives on financial accounting of a CD Laboratory or JR Centre**

### **12.1. Bookkeeping**

The funding recipient undertakes to perform its accounting in a manner that is correct and in accordance with the Business Enterprise Code / Accounting Act (*UGB/ Rechnungslegungsgesetz*), in conjunction with – in case of universities with the Universities Act/Accounting Act in the currently valid versions; in the case of International CD Laboratories/Modules, in accordance with the relevant national and European regulations. Failure to comply with the CDG's directives for the financial accounting of a CD Laboratory or JR Centre will lead to the non-acceptance of the costs or to the cessation of support.

Within its accounting system (such as SAP) the funding recipient must allocate an internal accounting number (*Innenauftragsnummer*) to each CD Laboratory or JR Centre and if applicable separately for External/ International Modules. All income and expenditure of CD Laboratory or JR Centre and - if applicable separately for External/ International Modules - must be precisely accounted under this number. All finances relating to an individual CD Laboratory or JR Centre and - if applicable External/ International Modules will be exclusively handled via the corresponding account or cost centre; furthermore, this account or cost centre may only be used to administer the finances relating to this CD Laboratory or JR Centre and - if applicable External/ International Module.

### **12.2. Dedicated use**

The funding recipient undertakes to use the funds provided by the CDG for the intended purpose.

### **12.3. Address for invoices**

All invoices to be settled via the budget of the CD Laboratory or JR Centre must clearly present the connection to the individual CD Laboratory or JR Centre, otherwise they will not be considered eligible for funding.

Flat rate accounting between a funding recipient and a CD Laboratory or JR Centre is not permitted. In each case, costs must be attributable to units of activity or quantity.

### **12.4. Report on expenditure**

The funding recipient undertakes to inform the CDG on the performance of the project being supported by means of reports on expenditure, each consisting of a substantive report and a numerical report.

#### **12.4.1. Substantive report (on expenditure)**

The substantive report must include – for each CD Laboratory or JR Centre – details on the use of the support from Federal funds and from private sources, a verifiable report on the performance of

the research funded and information on the results of this research. Information on external and international modules and on the special programme elements given in Point 5.1.6. should be included separately in the substantive reports of the appropriate CD Laboratory or JR Centre.

#### **12.4.2. Numerical report on expenditure of funds**

The numerical report on expenditure must include a breakdown of all income and expenditure associated with the work being funded, supported by documents. The documents may be copies of invoices and copies of proofs of payment provided that the documents may be inspected or submitted at a later date. The report may be submitted electronically if it can be ensured that the information is complete, sorted, identical in content to the original and verifiable. The CDG reserves the right to inspect the documents or to have them submitted at a later date.

According to the Federal Fiscal Code (*Bundesabgabenordnung*), electronic invoices are invoices that are issued, sent, received and processed in an electronic format. Such invoices will be accepted, whereby the following conditions must be satisfied:

- authenticity of the source of the invoice
- intactness of the invoice
- legibility of the invoice

#### **12.5. obligation to preserve records**

All books and receipts and all other supporting documents mentioned in Point 16.3 must be kept safe and sorted for a period of ten years from the end of the year when full support was paid – the CDG reserves the right to extend the period for which documentation must be preserved if there is justification for so doing – at least from the start of the Laboratory's or Centre's work. If any European legal provisions stipulate a longer period of time they must be observed. Appropriate image carriers and electronic media may be used to store the information, provided they guarantee that the information stored is complete, sorted, identical in content to the original and verifiable and is accessible at any time until the end of the period for which the funding recipient is obliged to preserve records. In such cases the funding recipient is obliged to offer at its own cost all tools necessary to make books, receipts and other documents readable or as far as is required to produce permanent copies that may be read without tools and to make them available on electronic media.

#### **12.6. Earnings from interest**

The funding recipient must credit the appropriate CD Laboratory or JR Centre with the amount of any interest payments that accrue as a result of the advance financing of CD Laboratories or JR Centre by the CDG. This sum must be added to the total funding for the Laboratory or Centre. If, on the other hand, the funding recipient makes payments on behalf of CD Laboratories or JR Centre that are envisioned in the agreed budgetary provisions but are not covered by payments already received from the

CDG, the CDG undertakes to refund the interest paid on these amounts for the period of advance financing by the funding recipient.

## **12.7. Research, time and cost plans**

The funding of the CD Laboratory or JR Centre is based on the research, time and cost plans to be submitted by the Head of Laboratory or Centre for each phase of support.

### **12.7.1. Introductory phase (1st and 2nd research year)**

The research plan, time plan and cost plan submitted as part of the initial application include detailed information on the first and second years of research and give indications of the plans for the following three years.

### **12.7.2. Extension phase (in the case of CD Laboratories, first extension phase) (3rd, 4th and 5th research year)**

The research plan, time plan and cost plan presented during the interim evaluation after two years include detailed information on the third, fourth and fifth years of research and – in the case of CD Laboratories - give indications of the plans for the following years.

### **12.7.3. In the case of CD Laboratories: second extension phase of CD Laboratories (6th and 7th research year)**

The research plan, time plan and cost plan presented during the interim evaluation after five years include detailed information on the sixth and seventh years of research.

## **12.8. Approval of the research, time and cost plans**

Once approved by the CDG Executive Board, the research plan, the time plan and the cost plan form an integral part of the contracts for the CD Laboratory or JR Centre in question.

## **12.9. Recognizance of costs**

The approved costs do not constitute a recognition of costs. The final amount of the eligible costs and the funding will only be determined after the CDG has reviewed and approved the report on expenditure of funds. In addition there may be demands for repayment to the CDG as a result of the checks in accordance with Point 16.

## **13. Budgeting**

### **13.1. Budget**

The costs planned for the research years for the research work of the respective contract phases in accordance with point 12.7. must be presented in the form of budget plans by calendar year. The budget of the CD Laboratory or JR Centre is requested annually by the Head of Laboratory or Centre.

### **13.2. Budget and work plan**

The budget plan is based on work plans by calendar year and is broken down according to the individual budget items, commercial partners and, if applicable, External/International Modules. The CDG will provide the Head of the Laboratory or Head of Centre with the currently valid version of the forms and with guidelines for the time plan for their submission.. The budget plan and the work plan must be prepared up by the Head of Laboratory or Centre in consultation with the individual commercial partners, taking into account both the scientific freedom in CD Laboratories and the freedom for development of expertise in JR Centres as well as the necessary business relevance of the research. The budget plan and work plan must be submitted to the CDG in good time.

If the funding application pursuant to Point 6.1. or the evaluation report pursuant to Point 21.3. line 2. is sufficiently detailed, these can be used as work plans. At the request of the commercial partners, specific annual work plans must be submitted to them.

### **13.3. Submission of the budget and work plan**

The budget and work plan of the CD Laboratory or JR Centre for the following year, duly executed by the commercial partners, must be received by the CDG by 1 September of the current year at the latest.

### **13.4. Approval of the budget and work plan**

The budget for the CD Laboratory for the following calendar year will be decided by the CDG Executive Board as part of its decision on the CDG's overall budget.

### **13.5. Disposition of support**

The disposition of the support must take place in accordance with the agreed budget plan and work plan. On no account may the total expenditure for the year exceed the level of the approved budget.

