

Development of household packaging and graphic paper recycling

# Development of innovative technologies for identifying household packaging and graphic paper, from collection to recycling

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## Call for project proposals 2020



Donnons ensemble une  
nouvelle vie à nos produits.



## Background

In accordance with the provisions of Article VIII of the 2018-2022 specifications for the packaging sector, Citeo is conducting R&D projects within the fields of prevention, collection, sorting and recycling of household packaging waste and graphic paper in order to limit the impact of these activities on the environment and improve recycling rates for household packaging waste and graphic papers.

In particular, Citeo is involved in a major action programme aimed at extending the sorting guidelines (and by association, recycling and recovery) to plastic household packaging waste other than bottles.

This extension will be implemented for approximately 50% of the French public by the end of 2020, and our goal is to cover the entire population by 2023.

To ensure long-term success, the extension of the sorting guidelines to all plastic household packaging waste must address a number of challenges in terms of:

- Limiting quantities of unwanted products in selective collection and entering sorting centres,
- Efficiently sorting new plastics by facilitating the modernisation of current sorting centres and anticipating future sorting scenarios,
- Maintaining the cost of plastics sorting and recycling at an acceptable level, warranted by the anticipated benefits,
- Preventing destabilisation of the cost of the system as a whole for the five packaging materials, thus balancing economic efficiency with social and environmental benefits,
- Guaranteeing that tonnage is delivered to recycling operators in sufficient quantity and quality to ramp up recycling to an industrial scale, with long-term, value-added outlets.

Presentations, reports and detailed summaries of all work carried out to date on the extension of the sorting guidelines in terms of eco-design, sorting and recycling are available from Citeo.

## Citeo's approach to stakeholders in the life cycle of packaging and graphic paper

The general programme for packaging run by Citeo covers its entire life cycle, from design to recovery.

This call for project proposals is aimed at optimising end-of-life management of household packaging and graphic paper. Work undertaken through it should be based on the findings of previously completed projects:

- In tandem with COTREP's routine operations, two requests for proposals were issued to marketers in 2011 and 2015, aimed at improving the recyclability of household plastic packaging,
- To boost the development of the sorting, recycling and recovery technologies needed to extend the sorting guidelines, five requests for proposals from manufacturers, operators, users of recycled materials, technical centres and research centres involved in packaging waste sorting, recycling and energy recovery were issued in 2010, 2012, 2013, 2015 and 2018 (30 projects still ongoing).

While projects selected for previous requests for proposals addressed packaging recovery, we are aware that these developments will prove fruitless without monitoring or specialised waste preparation/sorting equipment. Having noted the emergence of new technologies aimed at optimising the value chain, CITEO has decided to focus a call for project proposals on this area, which is the purpose of this document.

## Call for project proposals – Purpose and outline

This call for project proposals seeks any proposals that enable implementation/industrial roll-out of innovative identification technologies (AI, mark + read, etc.) regardless of the selective collection stage at which they are applied (pre-collection in public spaces, collection, transfer, sorting centres, recycling sites). Stages involving user awareness-raising and pre-collection in private spaces do not fall within the scope of this request for proposals.

The proposed systems should have a significant impact on optimising the identification and quality monitoring of household packaging and paper.

In particular, this RFP is aimed at promoting/approving/rolling out quality control processes for collected/sorted/recycled streams, whether these are implemented on-line or remotely, continuously or occasionally.

Synergy among all stakeholders in the waste processing chain is often essential, and therefore a collaborative proposal may be appropriate.

### **General principle of the call for project proposals**

Citeo's aim is to identify and support innovative, financially viable projects that offer environmental benefits and fall within the scope of the chosen themes, with industrial roll-out either achieved or imminent (within 2 to 3 years at the most).

The selected proposals will receive funding from Citeo for up to 50% of all eligible expenses.

## SELECTED THEMES

NB – accurate identification of packaging and paper throughout the recycling process (at collection, sorting centres, recycling sites, etc.) must be performed in difficult/industrial environments (dusty, poorly lit areas with objects conveyed at high speeds, objects that are soiled, deformed, or placed inside one another, poor access to communication networks, etc.). Proposals must therefore take account of these factors in order to validate their technology and its future industrial-scale implementation.

### IDENTIFICATION OF PACKAGING / MATERIALS / UNWANTED PRODUCTS

Proposals should seek to continue optimisation, from pre-collection to sorting techniques, by incorporating new technologies addressing the issue of distinguishing between certain types of packaging, which is currently not optimised.

In particular, the following difficulties are encountered in identifying certain products or objects (other avenues may be explored if they relate to an issue facing the sector):

- Different shapes for the same plastic resin: pots and trays // bottles
- Dark packaging, which is currently not detected by optical sorting
- Multi-material // single-material packaging
- Paper/cardboard packaging incorporating other material(s) (e.g. cups, coated pots, etc.)
- Packaging including a sleeve (or label) preventing identification
- Food // non-food packaging
- Small flexible packaging (aluminium, steel, plastic, paper)
- Products that may enter sorting centres and cause safety issues (particularly lithium cells and batteries)
- Other unwanted products (objects incurring health risks or potentially causing mechanical issues for the process)

### CHECKING AND TRACKING THE QUALITY OF STREAMS

Developing knowledge and technologies to increase quality control throughout the chain.

Quality inspections that may respond to issues regarding continuous monitoring (performed directly on the production line) or occasional static checks (on material bales).

- Enabling detection of unwanted materials in a stream (distinguishing them from the majority of the stream by one of their characteristics) and peaks in the number of contaminants in relation to an acceptable threshold
- Measuring the quality of a stream by extrapolating from a sample (e.g. a photo of a waste bale)
- Using purity data acquired for the purposes of traceability/downstream analysis of inspections
- The data acquired from these inspections should be particularly representative and reliable in order to achieve genuine change in comparison to current inspections (which are mostly human). They must therefore enable rapid and systematic analysis of streams.

Submitted proposals may offer other approaches and/or themes, provided that they offer particular potential of a technical (notably incorporating innovative technologies), economic or environmental nature.

## Project duration

Projects are expected to last between 12 and 24 months.

For projects lasting more than 12 months, an interim validation phase and a budget for each phase should be foreseen, with a fixed portion and a conditional portion beyond the first 12 months.

## Budget

An average proposal cost has not been predetermined. Applicants must draw up their budget according to the specific aspects of each proposal.

## Expected results / Deliverables

Each successful applicant must submit the following to Citeo:

1. An interim report including all results generated midway through the project (several interim reports are required for projects lasting over 12 months).
2. An interim summary – this summary should include a synopsis of results generated midway through the project and lessons learned from the project.

3. A final report including all results generated by the end of the project.
4. A final summary of results at the end of the project – this summary should include a synopsis of project results and lessons learned from the project.

The term "results" covers any data, information, methods, technologies, processes, know-how, diagrams, drawings, concepts, designs, and details of any methods/tests performed, including characterisations of target streams, test conditions, percentage effectiveness of methods, performance rates, lessons learned, difficulties encountered, next steps, openings, etc.

The interim and final summaries should be written in such a way that Citeo can disseminate them publicly or to third parties.

Successful applicants should submit the results and deliverables to Citeo, while also identifying confidential information included in these deliverables to prevent Citeo from disseminating it.

The interim and final reports will only be used internally by Citeo.