### **13.6. Increase in the budget**

Increases to the approved budget are only possible with the prior approval of the CDG Executive Board. For this purpose, The Head of the Laboratory or Centre should submit an application justifying the requested increase to the CDG, the application should be confirmed by the commercial partners. The application must be approved by the CDG Executive Board..

### **13.7. Reallocations of the budget**

The Head of the Laboratory or Head of Centre may reallocate part of the approved budget (from one budget category to another within a Module) up to a limit set by the CDG Executive Board. In special cases it may be permitted to reallocate a larger amount. If a larger reallocation is desired, the Head of the Laboratory or Head of Centre should submit an application to the CDG, with a justification for the change and with confirmation that the commercial partners consent to it. The CDG Executive Board will decide whether the application should be approved.

Reallocations of the budget to purchase fixed assets represent an exception: these must be submitted to the CDG Executive Board for approval irrespective of the amount of money involved and the application must be signed and duly executed by all commercial partners affected by the change.

### **13.8. Carry-over of unspent money**

Unspent money from the budget from the current year can be automatically carried over to the following year's budget up to the amount determined by the CDG Executive Board.

In special cases it is possible to carry over larger amounts into the following year. If this is desired, the Head of the Laboratory or Head of Centre must submit an application to the CDG by the submission deadline for the last meeting of the CDG Executive Board of the current year. The application requires an appropriate justification and confirmation from the commercial partners. It must be approved by the CDG Executive Board.

As a result of the transfer of unspent money, the budget may exceed the stipulated annual limit.

### **13.9. Unutilised budget funds**

Money unspent in the current year, identified during the annual accounting as to be refunded by the CDG to the commercial partners and to the funding provider, will be treated as an advance payment for the following year and does not lead to an increase in the budget for the following year. The money does not have to be returned to the CDG but remains on the funding recipient's account as an advance payment.



## **14. Allocation and accounting of the budget**

### **14.1. Transfers**

The CDG will transfer quarterly the money required for the operation of the CDG Laboratory to the funding recipient's account, to the credit of the CD Laboratory. The first three quarterly payments represent instalments; the fourth quarterly payment is the difference between them and the approved budget for the year.

### **14.2. Financial report**

The financial report is the central document for the presentation of budget payments and for the annual accounts.

### **14.3. Transfer of quarterly payments**

Following approval of the budget for the following year, the CDG provides the Head of Laboratory or Head of Centre with the form for the financial report. The Head of the Laboratory or Head of Centre divides the approved budget between the four quarterly payments, broken down by individual modules and cost categories, and returns the form to the CDG by 1 January at the latest. Only once the form, correctly completed, has been received, may the quarterly payments be transferred.

### **14.4. Annual accounts**

As part of the annual accounts, the Head of Laboratory or Head of Centre must submit the complete financial report for the respective year, a complete list of expenditures, an excerpt from the funding recipient's accounting system (such as an SAP excerpt) and an excerpt from the list of assets by 31 January of the following year. . Together with the additional documents, the financial report represents the numerical report on the disbursement of the support in accordance with Point 12.4.2.

### **14.5. Eligibility of funding**

On the basis of the annual report, the CDG will examine the eligibility for funding of the CD Laboratory's costs that have been charged to the budget. Any costs deemed to be ineligible will be considered as unspent money in accordance with Point 13.9 and will be treated as an advance payment against the budget of the following year.

The CDG uses the annual accounts to check the eligibility of the costs charged to the CD Laboratory or JR Centre. Costs that are not recognised are treated as unused budget funds in accordance with Point 13.9. and are deemed to be an advance payment on the following year's budget.

## **14.6. Final accounts**

Within four weeks of the end of the term of the CD Laboratory or JR Centre, the Laboratory Head or Head of Centre shall submit to the CDG a proper final statement of account for the CD Laboratory or JR Centre, which, as in Point 14.4, shall include the complete financial report for the year in question, a complete list of expenditures, an extract from the funding recipient's accounting system (such as an SAP extract) and an extract from the list of assets. After the CDG has examined the final accounts, any costs deemed ineligible for support will be reimbursed by the funding recipient.

## **15. Fixed assets / inventory**

### **15.1. Inventory, depreciation and residual book value of fixed assets**

Fixed assets are purchased by the funding recipient and charged to the internal accounting number of the appropriate CD Laboratory or JR Centre. They must be inventoried and their depreciation calculated in accordance with normal legal provisions. The date the equipment enters operation is to be taken as the date of purchase.

If the provisions of Point 15.9 require a refund of the purchase costs, two factors are to be considered in calculating the residual book value. The date for calculating the residual book value will be taken as the date of the cause of the refund, such as the normal or premature termination of the CD Laboratory or JR Centre or the end of the participation of a commercial partner in the CD Laboratory or JR Centre. Any phasing-out period that may be granted will not be taken into account. The depreciation times for various items will be fixed by the CDG Executive Board. In case of doubt, the CDG Executive Board will determine the date and depreciation time appropriate to the equipment in question.

As part of the inventory process, all fixed assets should be marked with a label from the CDG in accordance with Point 15.5.

### **15.2. Ordering of fixed assets**

Fixed assets are by the Head of the Laboratory, who in doing so must observe the funding recipient's internal guidelines relating to orders. Invoices must be dated no later than 31 December of the current year and be addressed to the funding recipient. The regulations of Point 12.3 relating to the address of invoices must be observed.

## **15.3. Large items of equipment**

### **15.3.1. Limits**

In purchasing large items of equipment there are two limits to consider, set by the CDG Executive Board. Equipment with a purchase price exceeding the lower of the two limits set by the CDG Executive Board may only be purchased with the agreement of the commercial partner(s) affected. If the purchase price exceeds the upper of the two limits set by the CDG Executive Board, the purchase must also be approved by the CDG Executive Board.

Large items of equipment are defined as be those for which the purchase price exceeds the lower of the two limits set by the CDG Executive Board.

### **15.3.2. Purchase in the final 24 months of the normal operation**

The funding recipient must seek the CDG's permission before purchasing any large items of equipment in the final 24 months of the normal period of operation. In accordance with Point 14.9.1, if large items of equipment are purchased in the final 24 months of the normal period of operation (excl. any phasing-out period that may be granted) the residual book value must be refunded at the end of the normal period of operation.

### **15.3.3. Hire-purchase**

Large items of equipment may also be acquired by means of hire-purchase agreements if the purchase price is above a level set by the CDG Executive Board. The contracts are to be concluded by the funding recipient. Before concluding a hire-purchase contract, the funding recipient should reach an agreement with the CDG relating to the operative handling of the contract and any associated liabilities.

## **15.4. Federal regulations for allocation of contracts**

The Federal regulations for awarding contracts (in particular the Federal Procurement Act, *Bundesvergabegesetz*) are applicable<sup>13</sup>. The corresponding documentation must be submitted together with the documents relating to the purchase.

## **15.5. Labelling**

The fixed asset is to be identified in an easily visible position with an inventory label from the funding recipient and with a label that acknowledges the support from the CDG. The CDG will send such labels to the CD Laboratory or JR Centre.

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<sup>13</sup> In the case of International CD Laboratories/Modules, the European procurement regulations and their respective national implementation are applicable.

## **15.6. Condition of the equipment**

Equipment must be maintained in an orderly and functional condition. If equipment is withdrawn because it is now longer operational or has been lost, the CDG should be informed and an explanation provided in the course of the annual accounting.

## **15.7. Insurance cover**

The funding recipient is responsible for the host's normal insurance cover for the equipment. The costs of insurance cover are eligible for support.

## **15.8. Use of equipment**

The funding recipient must ensure that the equipment that has been by the CD Laboratory or JR Centre is available for the CD Laboratory's or JR Centre's use without restriction. The University may use the equipment without charge, provided that doing so does not restrict the work in the CD Laboratory or JR Centre. The agreement of the Head of the Laboratory is required before the equipment may be used by any third parties, including the commercial partners. In such cases an appropriate consideration should be charged and the income credited against the share of public funding received for the Laboratory or Centre. Payment may be waived only with the agreement of the CDG Executive Board.

## **15.9. Reimbursement**

### **15.9.1. Normal termination of the CD Laboratory or JR Centre**

If large items of equipment are purchased in the final 24 months of the normal period of operation of the CD Laboratory or JR Centre (excl. any phasing-out period that may be granted), the funding recipient must refund the residual book value – calculated in accordance with Point 15.1 – to the funding agency at the end of the normal period of operation of the CD Laboratory or JR Centre (excl. any phasing-out period that may be granted).

During the normal termination procedure for the CD Laboratory or JR Centre, the commercial partners may be interested in acquiring some of the equipment purchased for the CD Laboratory's or JR Centre's research work. In such cases, the CDG encourages the funding recipient to relinquish the equipment to the commercial partners against payment of an appropriate consideration.

### **15.9.2. Premature termination of the CD Laboratory**

1. If the CD Laboratory or JR Centre is terminated prematurely as a consequence of a negative scientific evaluation, the funding recipient must refund to the CDG the residual book value of the equipment, calculated in accordance with Point 14.1.
2. If the CD Laboratory or JR Centre is terminated prematurely as a consequence of the withdrawal of the company partner(s), the CDG will ensure that the companies in question refund to the

CDG the proportion of the residual book value – calculated in accordance with Point 15.1 – that was covered by the public purse. In such cases, the university will not be required to refund the proportion of the residual book value that was covered from other sources. There is no requirement for a refund if the CD Laboratory or JR Centre is continued with other company partners.

### **15.9.3. Change of host**

If the host institution changes, the equipment necessary for the further research in the CD Laboratory or JR Centre must be relinquished to the new host, which should pay an appropriate level of compensation to the previous host. The new host assumes responsibility for the equipment.

## **16. Financial controlling**

### **16.1. Control that the funding is used for the intended purpose**

The CDG checks that funding is used for the intended purpose by

1. an on-site check of the CD Laboratory's or JR Centre's financial policy and the financial structures at the funding recipient, undertaken within the first twelve months of the start of the research activity;
2. examining the funding recipient's annual accounts, prepared in accordance with the CDG's formal requirements;
3. random tests that funding is used for the intended purpose (checks of the technical and financial correctness);
4. external checks that funding is being used for the intended purpose undertaken by independent financial auditors or by the Federal Ministry responsible of economic affairs.

### **16.2. Continuous financial controlling**

The funding recipient undertakes to participate in the CDG's financial controls (cf. Point 12.2.6 and Point 12.2.7 of the Programme Directive of CD Laboratories respectively JR Centres). The funding recipient must provide evidence for all income and expenditure related to the support for the CD Laboratory or JR Centre and must make available any additional documents required.

If the funding recipient has spent its own money for the same purpose or if it has received money from a third party, the descriptions in the report and in the evidence of the financial correctness must extend to all the funding recipient's income and expenditure in connection with the work being supported.

### **16.3. Inspection**

In connection with monitoring that funding is used for the intended purpose, the funding recipient must grant access to the relevant books and supporting documentation and to any other material useful to the inspection of how the research is conducted – in all cases in original – to organs or delegates of the

Federal Ministry responsible of economic affairs, to the National Foundation for Research, Technology and Development, to the CDG as funding agency and to persons and institutions delegated by the CDG as well as to organs of the EU and of the Auditor General's office. Access may be at the funding recipient's premises or at third parties and on-site inspection should be permitted. The funding recipient must provide all persons and bodies with all required information – or must have this information provided – and must make an appropriate person available to respond to requests for information. The inspecting body will itself decide which documentation is required to investigate the performance of the Laboratory or Centre in question.

With respect to inventory items (including hire-purchase equipment), the funding recipient must provide the auditors on demand an excerpt from the accounting system (such as an SAP printout) and an extract from the inventory. The annual financial report should also be used to inform the CDG of any equipment that has been withdrawn: the information must be provided without the need for the CDG to request it.

With respect to personnel costs, the funding recipient must provide the auditors on demand an excerpt of the payroll accounts and must grant them access to the contracts of employment, the contracts for works and services and the time sheets.

## **17. Nondisclosure / confidentiality**

### **17.1. General requirements for nondisclosure /confidentiality**

Information of any kind that the commercial partners communicate to the Head of Laboratory or Head of Centre to staff members of the CD Laboratory or JR Centre in the course of its operation, as well as all information relating to the operation and research results of the CD Laboratory or JR Centre that is received as a research result of work at the host institution, must be treated in confidence unless otherwise provided for by Points 18 and 19. Information and research results are excepted from this provision if

- they are covered by an explicit agreement to the contrary with the commercial partners involved, or
- it can be shown that the information was known to the Head of Laboratory or Head of Centre or to staff members of the CD Laboratory or JR Centre before it was received from the commercial partner and/or before the start of the research work under the present agreement, or if it was subsequently made known by third parties entitled to do so, or
- they represent general state of the art or become general state of the art without the assistance of the Head of the Laboratory or Head of Centre or staff members of the CD Laboratory or JR Centre, or
- they were or become generally known without the present agreement's being broken.

## **17.2. Publication and/or patenting of research results**

The requirement for confidentiality specified above applies in particular to the publication and/or patenting of the research results of the CD Laboratory or JR Centre, unless otherwise provided for by Points 18 and 19.

## **17.3. Scope**

The commitment to confidentiality extends to all persons involved in the work covered by the present contract and continues for six years beyond the period of the contract for the CD Laboratory or JR Centre in question. The requirement for confidentiality must be included in contracts of employment and contracts for works and services concluded with individual persons.

## **17.4. Commercial partners**

The commitment to confidentiality applies analogously to the commercial partners with respect to the CD Laboratory or JR Centre as well as with respect to the funding recipient, although the goals of the CD Laboratory may not be hampered by the provision. The CDG is responsible for transferring the commitment to its member organizations.

# **18. Publications**

## **18.1. Publication**

The term “publication” is used to mean any mechanism to enable public access to research results, in particular via printed media, in electronic media, by means of presentations in word and/or image or by other means.

## **18.2. Interest in publications**

The CDG recognises the vital interest from the funding recipient and from the staff employed in the CD Laboratories or JR Centres in publishing all scientifically significant research results that arise in the course of the work of the CD Laboratory or JR Centre.

## **18.3. Framework conditions for the publication of research results**

Results from basic research should be published in an appropriate form, ideally in refereed journals or in respected forums for publication in the relevant field. Publication of results of application-oriented basic research or other application-oriented research results should take into account the economic interests of the commercial partners (e.g. in patenting). A written agreement between the Head of the Laboratory or the Head of the Centre and the commercial partners should be obtained in advance. If

within three weeks of sending a manuscript to be published to the commercial partners the Head of the Laboratory or the Head of the Centre receives no justified objections to publication or requests for changes, this is to be interpreted as consent to publication. On no account may the performance and conclusion of master's theses, diploma projects and PhD theses or the handling of these according to study laws be obstructed or delayed. The provisions of § 86 of the Universities Act, § 19 (3) FHStG and the internal guidelines of the university and the study laws apply to the conclusion and the possible block on publication of such works.