Details of these provisions shall be provided in the financing agreement presented by Citeo to successful applicants.

Monitoring committees will be set up for projects. They will include Citeo employees and members appointed by proposal leaders and any partners. The appointed individuals will be the main contacts for the respective parties and will jointly set a meeting schedule for project monitoring (at least one monitoring committee meeting for each deadline, interim report, or the final report).

Within the general framework of the request for proposals, Citeo is keen to arrange meetings between various stakeholders in the selected proposals in order to discuss certain results and any difficulties encountered (in a way that respects the intellectual property of each proposal leader). In this request for proposals, Citeo has adopted the clear goal of helping improve expertise throughout the sector through results achieved using these new technologies. Future proposal leaders therefore undertake to participate in this future working group.

## Eligibility criteria

The proposal should:

- Address the chosen themes by responding to at least one of the issues set out in the above sections
- Be coordinated by a company, irrespective of the sector (an economic, industrial or service company)
- Aim to develop one or more new products, processes or services of a highly innovative nature, with significant potential for industrial roll-out in the short term, which are beneficial to the environment and cost-effective
- Generate a direct or indirect economic impact in France, in terms of job creation/retention and modernising industrial sites

## Criteria for assessing projects

Projects will be assessed primarily on the basis of the following criteria:

- Contribution to the success of the extension of sorting guidelines and to the technical, economic and environmental effectiveness of this process,
- The strategic nature of the project, which will largely be assessed according to the credibility of the demonstration/industrial roll-out phase,
- Lead times for project implementation,
- Lead time between the innovation, prototype or trial technology being devised and marketed,
- Commercial prospects and the positioning of the players in these markets,
- Impact in terms of value creation, business activity and jobs,
- Innovative technological content,
- Quality of the partnership,
- The incentive potential of the financial aid (in speeding up work and providing the means of carrying out work that would otherwise not have been possible),
- Involvement of the recycling chain (consortium of stakeholders from the entire value chain) in order to validate the viability of the project for the sector.

## Eligible expenses

The following are eligible (see appended standard contract):

- Expenses for nominated research, engineering or technical staff assigned to the study,
- Depreciation of facilities and research equipment (over their useful life),
- Expenses for services subcontracted to laboratories (public or private) for technical or environmental impact analysis.

## Application content, selection, response deadlines

### 1. Application package

Partners are asked to compile and (electronically) submit an application package summarising the various components of their projects. Applicants are encouraged to discuss matters with Citeo when drawing up their application packages.

These application packages will determine whether projects are eligible and will be used for the selection process.

An application package can be downloaded from the Citeo website:

<https://www.citeo.com/le-mag>

The completed application should include the following:

- Documents to complete:
  - o Project summary setting out the aim of the project, the partners, an estimation of the overall costs, etc. The project should be given an acronym so that it can be easily identified during the appraisal process,
  - o A presentation sheet for each partner,
  - o A finance sheet for each partner, giving details of the projected costs to be borne (in time spent per category of staff, depreciation of facilities and research equipment, sub-contracting, etc.).
- A detailed description of the project (maximum 6 pages), specifying, in particular:
  - o Its position within the strategy of the companies involved in the project,
  - o Its innovative nature,
  - o A detailed account of the planned work, the responsibilities of each partner, the progression and phasing of the work, identification of any issues impeding or determining the next steps in the research programme, and economic and environmental assessments for the project,
  - o A description of the demonstration phase,
  - o A description of the current stage of development, anticipated progress during this project, and subsequent steps required prior to marketing,
  - o The deliverables and critical milestones,
  - o The markets targeted and the prospects for commercial application of the result of the work,
  - o Regulations and regulatory restrictions governing the target markets,
  - o The expected impact in terms of environmental protection,
  - o Anticipated results in terms of business activity and jobs,
  - o Aspects pertaining to the sharing of industrial property between the partners,
  - o ...

N.B.: application packages must reach the following address by **16/11/2020**:

Electronic format (preferred): [aap.ia.2020@citeo.com](mailto:aap.ia.2020@citeo.com)

Any applications received after the deadline will not be considered. Any applicants requiring additional time to submit their application packages must submit a reasoned request to Citeo (using the above email address) as soon as possible following the publication of the request for projects.

Projects will be selected by a selection committee of internal employees and external experts. Selected project leaders will be notified no later than 04/01/2021. The examination of projects will respect the usual rules of



confidentiality for all documents sent. Applicants not selected by Citeo will be informed in writing, without Citeo having to give reasons for rejection.

By way of exception, given that this call for project proposals follows on from the previous RFPs, applications may be examined prior to the submission deadline, provided they have satisfied the specified eligibility criteria.

## 2. *Contractual documents*

Contractual documents will be drawn up for projects selected following the appraisal phase (see appended standard contract).

These documents will be signed as soon as possible after the projects have been selected and no later than 01/03/2021.

### **CONTACTS AND INFORMATION**

Further information can be requested by emailing:

[aap.ia.2020@citeo.com](mailto:aap.ia.2020@citeo.com)

## Annexe 1 : contract project



N° Contrat SAP	... (numéro de contrat)
Objet :	... (intitulé du contrat)

Signatures :

# PARTNERSHIP CONTRACT REGARDING THE DEVELOPMENT OF RECYCLING AND THE RECOVERY OF PLASTIC HOUSEHOLD PACKAGING

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a)

BETWEEN

**CITEO,**

Société anonyme [Public Limited Company] with share capital of €444,499.50, registered on the Paris Trade and Companies Register under number 388 380 073, and having its registered office at 50 Boulevard Haussmann, 75009 Paris, represented by Mr Jean Hornain, in his capacity as Chief Executive Officer, duly authorised for the purposes hereof,

Hereinafter referred to as “**CITEO**”,

Party of the first part,

AND

\_\_\_\_\_,

[...] Company, with share capital of [...] euros, registered in the Trade and Companies Register of [...] under number [...], and having its registered office at [...], acting in its own name and on its own behalf and in the name and on behalf of <to be completed>, represented by [...], in their capacity as [...], duly authorised for the purposes hereof,

AND

\_\_\_\_\_,

[...] Company, with share capital of [...] euros, registered in the Trade and Companies Register of [...] under number [...], and having its registered office at [...], acting in its own name and on its own behalf and in the name and on behalf of <to be completed>, represented by [...], in their capacity as [...], duly authorised for the purposes hereof,

Hereinafter referred to collectively as the “**Partners**”

Party of the second part.

The Parties to this Contract being individually referred to as the “**Party**” and collectively as the “**Parties**”.

## WHEREAS:

CITEO is a company with a government licence pertaining to the “household packaging” EPR sector. Since 1992, it has been responsible for managing the national system for sorting and recycling household packaging and has had broader responsibility for producers as regards managing the end-of-life stage of packaging from products consumed or used by households.

In this respect, CITEO's activities are subject to the obtention of a licence valid until 31 December 2022 pursuant to the inter-ministerial order of 5 May 2017.

CITEO is a company with a government licence pertaining to the “household packaging” EPR sector. Since 1992, it has been responsible for managing the national system for sorting and recycling household packaging and has had broader responsibility for producers as regards managing the end-of-life stage of packaging from products consumed or used by households.

In this respect, CITEO's activities are subject to the obtention of a licence valid until 31 December 2022 pursuant to the inter-ministerial order of 5 May 2017.

In the context of its licence, CITEO is leading research and development projects in the prevention, collection, sorting and recycling of household packaging waste, in order to reduce the impact of these activities on the environment and improve recycling rates for household packaging waste.

CITEO is notably involved in a major programme aimed at extending the guidelines that apply to sorting (and therefore to recycling and recovery) to plastic household packaging other than bottles and dispensers.

It is within this context that CITEO has launched this Call for Projects concerning the end-of-life management of plastic packaging.

The latter's themes are: “recycling and using recycled materials derived from household plastic packaging”, on the one hand and “recovering non-recyclable household plastic packaging waste”, on the other.

This Call for Projects thus targets any project with a significant impact on improving recycling performance with the aim of developing:

- Recycling techniques (material recovery), whether mechanical and/or chemical;
- Energy recovery processes, but also the possible uses of the recycled materials produced or the substitute fuels obtained.

This call for projects is intended for any company or group of companies likely to offer one with a reduced industrial implementation period between eighteen (18) and thirty-six (36) months (hereinafter referred to as the “**Call for projects**”)>.

It is in this context that the Partners, whose activity is in the field of <activity field of partners selected>, have been selected to carry out a project aimed at <....> (hereinafter referred to as the

**“Project”**).

The Project is the subject of an Application Form completed by the Partners and sent to CITEO, referred to as “PROJECT NAME/ACRONYM” (hereinafter referred to as the “**Application form**”) and attached in Annex 2.

The Project was selected by CITEO on <DATE>, and it is in this context that the Parties have come together to set out the conditions under which the Project will be carried out and CITEO's assistance will be granted (this contract, its annexes and any amendments thereto being hereinafter referred to as the “**Contract**”).

The Partners and CITEO will act in their own name, on their own behalf and at their own risk. The Parties expressly declare that they are and will remain, throughout the full term of this contract, independent Parties, each assuming responsibility for their respective obligations.

None of the provisions of the Contract shall be interpreted as constituting a relationship of subordination of one Party to the other or as characteristic of a mandate to act in the name and on behalf of the other Parties.

The Parties have no authority to assume or create any obligation or guarantee whatsoever, express or implied, in the name or on behalf of the other Parties, or to bind other Parties in any manner whatsoever, unless otherwise provided or agreed in writing beforehand.

Each Party represents that by signing the Contract it is not contravening any commitment and in particular any non-competition obligation, that it has entered into for the benefit of a third party, and that it holds harmless any other Parties in the event of non-compliance with this clause.

## 2. ARTICLE 1 – PURPOSE

The purpose of this Contract is to define the conditions under which the Project will be carried out by the Partners.

The Contract also aims to define the financial conditions and the technical assistance to be provided by CITEO for the implementation of this Project.

The Contract aims to set out the conditions under which the Partners will implement a Project concerning recycling and recovering energy from post-consumption household packaging.

The Project consists of <please describe the technical purview> while controlling costs in order to:

-....

-...

# 3. ARTICLE 2 - HIERARCHY OF DOCUMENTS

Contractual relations between the Parties are governed by the following documents in decreasing order of priority:

- The Contract and any amendments thereto
- The Annexes, which form an integral part of the Contract, in the following order of priority:
  - Appendix 1: "Application form",
  - Appendix 2: "The call for projects"
  - Appendix 3: "Time sheet table"
  - Appendix 4: "Financial Annex"
  - Appendix 5: "Certificates from social security bodies"
  - Appendix 6: "Partners' company registration certificate (Extrait Kbis)"
  - Appendix 7: "Declaration on foreign workers employed by the Partners"

In the event of a contradiction between the provisions contained in these various documents, the document of higher legal order shall prevail.

Any amendment to the Contract must be made in writing by means of an addendum and signed by the two (2) Parties.

## 4. ARTICLE 3- ENTRY INTO FORCE AND TERM OF THE CONTRACT

The Contract enters into force retroactively on <...> and ends on the day that the balance of CITEO's financial contribution is paid, after CITEO has accepted the <final full report /final summary note> and at the latest on <...> unless the Contract is extended under the conditions defined below in this article.

Consequently, if on <end date + 1 month> CITEO has not been able to accept the final full report and the final summary note and in the absence of any extension addendum, any amount still owed to the Coordinator will no longer be payable and the latter parties shall not be entitled to claim any compensation.

The Partners undertake to deliver to CITEO the final full report/final summary note at the latest thirty (30) calendar days before <end date> so that CITEO can approve these Deliverables under the conditions defined in Article 4.1 ("Detailed Project Description") of this Contract. Any request for a potential extension to the deadline for implementing the Project must be made in writing, justified and sent to CITEO by the partners no later than thirty (30) calendar days before the expiry of the deadline as defined above.

CITEO shall not have the right to refuse this request to extend the deadline if the reasons given by the Partners constitute legitimate grounds such as in particular a delay in the works scheduled to implement the project or the conducting of additional tests.

The extension of the initially planned deadline shall be formalised by means of an addendum to the Contract signed by the two (2) Parties.

CITEO thus reserves the right to require the Partners to repay the sums provided for under the Contract and corresponding to the consequences of the non-completion of the Project initially envisaged.



# 5. ARTICLE 4 – IMPLEMENTATION OF THE PROJECT

The Parties acknowledge that the commitments defined in this Article constitute the Parties' respective essential obligations.

## 4.1. Detailed Project Description

### 1. 4.1.1. Deliverables

The Project selected by CITEO consists of:



An economic analysis of the ... solution developed as part of the project will be carried out.

The Application Form describing the Project is attached in Annex 2 of the Contract.

It is expressly agreed between the Parties that the drafting of the Deliverables and the tests to be conducted in connection with the Project shall be the responsibility of the Project Partners to carry out and follow up, or that of a subcontractor previously approved in writing by CITEO.

The Partners undertake to provide CITEO with the deliverables as defined below, in the form of electronic reports, <please specify the form of the deliverables to be submitted to CITEO>, which constitute the results of the Project, in accordance with the following procedures and timetable.

### 2. 4.1.1.1. Description and timetable for deliverables

The implementation of the Project shall give rise to the submission by the Partners of the following documents (hereinafter referred to as the “**Deliverables**”):

- **An interim summary** including a progress report on the studies related to the Project, the methodologies and assumptions used, the initial results as well as the information from the Project to date making it possible to expand knowledge on the recyclability and eco-friendliness of packaging...and not including any Confidential Information as defined in Article 7 (“Confidentiality”) (hereinafter referred to as the “**Lessons Learned**”).

- **A confidential interim** report reporting the main Project Lessons;

The interim report and the interim summary note must be sent no later than ..., after <please state the technical stage giving rise to these reports>;

- **A second confidential interim report** and a second interim summary having to be sent no later than ... after <please state the technical stage giving rise to these reports>;

- **A confidential full final report** detailing all of the Project results and Lessons to be submitted at the end of the Project, i.e. at the latest on...;

- **A summary note** reporting the main Project Lessons and not including any Confidential Information as defined in Article 7 (“Confidentiality”), and which must be submitted at the end of the Project, i.e. at the latest on...;

The Deliverables must be submitted to CITEO in electronic and paper form.

The reports are confidential Deliverables which may not be communicated or distributed, unlike the interim summary and the final summary note.