#### **18.4. Acknowledgements in publications from a CD Laboratory or JR Centre**

Publications of work undertaken within a CD Laboratory or JR Centre must mention, in addition to the name of the author, both the CD Laboratory or JR Centre and the funding recipient. They must also include at an appropriate point the information that the research project was supported by the Federal Ministry responsible for economic affairs or by the National Foundation for Research, Technology and Development and must refer to the Christian Doppler Research Association.

#### **18.5. Acknowledgements in publications from the CDG or from its corporate members**

In publications from the CDG and its corporate members that make reference to the activities or the research results of a CD Laboratory or JR Centre at the funding recipient, the CD Laboratory or JR Centre and the participating institutions of the funding recipient are to be named. The CDG will instruct its corporate members to act accordingly.

### **19. Intellectual property rights**

All service inventions arising from the research activities of CD Laboratories or JR Centres must be reported immediately to the funding recipient (in the case of Austrian universities as host institutions pursuant to § 106 UG and in the case of universities of applied sciences and non-university research institutions in Austria pursuant to § 12 PatG). In addition, the following regulations apply:

#### **19.1. Contributed information, rights and items**

Ownership of the information, the rights and the items provided as well as the right to determine their use and exploitation shall remain unrestrictedly with the contractual party that makes them available.

#### **19.2. Employment contracts.**

In concluding contracts of employment with the personnel of the CD Laboratory or JR Centre, the funding recipient will include an agreement relating to the requirement to report service inventions and protectable results arising during the course of the work of the CD Laboratory or JR Centre and will



specify the funding recipient's right to take up such inventions or protectable results. The notification must be made without delay in writing to the funding recipient and to the Head of Laboratory or Head of Centre.

### **19.3. Contracts for works and services**

Furthermore, the funding recipient will include a clause in contracts for works and services and for any other agreements with the staff of the CD Laboratory or JR Centre governing the immediate reporting of and waiving of rights in favour of the funding recipient to those inventions that arise during the course of fulfilling the works for the CD Laboratory or JR Centre. The funding recipient will also incorporate a confidentiality clause in these contracts and agreements in accordance with the provisions of the present agreement. The following regulations relating to service inventions are to be applied analogously.

### **19.4. Use in areas that would not compromise the companies' competitive interests**

The participating scientific partners in the narrower sense as well as corporate cooperation partners may use and utilize the research results for their own research and development activities and in their teaching without limitation in the areas of their work that would not compromise the companies' competitive interests. In using research results, attention should be paid to ensure that no industrial property rights are infringed and that none of the collaboration partners' business or trade secrets are revealed.

### **19.5. Reporting**

The funding recipient must oblige the Head of Laboratory or Head of Centre to inform the funding recipient immediately of any inventions or protectable results obtained by the Head or the staff of the CD Laboratory or the JR Centre during the course of the CD Laboratory's or JR Centre's research work and thereafter to communicate this information in writing to the commercial partners. The Head of Laboratory or Head of Centre and the commercial partners should agree on the form and the extent of the information.

### **19.6. Attribution to the CD Laboratory or JR Centre**

The decision whether inventions or protectable results fall within the scope of the agreed research activities of the CD Laboratory is to be taken jointly by the Head of Laboratory/ Head of Centre and the commercial partners.

### **19.7. Confidentiality**

By means of written non-disclosure agreements, the funding recipient will take all provisions necessary to ensure that all recipients of information treat in strict confidence all information relating to inventions

or protectable results as well as to business or trade secrets passed on to commercial partners or to third parties.

## **19.8. Inventions and/or protectable results within the companies' specific fields**

With regard to the further regulations for the use of inventions and protectable results, the following sections distinguish between those that lie within the companies' specific fields of business and those that lie outside them. For inventions and protectable results that arise from the CD Laboratory's or JR Centre's research work and that are assigned to the specific fields of business of the company partners, provisions 19.8 no. 1 to no. 7 apply.

1. In accordance with § 106 of the Universities Act (reporting a service invention in case of an Austrian university as host) the funding recipient will require the Head of the Laboratory to inform the funding recipient within six weeks of the first report of an invention or a protectable result of whether commercial partners are interested in the option that the funding recipient take up the invention or protectable result and transfer it to the companies. To enable the deadline to be met, the commercial partners must inform the Head of the Laboratory /Head of Centre of their interest sufficiently early and in writing.
2. The Head of the Laboratory /Head of Centre and the commercial partners should agree on the form and the extent of this communication. Until it is received, the funding recipient undertakes not to disclose any information related to the report and waives its own rights to the invention or protectable results as well as its right to delegate these rights to the inventors.
3. If the Head of the Laboratory /Head of Centre informs the funding recipient that company partners are interested in having the funding recipient take up the invention or protectable result and transfer it to the companies, the funding recipient claims the invention or protectable result from the inventors and transfers the rights to these company partners<sup>14</sup>. The commercial partner covers the costs involved in the transfer and any additional costs incurred in relation to the transfer of the rights to the invention or protectable result and to its patenting, including paying a fair recompense to the inventor in accordance with §§ 8 and 9 of the Patents Act. In accordance with Point 7.4, additional payments to the funding recipient may be agreed (cf Point 20.2). In addition, remuneration can be provided by the commercial partners for the creators or authors of other results eligible for protection (apart from inventions). The commercial partners grant the funding recipient the right to use the transferred

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<sup>14</sup>Should more than one company partner declare an interest in the transfer of an invention and should this invention or protectable result lie in the specific fields of business defined by two or more of the interested companies, these companies are under obligation to come to a consensus on the sharing of the rights within an acceptable period of time, which they are to agree with one another and with the funding recipient. Should no consensus be reached in this period, the rights to the invention or the protectable result will be divided in proportion to the companies' documented contributions to the work of the CD Laboratory or JR Centre relevant to the invention. In case of doubt, the CDG Executive Board will determine whether the companies contributed to the portion of the work relevant to the invention.”.

inventions and protectable results for scientific, non-commercial purposes, whereby the funding recipient must ensure that the competitive interests of the companies concerned are in no way compromised by the use.

4. Furthermore, the funding recipient may make economic use of the inventions that have been taken up by commercial partners, and for which they have registered an IPR, outside the business sectors in which the companies are active. If the patent does not foresee any corresponding restrictions on the area in which the invention may be applied, any such use may only take place in accordance with the commercial partners.
5. If the inventions and protectable results transferred to the commercial partner produce a special economic benefit, the commercial partners in question are prepared to recognize this by payment of an additional consideration, the level of which should be set on a case-by-case basis.
6. If the Head of the Laboratory/ Head of Centre or the commercial partner(s) informs the funding recipient within six weeks that they are not interested in taking up or transferring the results, the funding recipient's requirement under 19.8 no. 2 to waive rights to the invention or protectable results obtained by the Head of the Laboratory / Head of Centre or staff of the CD Laboratory or JR Centre during the course of the CD Laboratory's or JR Centre's research work lapses and the funding recipient is free to take up the rights itself or to release them to the inventors.
7. Alternative licensing models: In particularly justified exceptional cases, the funding recipient and the commercial partners can agree on alternative licensing models that enable the use of the inventions or protectable results without transferring ownership. Such licensing models may, for example, include exclusive or non-exclusive licences that grant the commercial partners the right to use the inventions or protectable results, while the funding recipient retains ownership. These licences must be designed in accordance with EU and Austrian law and should ensure that the interests of all parties involved are safeguarded and that fair remuneration is provided for the use of the inventions or protectable results. The specific terms of such licence agreements must be negotiated between the parties on a case-by-case basis, recorded in writing and designed in accordance with Point 20.2.

## **19.9. Inventions and/or protectable results outside the companies' specific fields**

For inventions and protectable results that lie outside the company partners' specific fields of business, provisions Point 19.9 no. 1 and no. 2 are applicable instead of provisions Point 19.8 no. 1 to no. 6.

1. The funding recipient will require the Head of the Laboratory/Head of Centre to inform the commercial partners of inventions and protectable results. The funding recipient will offer the commercial partners the right of first refusal on rights to the invention or protectable results, to be acquired for an appropriate payment. The commercial partners must communicate their interest in doing so within a period of six weeks.

In calculating the payment, the costs associated with taking up or transferring the rights to the inventions and protectable results and any additional costs that have already accrued to the funding recipient are to be taken into account, as are the recompense to the inventors and any patent costs.

2. Until the answer from the commercial partners is received, the funding recipient undertakes not to disclose any information related to the report and until the expiry of the six-week grace period waives its own rights to the invention or protectable results as well as its right to delegate these rights to the inventors.
3. It can be agreed that if inventions or protectable results that have been taken up and transferred are not used within a period to be agreed, the rights to them revert to the funding recipient.

#### **19.10. Determination of the companies' specific fields of business**

During the application process, the companies and the funding recipient or the Head of the Laboratory /Head of Centre must agree on the fields that are to be treated as the companies' specific fields of business, as related to the CD Laboratory or JR Centre in question. If there are changes to a company's strategic direction, the relevant accord should be changed accordingly.

#### **19.11. Research results that do not enjoy legal protection**

Research results that are not protected by industrial property rights may be used by both sides. If results are sensitive and related to trade secrets of one or more cooperation partners, the funding recipients may only use them with the consent of the commercial partner(s) whose trade secrets may be compromised. Consent may not be refused without a reasonable justification.

#### **19.12. Personal data**

In cases where personal data, including special categories of personal data within the meaning of Article 9 of the General Data Protection Regulation (GDPR), are processed as part of the cooperation, the funding recipients and the participating corporate partners are obliged to conclude corresponding contractual agreements. These agreements must clearly regulate the obligations and responsibilities of the parties with regard to the GDPR-compliant handling of the data. The parties are obliged to take all necessary technical and organisational measures to fully comply with the legal requirements of the GDPR. These contractual provisions must be agreed immediately after the relevance of personal data in the cooperation has been established.

#### **19.13. Disputes**

In all disputes between the funding recipient and the CDG arising in relation to intellectual property rights, in particular with regard to whether an invention or a protectable result belongs to the sector-specific business field of the companies and with regard to the decision as to whether an invention or a protectable result belongs to the agreed research activities of the CD Laboratory or JR Centre, the court of arbitration shall decide in accordance with Point 26.3. In cases of doubt, the sector-specific business fields shall be determined by the research programme of the CD Laboratory or JR Centre.

#### **19.14. Collaboration**

The CDG encourages its corporate members wherever possible and expedient to use and/or develop further any inventions and protectable results (both within and outside the companies' specific fields of business) in collaboration with the universities or research institutions hosting CD Laboratories working in the area or universities of applied sciences hosting JR Centres working in this area.

#### **19.15. Material transfer agreements with non-participating companies**

As part of the research activities of the CD Laboratories or JR Centres, it may be necessary to obtain materials from third-party companies (i.e. companies not participating in the research unit) without separate remuneration, for which Material Transfer Agreements (MTAs) are concluded. These MTAs may grant the third-party companies a non-exclusive right to use the research results, limited to the specific research activities for which the respective materials are used.

In order to enable collaboration with other companies not involved in the research unit within the meaning of Point 2.2, they may use the research results as part of an MTA, provided that the commercial partners directly involved in the CD Laboratory or JR Centre expressly agree to this MTA. It is the responsibility of the Head of Laboratory or Head of Centre to ensure that the necessary consent has been obtained.

### **20. Scientific freedom and collaboration with commercial partners**

#### **20.1. Scientific freedom**

The funding recipient is granted scientific freedom to the extent of approximately 30% of all resources available to the CD Laboratory and approximately 20% of all resources available to the JR Centre. The Head of Laboratory or Head of Centre is responsible for this freedom and for how it is used. Scientific freedom serves to produce and develop the results of basic scientific research, in particular the underlying methods and procedures. In the case of CD-Laboratories, the scientific freedom must be fully utilized in a manner related to the research themes addressed in the CD Laboratory. In the case of JR Centres, the scientific freedom must be used for development of expertise. The freedom may not be restricted, either by the university administration or by the university of applied sciences management or by the collaborating commercial partners, and relates both to the topics investigated and to the methods employed.

#### **20.2. Collaboration with commercial partners**

In accordance with the understanding of "joint collaboration projects between companies and research institutions" (Point 2.2.2. line 28 of the Union framework for State aid to promote research, development

and innovation (2014/C 198/01)), CD Laboratories or JR Centres are special forms of research collaboration between scientific and corporate collaboration partners (Point 2.2). Accordingly, the intellectual property rights resulting from the collaboration "and the associated access rights [...] shall be allocated to the different collaborating partners in a way that takes due account of their work, their contributions and their respective interests". (Point 2.2.2. para. 28. lit. c).

The funds distributed in the course of granting support under these AFBs therefore do not constitute R&D aid within the meaning of the Union framework (Point 1.2. no. 12 lit. a), irrespective of the fundamental permissibility of such aid.

The understanding of collaboration intended by the funding programmes therefore requires independence (Point 5.1.1.) and a fundamental balance on the part of all cooperation partners, both in terms of the costs to be borne for the research collaboration and the use and exploitation of the research results achieved. The programmes are therefore not funding instruments for traditional contract research by companies commissioned to scientific institutions. The nature of the intended research collaboration is rather a personally perceived scientific collaboration between all partners. Although the actual research unit (CD Laboratory or Ressel Centre) is established at the scientific partner and the employees are employed exclusively by the host institution, it is assumed that the commercial partner has a scientific interest, which is also supported by employees of the company, as a prerequisite for effective economic exploitation of the results in the company.

The costs for the research cooperation are equally weighted in accordance with Point 8.2.1, whereby the commercial partners contribute significantly to covering the costs of the research cooperation through their financial contribution to the CDG.

The balance of utilisation of the research results obtained is based on the different purposes of companies and scientific institutions. The provisions under Point 19 regulate in particular the utilisation of results that can be protected by industrial property rights. These rules may be further specified by the partners (Point 7.4.), but only insofar as the balance between the cooperation partners underlying the cooperation is thereby maintained.

Accordingly, in this form of cooperation, the commercial utilisation of the results is primarily in the hands of the commercial partner, while the scientific utilisation in research and teaching and the task of expanding and publishing basic knowledge is in the hands of the scientific partner. This requires mutual consideration.