The submission of Deliverables by the specified deadlines constitutes an obligation of result, while the contents constitute an obligation of means.

#### 4.1.1.2 Receipt - approval of deliverables

In the absence of any duly substantiated written comments made by CITEO within thirty (30) calendar days with effect from CITEO's receipt of each of the Deliverables, the Deliverable concerned shall be considered approved by CITEO and shall release the corresponding payment as provided for in Article 6.2.2 ("Financial Terms and Payment Procedures") of this Contract.

In the event of reservations expressed with regard to a Deliverable, the Parties must consult each other in good faith, in particular, within the framework of the Monitoring Committee, in order to provide a solution to the reservations and modify the relevant Deliverable if necessary.

Failing this, CITEO must submit its duly justified written reservations within thirty (30) calendar days as defined above so that the Partners can send CITEO, within fifteen (15) calendar days from the date of receipt of the said reservations, the modified Deliverable taking into account CITEO's substantiated comments.

A Deliverable shall not be deemed to be compliant while the responses to any requests sent by CITEO during this period do not reasonably satisfy CITEO.

Furthermore, upon submission of the final full report and the summary note mentioned above, a review meeting will be held between the Parties on a date communicated by CITEO to the Partners. The presentation by the Partners of the conclusions and Lessons of the Project shall constitute the agenda of this Project.

#### 4.1.1.3 Provisional Project Schedule

The Partners must finalise the Project before the end of the month of <end date>.

The key stages of the Project are thus specified and a deadline is agreed between the Parties for their completion:

Step 1: insert content and deadline here

Step 2: insert content and deadline here

Step 3: insert content and deadline here

The Partners are required to comply with the deadlines set in the Schedule set out above, and respect the deadlines granted for any modifications potentially requested by CITEO.

This schedule may be updated with the agreement of the Parties.

The Parties acknowledge that the commitments defined in this Article constitute essential obligations of the Partner.

It is expressly agreed between the Parties that any breach of the aforementioned obligations may result in the termination of the Contract in accordance with the provisions of Article 12 ("Termination") of this Contract.

## 4.2. Project Modification

### 4.2.1. Substantial modification of the Project

The Project was selected by CITEO on the basis of its characteristics as presented by the Partners in their Application Form. Consequently, in the event that the Partners envisage changing the content or execution of the Project while it is underway and where these changes have an impact on the Contract's objective, the Projects' purpose, the performance of the Contract and/or the obligations of the Parties, it must inform CITEO in advance in order to obtain its prior, express and written approval for the proposed modifications.

The Partners must submit a record of change to CITEO.

CITEO shall have thirty (30) calendar days as from receipt of the said record of change to make a decision on this request.

CITEO will be able to:

- Accept the changes proposed by the Partners; or
- Reject the changes proposed by the Partners; or
- Accept the changes proposed by the Partners, but with conditions.

Should CITEO refuse the changes proposed by the Partners, the Partners shall nevertheless have the right to decide to continue the Project in accordance with the terms of the Contract in force and thereby abandon their proposed changes.

Should the Partners refuse to abandon the proposed changes, CITEO shall have the right to choose, if necessary, to withdraw its support for the Project if it no longer meets the objectives or general principle of the Call for Projects (Annex 1).

In this case, the Contract may be terminated in accordance with the procedure provided for in Article 12 ("Termination") of the Contract.

In the absence of a response within the thirty (30) calendar days mentioned above, CITEO will be deemed to have refused the said changes.

### 4.2.2. Non-substantial changes to the Project or changes required by a change in legislation

Throughout the full term of the Contract, the Partners shall have the right to make changes to the content or implementation of the Project where these changes have no impact on the objective or purpose of the Project, the performance of the Contract and/or the obligations of the Parties.

CITEO shall not have the right to refuse such changes, provided that:

- i) CITEO has been expressly informed of these changes in advance and in writing and that
- (ii) the said changes are not contrary to any laws, regulations and standards. In the event of a breach of these obligations, the Contract may be terminated in accordance with the procedure provided for in Article 12 ("Termination") of the Contract.

Furthermore, the content or implementation of the Project may be subject to changes if these are required by changes to the laws, regulations and standards in force.

## 4.3. Project Governance

### 4.3.1. Monitoring Committee - Composition

A monitoring committee responsible for monitoring the implementation of the Project and approving the Project's various key stages shall be set up by the Parties (hereinafter referred to as the **"Monitoring Committee"** ).

The monitoring committee will be composed of xx (xx) members, including one (1) appointed by each Partner and one (1) appointed by CITEO.

On the date of signature of the Contract, the members of the Monitoring Committee appointed by each Party are as follows:

<u><b>PARTNER 1</b></u>	<u><b>PARTNER 2</b></u>	<u><b>CITEO</b></u>
Project Manager Name: _____	Project Manager Name: _____	Project Manager Name: _____
Address: _____ _____	Address: _____ _____	Address: 50, Boulevard Haussmann 75009 Paris, France
Telephone: _____	Telephone: _____	Telephone: _____
Email: _____	Email: _____	Email: _____

Each member of the Monitoring Committee may be replaced at any time by the Party that appointed it, subject to informing the other Parties in advance.

### 4.3.2. Function and role of the Monitoring Committee

Throughout the full term of the Contract, the Monitoring Committee will be guided by <please specify one of the Partners>. The Monitoring Committee shall meet at least quarterly.

The Monitoring Committee shall have the right to invite any person (inside or outside the Parties) useful to Project implementation. Any person external to the Project must first have signed a confidentiality agreement.

The role of the Monitoring Committee will be to:

- (i) Record the results obtained as the Project progresses;
- (ii) Set the objectives and research areas for the progress of subsequent phases;
- (iii) Make any provision, over and above the contractual terms and conditions already provided for, necessary for the successful implementation of the Project;

(iv) Set the frequency of meetings of the Monitoring Committee and decide on the date of the next meeting.

(v) Decide on the action to be taken in the Project in the event of difficulties encountered by the Partners seriously calling into question the reliability of all or part of the Project.

The Monitoring Committee's role is limited to making decisions that do not increase the rights or obligations of the Parties under this Contract.

Each meeting of the Monitoring Committee shall be the subject of minutes recording the information exchanged, the questions discussed and the decisions taken.

The Partners will be responsible for drawing up the said minutes and providing them to CITEO. The absence of comments or observations from CITEO within ten (10) working days shall constitute acceptance of said the reports.

These reports will remain confidential.

#### **4.3.3. Communication**

Any notice or communication between the Parties that takes place as regards the Contract must be in writing, by letter, fax or email, and shall be deemed definitive as from its receipt by the recipient Party.

All correspondence must be sent to the members of the Monitoring Committee identified in Article 4.3. "Project Governance".

# ARTICLE 5- PROJECT PROMOTION

## 5.1. During the Project

The Partners accept that their company name and the general theme of the Project connecting them to CITEO may be communicated externally by CITEO.

External communication is considered to be any communication made to the press and to the general public, but also internal communication actions intended to be circulated on a large scale.

By virtue of reciprocity, CITEO agrees that the Partners may communicate under the same conditions.

Nevertheless, every unilateral external communication, prior to its dissemination, must be the subject of prior written authorisation by the other Parties.



## 5.2 At the end of the Project

CITEO may freely communicate regarding the Project Lessons contained in the intermediate summary and the final summary note so that the highest possible number of stakeholders in the packaging value chain **[please identify the relevant theme]**.

# ARTICLE 6 – COLLABORATION BETWEEN THE PARTIES

The Parties undertake to work together in good faith with a view to carrying out the Project. The Parties shall act in a spirit of cooperation and, for this purpose, shall exchange all useful information on a continuous basis with a view to avoiding any incident detrimental to their respective interests.

In the event that the Partners encounter a difficulty seriously calling into question the feasibility of the Project, they are required to inform CITEO immediately so they can discuss the how to proceed as regards their cooperation. If the difficulties identified appear insurmountable, the Parties shall have the right to decide to end their cooperation under the conditions set out in [Article 12](#) (“Termination”) of the Contract.

## 6.1 Partners' Collaboration Obligations

Under the Contract, and in return for CITEO's obligations as defined below, the Partners undertake to:

- Involve its operational teams in order to enable the smooth progress of the Project; with this commitment constituting for CITEO a condition essential to the smooth running of the Project;
- Carry out and participate in the Project under the conditions defined in Article 4 of the Contract ("Project Implementation") and to allocate CITEO's financial contribution solely to its implementation;
- Keep CITEO informed of the Project's progress as it unfolds and inform them of any difficulties encountered in its execution, as well as any resolutions and solutions provided;
- Maintain a detailed record of the time spent by staff working on the Project, and to this end complete the table in Annex 2;
- Approve with CITEO each of the Project's key stages;
- Provide CITEO with the Deliverables referred to in Article 4 above ("Project Implementation");
- Grant CITEO the right to use all or part of the Deliverables and any Lessons Learnt contained therein under the conditions provided for in Article 8 ("Intellectual Property"), hereinafter so that CITEO may distribute these to the public, an essential and determining condition without which CITEO would not have entered into the contract, CITEO undertaking to act in good faith in the use of the Deliverables and Lessons Learnt;
- Present the results of the Project to CITEO during one (1) joint meeting, the date of which will be set thereafter by CITEO.

The Parties acknowledge that the commitments defined in this Article constitute essential obligations of the Partners.

It is expressly agreed between the Parties that any breach of the aforementioned obligations may result in the termination of the Contract in accordance with the provisions of **Article 12 ("Termination")** of the Contract.

## 6.2 CITEO's obligations

### 6.2.1. Assistance and advice

The Partners shall ask CITEO to provide the information needed to carry out the Project. CITEO will provide the Partners with all information necessary for the proper execution of the Project.

CITEO undertakes to provide the Partners with all relevant advice as a company providing professional services in the collection, sorting and recycling of packaging/in the [sector concerned] and thus to provide all legal, regulatory and technical information necessary to achieve the purpose of this contract.

### 6.2.2 Financial terms and payment procedures

CITEO undertakes to contribute towards financing the Project under the conditions set out below.

#### 6.2.2.1 Mechanism

CITEO undertakes to finance fifty (50)% of Project implementation costs up to an amount of xxxxx excluding taxes (€xxx excl. VAT) maximum and excluding requests for changes in order to cover part of the costs and expenses incurred by the Partners in the context of the Project.

The costs and expenses eligible for financing by CITEO, as well as the categories of these expenses, the total provisional amount of these eligible expenses and the total provisional amount of the Project are specified in Annex xxx ("Financial Annex") of the Contract.

It is expressly agreed between the Parties that the expenses to be taken into account in CITEO's financial contribution shall be only those incurred by the Partners from [date].

CITEO's financial contribution falls within the scope of VAT.

#### 6.2.2.2 Payment procedures

In return for the successful completion of the Project, and upon presentation of the invoices by each of the Partners accompanied by supporting documentary evidence of the eligible expenses incurred by each of the Partners, CITEO shall be invoiced by each of the Partners according to the following procedures:

- A down payment of a maximum of thirty per cent (30%) of the provisional amount of the Contract upon signature of the Contract
- A down payment of up to twenty per cent (20%) of the provisional Contract amount to indicate the milestone triggering payment and upon submission to CITEO, indicate any deliverables to be submitted on condition of payment accompanied in the event of the abandonment of the Project by CITEO or by the Partners, by the final report and the final summary,
- A down payment of up to twenty per cent (20%) of the provisional Contract amount to indicate the milestone triggering payment and upon submission to CITEO, indicate any deliverables to be submitted on condition of payment accompanied in the event of the abandonment of the Project by CITEO or by the Partners, by the final report and the final summary,
- Ect... [please complete according to the project's duration]
- The balance, of at least thirty per cent (30%) of the provisional Contract amount after CITEO's written approval and acceptance of the full final report and final summary note submitted by

the Partners following implementation of the please indicate any deliverables to be submitted, on condition of payment after CITEO's receipt and written approval of a summary statement of the eligible expenses incurred since the submission to CITEO of the first interim report under the conditions provided for above and any related supporting documents.

During the project, in the event that the costs actually incurred by the Project Holder are less than the down payment paid by CITEO, CITEO reserves the right, after informing the Project Holder, to reduce the difference recorded by the amount of the next down payment in order to limit its down payments for expenses to 30%.

The supporting documents to be provided by each of the Partners to CITEO upon the submission of the intermediate deliverable and upon submission of the full final report and summary note, are as follows:

- A summary of the eligible expenses incurred since the date CITEO announced the selection of the Project, completed in accordance with the template shown in Annex xx ("Financial Annex") to the Contract,
- The investment amounts (copies of invoices), the procedures for calculating the corresponding depreciation (equipment and materials) and the corresponding depreciation sheets,
- The time spent by the staff allocated to the Project completed in accordance with the template in Annex xx ("Table of time spent table") of the Contract,
- Copies of purchase and subcontracting invoices.

For each category of expenditure, the total amount of actual, eligible and substantiated expenditure may not exceed xxx (xxx%) of the provisional amount indicated in Financial Annex 2 of the Contract for the category in question.

Nevertheless, CITEO shall not have the right to refuse a request for a greater discrepancy if the reasons given by the Partners constitute legitimate grounds corresponding to improved execution of the Project. The request may be approved at a meeting of the Monitoring Committee.

Any breakdown between the categories of expenditure greater than that mentioned above must be approved in advance by CITEO. It will be discussed within the Monitoring Committee.

At the end of the project, if the advance sum is greater than the total amount of CITEO's contribution, as defined in Article 6.2.2 ("Financial Terms and Payment Procedures"), the Partner concerned shall reimburse CITEO for the overpayment by paying an invoice issued by CITEO corresponding to the said overpayment.

Regarding the verification of supporting documentation, each of the Partners shall entrust the statutory auditor/a certified public accountant in the absence of a statutory auditor or failing this appointed individuals with the verification of supporting documentation and the allocation of expenses to the Project alone.

Each of the Partners undertakes to send CITEO, at the same time as each summary of expenses incurred, a certificate dated and signed by a statutory auditor/certified public accountant in the absence of a statutory auditor certifying the verification of supporting documentation and the allocation of expenses to the Project alone.

The overall price of the audit assignment performed by the statutory auditor/certified public accountant in the absence of a statutory auditor shall be borne by CITEO at the end of the Project and limited to the maximum amount of two thousand euros exc. tax (€2,000 exc. tax), to be charged

back to CITEO separately from the amount of the financial contribution relating to the Project's implementation.