Notwithstanding the ensured freedom for scientific basic research or research, the funding recipient undertakes to maintain the research collaboration, taking into account the legitimate interests of the corporate cooperation partner.

Notwithstanding the respective autonomy of the cooperation partners in the commercial and scientific utilisation of results, the following must be observed: Any rights and obligations concerning the CD Laboratory/JR Centre must be exercised by the funding recipient or the commercial partners themselves and cannot be transferred to other or affiliated companies. However, the commercial partners or the funding recipient may pass on information on particular research results to affiliated companies if the other partner (commercial partner or funding recipient) consents. In such cases, the regulations on the

use of the research results and on non-disclosure and confidentiality must be transferred to the affiliated companies.

### **20.3. Obligation to report**

The CDG must be informed immediately of any circumstances that delay, impair or render impossible the business collaboration (cf. Point 25.1. no. 3. regarding the cessation of funding due to the discontinuation of collaboration with a company).

## **21. Monitoring of success and evaluation**

### **21.1. Monitoring of success**

The success of the work in the CD Laboratories and JR Centres is monitored by, among other things

1. Scientific evaluations lead by international experts: The subject of these evaluations is the assessment of the scientific performance of the CD Laboratory or JR Centre with regard to application-oriented basic research or application-oriented research and, as far as possible from the external reviewer's point of view, the quality of knowledge transfer and uptake in business practice.

In the case of International CD Laboratories, special attention is also paid to scientific collaboration between the CD Laboratory and the scientific community in Austria; jointly supervised master's and diploma theses and dissertations as well as joint publications are seen as an expression of this.

Scientific evaluations are mandatory before the end of the second and, in the case of CD Laboratories, in addition before the end of the fifth research year. The results of these reviews form the primary basis for decisions regarding the extension and further funding of the CD Laboratory or JR Centre.

2. In the case of JR Centres, an interim assessment before the end of the three-and-a-half to four-year term: The procedure for the interim assessment is similar to that for the two-year evaluation with the following change: The interim assessment is carried out on the basis of a scientific interim report without an evaluation event. The subject of the interim assessment is the research work since the two-year evaluation and the planning up to the end of the JR Centre. The interim report is evaluated by the JR Scientific Board with the assistance of an external reviewer, if necessary. Under special circumstances (e.g. special terms agreed following the two-year evaluation, change of commercial partners, etc.), the JR Scientific Board may decide to organise an evaluation event. The interim assessment must be positively evaluated in order for the JR Centre to receive further funding until the regular end of the term. Terms or conditions for the continuation of the JR Centre decided by the JR Scientific Board as part of the interim assessment must be implemented.



3. A final evaluation at the end of each CD Laboratory or JR Centre to analyse the contribution of the CD Laboratories or JR Centres to the CDG's programme objectives, in particular aspects relating to academia, commercial partners, the improvement of the Austrian innovation system and the promotion of young scientists.
4. The ongoing meetings with the commercial partners.
5. If necessary, a general meeting of all affected commercial partners with the Head of Laboratory or Centre to discuss the performance of the CD Laboratory or JR Centre and its use by industry. The Head of Laboratory or Centre must inform the CD Scientific Board or JR Scientific Board of the CDG of the outcome of these general meetings.

## **21.2. Documentation of scientific progress**

The funding recipient is obliged to participate in the appropriate measures to enable documentation of the scientific progress made in the CD Laboratory or JR Centre (cf. Points 12.2.1, 12.2.2, 12.2.4 and 12.2.5. of the Programme Directives for CD Laboratories and JR Centres).

## **21.3. Scientific reports**

Scientific reports should provide information about the performance of the funded project and the results obtained thereby. These reports represent the substantive reports on expenditure of funding in accordance with Point 12.4.1.

The Head of Laboratory or Head of Centre must submit by the appropriate deadlines the following scientific reports to the CDG and on request to the individual commercial partners concerned:

1. annually (by 31 January) a scientific and a statistical annual report. If the evaluation report prepared in accordance with Point 21.3 no. 2 and the final report prepared in accordance with Point 21.3 no. 3 are sufficiently detailed, they may be used as the annual scientific reports.
2. by four weeks in advance of each evaluation an evaluation report in English relating to the work of the relevant period of funding. These reports are to be accompanied by a research plan, a time plan and a cost plan for the following period of extension in accordance with Point 12.7.
3. In the case of JR Centres, an interim assessment report by the deadline set by the CDG at the latest. The interim assessment report must be prepared in the same way as the evaluation report for the two-year evaluation.
4. by at the latest four weeks after the completion of the CD Laboratory's or JR Centre's period of operation a comprehensive final report.

The scientific reports must be written in accordance with the CDG guidelines. If reports are not submitted on time or are not submitted at all, funding may be reclaimed, see Point 24.



## **21.4. Inspection**

The funding recipient will permit representatives of the CDG or persons delegated by them at any time to examine the activities and results of the CD Laboratory or JR Centre as well as the documents mentioned under Point 15.3.

## **21.5. Programme evaluations**

The funding recipient and the Head of Laboratory/Head of Centre are obliged to participate in programme evaluations and to contribute to the gathering of the relevant research policy indicators and statistics.

# **22. Reporting requirements**

## **22.1. Continuous reporting requirements**

The funding recipient undertakes to submit the following reports for each CD Laboratory or JR Centre

1. an annual financial report (in accordance with Points 12.4 and 14.5), to be submitted together with all accompanying documents by 31 January of the year following the reporting period;
2. an annual substantive report (in accordance with Points 12.4 and 21.3 no. 1), to be submitted by 31 January of the year following the reporting period and to comprise a scientific and a statistical annual report;
3. evaluations report to enable the scientific evaluations to be performed (in accordance with Points 11.4 and 20.3 no. 2), which must be submitted by four weeks before the date set by the CDG for the evaluation event;
4. In the case of JR Centres, the report for the interim assessment (in accordance with Point 12.4. and Point 21.3. line 3.), which must be submitted by the deadline set by the CDG.
5. final accounts (in accordance with Points 11.4 and 13.6), to be submitted together with all accompanying documents within four weeks of the completion of the CD Laboratory's or JR Centre's period of operation; and
6. a final report (in accordance with Points 11.4 and 20.3 no. 3), to be submitted within four weeks of the completion of the CD Laboratory's or JR Centre's period of operation.

## **22.2. Special reporting requirements**

In addition, the funding recipient undertakes to submit the following reports:

1. reports required as a result of special reporting requirements (in accordance with Point 23.1 no. 2);
2. any special reports to clarify particular circumstances that may arise during the administration of the support.

### **22.3. Content, structure and extent of the reports**

Requirements relating to the content, structure and extent of the reports will be set by the CDG Executive Board.

### **22.4. Dates for submission of reports**

The CDG reserves the right, if necessary (e.g. as a result of changes to the organizational conditions), to specify dates for the submission of reports that differ from those in the present agreement. Any alterations will be communicated in good time and the reason will be given. The funding recipient's organizational requirements will be taken into account.