Partners' invoices shall be paid forty-five (45) days end of month as from the date of issue of the said invoice.

# ARTICLE 7 – CONFIDENTIALITY

Within the context of the Project, each of the Parties may receive Confidential Information from the other Parties.

The term “Confidential Information” denotes any information given or received by a Party within the context of this contract, of any nature whatsoever, and notably commercial (commercial documents, business plan), technical (research, studies, plans, scientific data) or financial (Parties’, client, supplier data), in any material or immaterial form whatsoever or on any medium whatsoever, communicated orally, in writing or by any other means, without it being necessary for the confidential nature of the information to be highlighted as the time that the information is transmitted.

Upon signature of the Contract, the Partners shall notably identify the following data as being Confidential Information:

- The commercial references for any materials or products used by the Project Holder in connection with the Project;
- The ordered composition of the packaging concerned by this Project and any samples subject to testing within the context of the Project;
- The minutes of Steering Committee meetings;
- The following deliverables: the interim report and the full final report.

The confidential information identified above or any other information reasonably identified as confidential by the Partners shall not be included in the interim and final summary notes. It may be included in the interim and final reports with its confidentiality explicitly highlighted.

Each of the Parties formally undertakes to keep this information confidential and to use it solely for the purposes of carrying out the Project throughout the full duration of the Project and for a period of five (5) consecutive years after the end of this Contract, regardless of the cause. In addition, each Party undertakes to ensure that the confidential information:

- are protected, kept in a safe place and kept strictly confidential and are handled with the utmost care and protection, in particular by all measures making it possible to prevent access by unauthorised persons;
- is disclosed only to those members of its staff and/or service providers in the event of subcontracting authorised by CITEO, who need to have this information for the purposes of the Projects and to take all necessary measures to ensure that these persons comply with this undertaking. In any event, each of the Parties undertakes to ensure that its employees and/or service providers comply with this obligation;
- is not disclosed or likely to be disclosed, directly or indirectly, to any third party or to any person other than those mentioned above;

The Parties shall not, however, be liable for any disclosure if the information disclosed was in the public domain on the date of disclosure, or if they were aware of it prior to the date of signature of the Contract, or if they obtained it from third parties by legitimate means.

The Parties acknowledge that the commitments defined in this Article constitute essential obligations of the Parties.

It is expressly agreed between the Parties that any breach of the aforementioned obligations may result in the termination of the Contract in accordance with the provisions of Article 12 ("Termination") of the Contract.



# ARTICLE 8 – INTELLECTUAL PROPERTY RIGHTS

## 8.1. Guaranteeing the reproducibility of the Lessons Learned

As stated in the Call for Projects, the reproducibility of the Project Lessons constitutes an essential and determining condition for CITEO, which the Partners acknowledge and accept.

Consequently, the Partners undertake to take all necessary measures, in particular with regard to any subcontractors or partners they may use to carry out the Project, to ensure the reproducibility of these Lessons.

The Project Lessons are considered reproducible given that their transmission allows any third party to use, without legal obstacles and without time constraints, the Lessons learnt under the Project and/or to use them according to their own needs in order to improve the eco-friendliness of packaging.

## 8.2. Ownership of Partners' own knowledge

All of the Partners' own knowledge, i.e. any invention, means or technical process, whatever its nature or medium, whether or not covered by industrial or intellectual property rights, that the Partners own in their own right prior to the effective date of the Contract or that they have acquired in their own right during the implementation thereof but outside the performance of the Contract and that it will apply within the context of the Contract are, and shall remain its exclusive property.

During the term of the Project, each Partner shall grant the other Partners a licence to use its own knowledge only for the exclusive purposes of implementing the Project, upon written request from its partners and where this own knowledge is necessary to carry out their contributions to the Project. The granting of a Licence by one Partner does not entail any transfer of ownership of a party's own knowledge of any kind whatsoever to another Partner.

The aforementioned licence for use shall be granted free of charge and for the strict term of the Contract. This licence shall be non-transferable, non-exclusive and granted without the option to issue granting sub-licences.

## 8.3. Ownership and granting of rights

The Deliverables, results, knowledge, reports, plans, studies and methods of all types resulting from the implementation of the Project (hereinafter referred to as the Results) and on any types of media whatsoever, shall be the collective and exclusive property of the Partners.

The Partners acknowledge that the other Partners and CITEO can freely use those Results, including its own knowledge, which meet the conditions of disclosure set out [in] Articles 4 (“Detailed Project Description”) and 7 (“Confidentiality”) of the Contract, in particular in that they are not in any way confidential, under the terms and conditions of this Contract.

The Partners, as author, assign to CITEO on a non-exclusive basis, as the Results are produced and to the exclusion of the Confidential Information as defined [in] Article 7 (“Confidentiality”) of the Contract, all authors’ rights attached to the said Results, namely:

- the right to reproduce, which includes the right to reproduce in number, in whole or in part, in all formats and on all media known and unknown to date (including brochures, internal or external communication documents, press, CD-Rom, DVD, Intranet, Internet, Extranet etc.) and by all physical support reproduction methods known or unknown to date (including digital, electronic, etc.);
- the right of representation, which includes the right to communicate and distribute these or to have them communicated and distributed to the public, directly or indirectly, one or more times, in full or in extracts, by any means known or unknown to date (notably by public screening during public events and on the Internet, Intranet, Extranet, etc.);
- the right of adaptation, which includes, subject to compliance with authors’ moral rights, the right to make, for the purposes of reproduction and representation, in whole or in part, any technical adaptation necessary to the constraints of reproduction and representation or deletion of the Deliverables, and the right to reproduce or represent these adaptations, as well as to translate them into any language.

This assignment is granted for all commercial and non-commercial purposes, and in particular for CITEO’s use of the Results and in particular the final summary note, excluding Confidential Information as defined in Article 7 “Confidentiality” of the Contract, for the entire legal term of the authors’ rights applicable to date and in the future, in France and abroad, and for the whole world.

The Partners authorise CITEO to grant to the other companies in its group or to any third party all of the authorisations necessary for the use of the Results, within the limit, however, of the rights granted by the Contract.

Pursuant to paragraph 2 of Article L.131-4 of the Intellectual Property Code, CITEO’s financial contribution defined in the Contract includes remuneration for the assignment of the rights provided for in this article.

The Partners shall refrain from using, in the context of carrying out the Project, any intellectual and/or industrial property rights belonging to a third party without the prior written authorisation of this third party. Any duties or charges that may be payable for this use shall be borne exclusively by the Partners concerned.

With this assignment being granted on a non-exclusive basis, CITEO acknowledges that the Partners may transfer or assign the rights referred to in this article to any third party of their choice.

## 8.4. Ownership of equipment and tools used [by] the Partners

The equipment, tools and prototypes (including the associated intellectual property rights) used or manufactured by a Partner in connection with the Project shall be and shall remain the exclusive property of the Partner.

### 8.5. Patent applications

If the full or partial execution of the Project leads to the development of one or more patentable inventions, any patent application submission(s) shall be made by the Partners as a whole in accordance with a joint ownership agreement specifying the respective rights and obligations of the Partners and in particular their ownership share given the intellectual and financial contribution of each of them towards achieving the results to which the patent pertains. The costs and risks will be shared based on the aforementioned share of ownership.