## **23. Other terms and conditions**

### **23.1. Responsibilities**

The funding recipient undertakes

1. to start the work in accordance with the agreed time plan, or otherwise immediately after approval of funding, to perform the work efficiently and to conclude it within the agreed time or within an acceptable period of extension;
2. to report immediately and on its own initiative to the CDG any events that delay the funded project or make it impossible or that would require a change to the application or any agreed terms and conditions; and to comply with all other reporting requirements without delay.
3. in any agreements with individual persons to include provisions that empower the CDG to gather any personal data required for the assessment of the requirements for funding, above and beyond that provided by the individual in question, and to request such data from appropriate Federal bodies or from other legal entities that award or administer research funding;
4. not to use funding from the Republic of Austria for the building up of reserves or savings in accordance with the 1988 Income Tax Act, BGBl. Nr 400;
5. not to dispose of the entitlement to funding that has been granted by surrendering, allocating or pledging it or by other means;
6. in all activities to observe all applicable provisions, in particular, of the Federal Act on the Equal Treatment of Women and Men in Work (*Bundesgesetz über die Gleichbehandlung von Frau und Mann im Arbeitsleben*, BGBl. I No 66/2004) and the Disability Discrimination Act (*Bundes-Behindertengleichstellungsgesetz – BGStG*, BGBl. I No. 82/2005) as well as the ban on discrimination in accordance with § 7b of the Disabled Persons Employment Act (*Behinderteneinstellungsgesetz*, BEinstG, BGBl. No. 22/1970), in their currently valid versions,
7. to observe all provisions of labour law and social security law in the operation of the CD Laboratory;

8. to observe the General Data Protection Regulation (EU Regulation 2016/679), the Federal act to protect natural persons in the use of personal data (*Datenschutzgesetz* - DSG, BGBl I No. 165/1999 in the currently valid version) and all other applicable legal provisions relating to data protection;
9. to observe all applicable legal provisions and regulations; and
10. to respect all provisions of the present General Funding Conditions and all other agreements with the CDG and to fulfil the requirements resulting from them.

### **23.2. Scientific monitoring**

In the course of the accompanying scientific monitoring during the funding period the CDG is entitled to impose new terms and conditions or to modify existing terms and conditions. Such directives are communicated by the CDG Executive Board and represent an integral component of the host agreement.

## **24. Provisions for repayment**

The funding recipient undertakes, without prejudice to the assertion of further legal claims, to immediately reimburse the funding in whole or in part at the request of the CDG or the EU, – and the claim on payments that have been assured but not yet effected lapses – if in particular

1. the funding recipient informs organs or representatives of the CDG, the Republic of Austria (especially of the Federal Ministry responsible for economic affairs), the National Foundation for Research, Technology and Development or the EU either incorrectly or incompletely about essential facts;
2. the funding recipient fails to provide the required reports or does not supply the necessary supporting documentation;
3. necessary information is not provided, if in such cases a written warning is issued giving a deadline for reply and including an explicit notice of the legal consequences of noncompliance, or other communications foreseen in these guidelines are not effected;
4. publications (scientific publications, reports, press releases etc.) related to the CD Laboratory repeatedly fail to mention the support from the Federal Ministry responsible for economic affairs or the National Foundation for Research, Technology and Development and the Christian Doppler Research Association (cf. Point 18.4), despite reminders that this must be done;
5. the funding recipient does not immediately – or at least before a control or the announcement of one – and on its own initiative report events that delay the performance of the project, that make it impossible or that would require its amendment;
6. before the proper conclusion of the project or within a period of three years thereafter bankruptcy proceedings are initiated against the funding recipient's assets or the initiation of bankruptcy proceedings is declined due to the lack of sufficient assets to cover the costs;
7. the funding recipient ceases to operate before the proper conclusion of the funded project;

8. the funding recipient impedes or obstructs the planned controlling measures or if the eligibility to take up the funding is no longer verifiable within the period of time foreseen for the preservation of records;
9. the funding recipient's use of funding has been in contravention of the regulations, either fully or in part;
10. the funding recipient cannot undertake the project on time or at all or has failed to do so;
11. the funding recipient has not observed the ban (see Point 23.1 no. 5) on disposing of the entitlement by surrendering, allocating or pledging it or by other means;
12. an additional agreement in accordance with Point 26.4 is not concluded because the funding recipient rejects it or the failure to conclude such an agreement is the fault of the funding recipient (deliberate or negligent)
13. the provisions of the Federal Act on the Equal Treatment of Women and Men in Work or the Federal Disability Discrimination Act or the ban on discrimination given in § 7b of the Disabled Persons Employment Act have not been observed;
14. suspension and/or repayment is demanded by organs of the EU;
15. there is an obligation to reimburse the support in accordance with § 30b of the Federal Act on the Employment of Foreigners (*Ausländerbeschäftigungsgesetz*, BGBl. No. 218/1975) in the currently valid version;
16. the funding recipient does not adhere to other preconditions for funding, in particular those intended to safeguard the attainment of the purpose for which funding was granted, or to provisions of the present AFBs or to any other agreements with the CDG, or has not properly fulfilled the requirements resulting from them.

Compound interest will be charged on the amount to be repaid from the date the support was paid at an annual rate of 3% above the base lending rate valid at the time, as announced by the Austrian National Bank, whereby the annual rate charged will be at least 4%. If the interest rate is below that laid down by the EU for reclaiming payments, this latter rate will be applied.

If there is a default in the repayment of the funding, interest will be charged from the time of default at an annual rate of 4% above the base lending rate valid at the time, at least at an annual rate of 4%. The base lending rate on the first calendar day of a half-year will be taken as valid for the entire half-year.

If through no fault of the funding recipient the project can be only partially completed or has been only partially completed, the CDG may waive its right to claim repayment of the funding paid if the portion of the work that has been performed would itself have been worthy of funding.

## **25. Termination of CD Laboratories or JR Centres**

### **25.1. Termination of funding**

In any case, the funding shall end without prejudice to any provisions of repayment of funding by

1. Reaching the maximum funding period of seven years in the case of CD Laboratories or five years in the case of JR Centres (plus any phasing out period of up to a maximum of 12 months).
2. Lack of a positive decision to extend the funding.
3. In the case of JR Centres, a negative outcome of the interim assessment.
4. Falling below the lower Laboratory or Centre budget limit of EUR 140,000 in the case of CD Laboratories or EUR 90,000 in the case of JR Centres due to the discontinuation of corporate cooperation.
5. Elimination of the corresponding host agreement (Section 9.1.2. Programme Directive for CD Laboratories and JR Centres).

With regard to any phasing out period, which extends the funding period accordingly, the provisions of Point 25.4 shall apply.

## **25.2. Exceptional termination**

The exceptional termination of a CD Laboratory or JR Centre is possible

1. in the event of exceptional circumstances, such as irreconcilable differences of opinion or organizational incompatibilities, loss of the Head of Laboratory /Head of Centre (through dismissal, death etc.).
2. on request from the Head of the Laboratory/ Head of Centre because of serious reasons. In such cases, mutual agreement with the commercial partners should be sought.

## **25.3. Time of dissolution**

The CDG Executive Board shall decide on the date of dissolution of the respective CD Laboratory or JR Centre as a result of an event pursuant to Point 25.2.

## **25.4. Phasing out period**

The awarding of funding in any phasing out period will be treated restrictively. The specific assessment and decision is made by the CDG Executive Board, if necessary on the basis of a recommendation from the CD or JR Scientific Board. The maximum duration of a phasing out period is 12 months.

### **25.4.1. Phasing out period after seven years (CD Laboratories) or five years (JR Centres)**

The regular phasing out period is used to complete or supervise master's/diploma theses and dissertations which, even with careful planning, cannot be completed within the regular period of seven years in the case of CD Laboratories or five years in the case of JR Centres, for special scientific or

other unforeseeable reasons. The phasing out period is therefore not to be regarded as a standardised eighth respectively sixth year of funding; rather, it is an exception and is not to be included in the basic timetable for the research work of the CD Laboratory or JR Centre.