The Partners shall act in concert, in particular with regard to the timeliness of such a filing, the countries of filing, the maintenance in force of these patent applications, patents or other instruments and any measures to be taken for compliance with the rights they confer.

The Partners undertake, however, to inform CITEO of any patent filing, to maintain secrecy on all information covered by the filing and to refrain from abandoning the said patents in France without having enabled CITEO to take these over in its name or in their names within a period of two (2) years from the filing date: in this case, the Partners undertakes to inform CITEO of their decision by registered letter with proof of receipt within the two (2) months preceding the planned abandonment date.

In the event that CITEO wishes to take over the said patents, the terms for this transfer will be negotiated between the Partners and CITEO or the third party introduced by CITEO with a view to concluding a contract. These negotiations must be finalised no later than three (3) months after receipt of the decision to abandon. The failure by CITEO to respond within thirty (30) days of receipt of the decision to abandon shall constitute acceptance.

The Parties agree to the same commitments described in this article in the event of the filing of a utility certificate, design, trademark or domain name.

# ARTICLE 9 - LIABILITY - INSURANCE - GUARANTEE

## 9.1 General obligations

The Parties shall take all care and diligence necessary for the success of the Project.

They must strictly comply with all of the laws and regulations in force as well as any regulations applicable to their area of activity.

The Partners in their capacity as providers of professional services in the sector, shall, with full independence, organise, under their sole responsibility, the implementation of the Project and shall be free to determine their working methods and means for the purposes of carrying out the Project.

The Partners shall take out all necessary insurance to cover the risks involved in the Project.

Similarly, the Partners shall inform any of their service providers that may be concerned by the Project of the effects of this Contract on their contractual obligations and shall contract with them in order to amend these accordingly where necessary.

The Parties undertake in particular to comply with the rules of competition law, in particular with regard to the exchange of information that may take place between the Partners in the context of the Project.

In this respect, the Partners undertake in particular to refrain from submitting to CITEO any proposals that are contrary to these texts and must therefore ensure that [their] work complies with the applicable laws and regulations for the completion of the Project.

## 9.2 Liability

Each Party undertakes to compensate the other Parties for any injury relating to any breach of their obligations whatsoever, to the non-execution, in whole or in part, of the Project or to a failure to comply with any provision of this Contract and [also undertakes] to assume all financial consequences resulting from any recourse or claim made by a third party that results in particular from the conclusion, performance or termination of this Contract, including in the event of transaction and to compensate for the injury suffered in connection with this recourse or claim by the other [sic]

The Partners shall be liable, under the conditions of ordinary law, for any damage they cause on account of or during implementation of the Project to the property of another Partner and to third parties.

Own knowledge, this new knowledge and this other information shall be used by the Partners in the context of the Contract at their exclusive respective cost and risk, and consequently, none of the Partners shall have any recourse against another Partner, nor their potential subcontractors or employees, in any capacity whatsoever and for any reason whatsoever, due to the use of this own knowledge, this new knowledge and this other information.

The Partners' liability for non-feasibility of the Project may not under any circumstances be invoked in the event of a finding of technical and/or legal non-feasibility as regards the Project insofar as the Partners have fulfilled their obligations and have made their best efforts to carry out the Project.



## 9.3 Hold harmless clause

The Parties represent that they own the intellectual property rights and know-how that they may be required to use within the context of this Contract, or that they hold licenses to the said rights.

The Partners expressly declare to CITEO that they have not introduced into the Results or the Deliverables any reproduction or reminiscence likely to infringe the rights of third parties (in particular personality and ownership rights) and/or give rise to attacks for plagiarism and/or piracy, and that they have not taken and will not take, by virtue of a transfer to a third party or by any other means, any actions liable to prevent or hinder CITEO's full enjoyment of the rights assigned under this Contract.

The Partners declare that they are the holders of any third party rates.

Consequently, the Partners guarantee CITEO the originality of the Results as well as the free and peaceful use of the Results without restriction.

The Partners notably indemnify CITEO against any recourse or claim that a third party may bring against it in any capacity whatsoever during the exercising of the rights assigned, in particular against any claims, demands, requests for a ban on use or damages and, in general, against any civil or criminal action brought by a third party relating to the Results or the Deliverables.

The Partners undertake to assume all of the financial consequences resulting from such recourse or such an action, including in the event of transaction, and to compensate the entire loss suffered by CITEO.

It is in particular agreed that the recommendations made by CITEO in the context of the Project, whatever their nature and/or form, are not intended to replace the conducting of an analysis to be carried out by a research consultancy or any other firm or service provider of this type.

Consequently, the Partners waive any recourse against CITEO in this respect.

## 9.4 Specific liability

The Partners shall be responsible for covering their employees in accordance with the applicable legislation on social security and the occupational accidents and illnesses scheme which it falls under and shall carry out the formalities for which it is responsible.

The Partners are liable, under the conditions of ordinary law, for damage of any kind caused by their staff to the staff of the other Partners.

# ARTICLE 10 - FORCE MAJEURE

A failure or omission by any Party in the performance of its obligations under this Contract shall not be considered a breach of its obligations if this failure or omission is due to a force majeure event.

A force majeure event is considered to be any event of any nature whatsoever that is beyond the reasonable control of one or other of the Parties, such as a strike or lock-out in product focused industries or businesses, an interruption to the means of transport regardless of the cause and legal or regulatory provisions affecting the production or distribution of products.

The Party invoking an event constituting force majeure must notify the other Parties without delay and in all cases within seven (7) days of the occurrence of this event and endeavour to reduce the impact of this event on the Project.

Any suspension in the performance of the obligations of this contract in the event of force majeure must be limited to the effective duration of the impediment in question. However, if the force majeure event lasts more than fifteen (15) days, the Party that is not the victim of this event shall automatically have the right to terminate this Contract, without notice or compensation.

# ARTICLE 11 - ABANDONMENT OF THE PROJECT

In the event that one of the Parties decides to abandon the Project, it shall provide evidence for expenses incurred up to that date.

An statement of account will then be drawn up between the Partners and provided to CITEO.

CITEO shall pay the Partners its financial contribution as shown in the statement of account.

The departing Party shall hold the intellectual property rights relating to the Results and Deliverables provided for in this Contract until the date it gives notice to the other Parties of its decision to abandon the Project.

The abandonment of the Project by one Party shall not exempt it from the performance of its obligations as provided for until the date on which it gives notice to the other Parties of its decision to abandon the Project.

The Parties expressly agree that, except in the case of an established intention to wrong, the abandonment of the Project carried out under the conditions provided for in this Contract by one Party shall not confer on the other Parties any right to compensation.

In the event CITEO abandons the Project, CITEO shall pay the Partners its financial contribution due in respect of justified expenses and expenses actually incurred on the date CITEO abandons the Project. An statement of account will then be drawn up between the Partners and provided to CITEO.

The Partners shall have no right to claim any additional compensation from CITEO.

# ARTICLE 12 - TERMINATION

In the event that all or part of the licence held by CITEO is not renewed for its benefit or in the event of the withdrawal of the said licence, CITEO shall have the right to terminate the Contract automatically, without prior notice, by registered letter with proof of receipt. In this event, the Partners shall not have the right to claim any compensation.