Personnel costs and the necessary travel and material costs are eligible for funding. New equipment purchases are not eligible for funding during the phasing out period. Regular phasing out periods can only be funded from budget funds not utilised during the regular term.

#### **25.4.2. Phasing out period after early termination for scientific reasons**

A phasing out period analogous to Point 25.4.1. can also be granted in cases where the extension of a CD Laboratory or JR Centre is not approved or, in the case of JR Centres, the interim assessment is negative. It is intended to enable the completion or supervision of Master's/diploma theses and dissertations and to secure the scientific results achieved.

For phasing out periods after early termination, unused budget funds from the regular term as well as new budget funds can be granted.

#### **25.4.3. Phasing out period after falling below the budget floor**

A termination of the CD Laboratory or JR Centre due to the discontinuation of the cooperation with the company (or falling below the minimum budget of EUR 140,000 in the case of CD Laboratories or EUR 90,000 in the case of JR Centres) can be postponed by granting a phasing out period in order to avert major damage to the CD Laboratory or JR Centre. Such a phasing out period serves on the one hand to complete or supervise master's/diploma theses and dissertations and to secure the scientific results achieved, and on the other hand to establish new business contacts in order to be able to continue or resume the CD Laboratory or JR Centre on a regular basis if necessary. In this sense, the phasing out period can also be seen as a bridging phase.

Personnel costs and the necessary travel and material costs are eligible for funding. New equipment purchases are not eligible for funding during the phasing out period.

For phasing out periods after early termination, unused budget funds from the regular term as well as new budget funds can be granted.

In the event of the continuation or resumption of the CD Laboratory or JR Centre, the phasing out period shall be shortened if necessary. The period of the phase-out or bridging period must in any case be included in the total duration of the CD Laboratory or JR Centre.

### **25.5. Premature dissolution**

If at the time of premature termination of a CD Laboratory or JR Centre the funding recipient still has contracts with the CD Laboratory or JR Centre staff, the CDG will refund the personnel costs to the funding recipient until the date of the Laboratory's or Centre's termination but in all case until the expiry of the legal notice period (generally from the CD Laboratory's or JR Centre's budget). As far as legally possible, the funding recipient should foresee in concluding all contracts for works and service and all

freelance service contracts that the premature termination of the CD Laboratory or JR Centre of an External or International Module represents important grounds for the premature termination of the contract. In addition, the funding recipient must include a provision in each employment contract concluded with CD Laboratory or JR Centre staff that enables termination of the contract within the deadlines and by the dates given by law or if applicable by the collective contract.

## **25.6. Withdrawal**

The CDG has the right to withdraw from host agreements with immediate effect in the event of grossly negligent behaviour of a general nature on the part of the funding recipient and, in particular, violations of contractual provisions or procedural guidelines of the CDG. In such cases, the entitlement to any further funding from the CDG for the CD Laboratories or JR Centres concerned shall lapse.

## **25.7. Head of Laboratory / Head of Centre**

If for personal reasons the Head of Laboratory or Head of Centre is no longer able to fulfil the responsibilities associated with heading the Laboratory or Centre, the funding recipient has the right to apply for premature termination of the Host Agreement with this Head of Laboratory or Head of Centre. The Head of Laboratory or Head of Centre has the right to apply for termination of the Host Agreement prematurely if the funding recipient is no longer able to make available the organizational, personnel and material resources necessary for the performance of the project. Before such an application is considered by the CDG Executive Board the funding recipient is to be informed and requested to comment. It is taken as agreed that a premature termination – by whichever contractual party – must observe the appropriate notice period (which should be limited to a maximum of six months). The CDG and the commercial partners are entitled to adapt the CD Laboratory's or JR Centre's budget plan and work plan during the notice period.

## **26. Final provisions**

### **26.1. Mutual obligation to exchange information**

The contractual parties are obliged to inform each other without delay of any important events that relate to the object of the present agreement.

### **26.2. Liability**

#### **26.2.1. CDG disclaimer**

The contractual parties acknowledge that the CDG is acting solely as funding agency. The CDG is thus not to be held responsible in any way for harm or damages to persons, rights or material goods

that may occur in the performance of the project. The responsibility to guard against such or comparable events lies solely with the funding recipient, who must in all cases indemnify the CDG and hold it harmless in respect of any claims relating to provisions governing default and liability that may arise in this context or otherwise as a result of this contract or otherwise from the funding. The CDG is liable only for wilful and grossly negligent breaches of its obligations.

#### **26.2.2. Funding recipient disclaimer**

The funding recipient may not be held liable for the non-attainment of the planned research goals unless it can be shown that this results from the funding recipient's failure to meet its contractual obligations. The CDG is responsible for ensuring that the present agreement is drawn up in a way that gives rise to no reservations relating to funding regulations and for the observance of the legal provisions governing payment of the funding to the funding recipient. The funding recipient is liable only for wilful and grossly negligent breaches of its obligations.

#### **26.3. Court of arbitration**

For all legal disputes between the funding recipient and the CDG arising from the funding contract including the AFB, a three-person court of arbitration, in accordance with § 577 ff of the Austrian Code of Civil Procedure (ZPO; *Zivilprozessordnung*), shall be convened with its seat in Vienna. One member of the court of arbitration will be nominated by the funding recipient for the CD Laboratory or JR Centre and one member will be nominated by the CDG Executive Board. The third member, who will assume the chair, will be appointed by the contractual parties in agreement with each other.

All legal disputes are to be settled solely with recourse to Austrian law. The court of arbitration will be conducted in German.

#### **26.4. Changes to the General Funding Conditions**

The CDG intends to review the content of the General Funding Conditions in a cycle of at least five years and adapt them in line with respective requirements. The funding recipients will be informed of any changes in good time and have the right to object to these changes. In the event of an objection, any existing host agreements will continue to run until the end of the respective contractual phase. For new host agreements to be concluded and for the granting of extension phases, approval of the AFBs in the version then in force is required.

The CDG may at any time, demand changes to the agreed terms and conditions, or include new or additional terms and conditions, at any time if required by important circumstances that arise. In such cases, appropriate additional agreements will be reached with the funding recipient.



### **26.5. Severability clause**

Should one of the provisions of the AFBs be invalid or ineffective, it is hereby agreed that it will be replaced by a provision that comes as close as possible to the economic purpose of the invalid or ineffective provision. This shall not affect the validity and legal effectiveness of these AFB.

### **26.6. Abuse of funding**

The funding recipient is aware that the improper use of funding may lead to criminal prosecution.

### **26.7. Court of jurisdiction**

For all legal disputes arising from the funding contract including the AFB, the District Court of the First District of Vienna shall have exclusive jurisdiction in district court proceedings (*bezirksgerichtliche Verfahren*) and the Regional Court for Civil Matters of Vienna (*Landesgericht für Zivilrechtssachen Wien*) shall have exclusive jurisdiction in proceedings before the courts of justice (*Verfahren vor den Gerichtshöfen*). In addition, the CDG is entitled to prosecute the funding recipient at the latter's court of jurisdiction.

The funding contract including the AFB and any legal disputes shall be governed exclusively by Austrian law.