However, substantiated expenses incurred by the Partners may be reimbursed upon presentation of supporting documents.

## 12.1 Termination for interruption, reduction or cancellation of the Project

In the event of the interruption, reduction or cancellation of the Project decided by mutual agreement between the Parties or notified to CITEO by the Partners without any breach by one of the Parties of all or part of the obligations of the Contract, CITEO shall pay the amount of the agreed contribution for the substantiated expenses on the date of cancellation, interruption or reduction, as well as the expenses actually incurred.

## 12.2. Termination for breach

In the event of a breach by one of the Parties in the implementation of the Project and in particular in the context of the essential obligations as referred to in Articles 4 (“Detailed Project Description”), Article 5 (“Collaboration between the Parties”) and Article 10 (“Confidentiality-Sharing Information”) of the Contract, the Contract shall be terminated automatically fifteen (15) days after dispatch of formal notice by registered letter with acknowledgement of receipt that has remained unheeded, without prejudice to any damages that it may claim as compensation for its loss.

## 12.3- Consequences of the termination

It is expressly agreed that, when the Contract is terminated or ends for any reason whatsoever and provided that CITEO has complied with its financial obligations:

- The Lessons Learned shall remain the property of CITEO;
- The Partners shall provide CITEO with all information relating to the Results, including the Deliverables, whether completed or not, and each of the Parties undertakes to return all documents that may have been provided to it by the other Party in the context of the governance of the Project, within ten (10) working days following the end of the Contract.

In the event of termination, the Partners shall no longer have the right to claim any payment from CITEO, except in the event of a substantial breach by CITEO of its obligations.



# ARTICLE 13 - PERSONAL NATURE OF THE CONTRACT - SUBCONTRACTING AND NON-TRANSFERABILITY

## 13.1 Subcontracting

The Contract has been concluded with the Partners on the basis of their professional skills and the Project presented. However, the Partners are expressly authorised by CITEO to subcontract all or part of the Project in accordance with the provisions of law no. 75-1334 of 31 December 1975 on subcontracting.

For the purposes of the Project, the Partners may nevertheless subcontract to a third party all or part of their share of the Project, subject to imposing on their subcontractor the confidentiality obligations applicable under this Contract.

The Partners shall remain fully responsible for carrying out their Project Share should they subcontract it to a third party, on which they shall impose the same obligations as those incumbent upon them under this Contract.

Each Party undertakes in its relations with subcontractors to take all steps to acquire the intellectual property rights to the results obtained by the said subcontractors in the context of the Project, so as not to limit the rights granted to the other Parties in the context of this Contract.

## 13.2 Assignability - transfer

This Contract has been entered into intuitu personae.

Consequently, neither Party is authorised to transfer to a third party all or part of the rights and obligations arising from this Contract without the prior written consent of the other Parties.

In the case of a transfer to a buyer in the context of or following collective proceedings or in the case of a transfer in the context of a change of company name, merger or consolidation with another entity or in the case of a change of control (the term "control" being understood as the direct or indirect holding of at least 50% of the share capital or units bestowing entitlement to elect the governing bodies), the other Parties shall have two months as from receipt of a written request from the Party concerned to request the termination of the Agreement as regards the new Party.

In the event that one Party wishes to transfer or assign the entire Agreement to an Affiliate, it shall inform the other Parties thereof by registered letter with acknowledgement of receipt. From the date of notification and for a period of two months, the other Parties shall be free to request the termination of this contract with regard to the new Party.

# ARTICLE 14 - ATTESTATIONS AND DECLARATIONS ON HONOUR

In accordance with the provisions of the Code de travail [French Labour Code] (Articles L. 8222-1, L. 8222-2 and D. 8222-5), the Partners attest on honour:

- that the whole Project shall be carried out by employees who are lawfully declared and employed, in accordance with the legal provisions in force and in particular Articles L. 1221-10, L. 3243-2 and R. 3243-1 of the French Labour Code;
- that they have filed or had filed in their name and on their behalf with the tax authorities to whom they report, the mandatory tax declarations required of them.

And upon signing the Contract shall provide CITEO with:

- a certificate attesting to the provision of social contribution deductions issued by the French social security body responsible for collecting the social security contributions for which it is liable, dated within the last six (6) months (Annex 5);
- an up-to-date company registration certificate (extrait K-Bis) (Annex 6).;
- the document relating to foreign workers employed by the Partners (Annex 7).

The delivery of these documents constitutes an essential and determining condition without which CITEO will not be able to enter into a contract and without which performance of the Project cannot commence.

In addition, the Partners undertake to submit these documents to CITEO upon request, for any reason whatsoever.

Failure by the Partners to produce these documents shall entitle CITEO to withhold all or part of its payments, and if the breach persists after formal notice by registered letter remaining without effect for thirty (30) days from its receipt, to terminate the Contract for breach.

In the event that the Partners carry out the Project using third parties and/or subcontractors, it shall be responsible for verifying that these third parties comply with the legal provisions relating to the fight against undeclared work.

# ARTICLE 15- MISCELLANEOUS PROVISIONS

## 15.1 Partial invalidity

The invalidity or unenforceability of any of the articles of this Contract shall not invalidate the other articles which retain their full force and scope. However, the Parties shall have the right to agree, by mutual consent, to replace the invalid article(s).

## 15.2 Non-waiver

The failure to require the application of any provision of this Contract shall not be construed as a waiver by either Party of its rights under this Contract.

## 15.3 Survival of clauses

Notwithstanding the termination or expiry of all or part of this Contract, it is agreed that the provisions of Article 8 ("Intellectual Property"), Article 9 ("Liabilities - Insurance Policies and Guarantees"), Article 7 ("Confidentiality"), and Article 16 ("Applicable Law- Settlement of Disputes") will survive such termination or expiry irrespective of the reason.



# ARTICLE 16- APPLICABLE LAW – DISPUTE RESOLUTION

The Contract is governed by French law.

The Parties shall endeavour to settle amicably any disputes that may arise during the performance of this Contract in a spirit of loyalty and good faith, by means of an amicable agreement in the event of any dispute relating to this Contract, including any dispute potentially concerning its validity.

The party wishing to implement the negotiation process must inform the other Parties by registered letter with acknowledgement of receipt setting out the components of the dispute, including in the event of termination of this agreement.

If, after a period of two months, the Parties cannot reach an agreement, the dispute shall be submitted to the competent court designated below.

The Parties agree that the limitation period shall be suspended with effect from the implementation of the clause, i.e. on the date of receipt of the investigative procedure sent by registered letter with acknowledgement of receipt.

The suspension of the limitation period shall end on the date of signature of the statement of conciliation or non-conciliation between the Parties.

In the event that one of the Parties refuses to sign the said statement of conciliation, the other Parties shall have the right to duly record this refusal while informing it by registered letter with acknowledgement of receipt that, should it fail to respond within two months, the matter may be referred to the competent court.

Throughout the negotiation process and until its conclusion, the Parties shall refrain from taking any legal action against each other and for the dispute to which the negotiation pertains.

By way of exception, the parties are authorised to bring urgent summary proceedings or to apply for an order issued on motion.

The Parties acknowledge that any potential action before the court for emergency proceedings or the implementation of an ex-parte application does not entail for their part any waiver of this amicable settlement clause, unless the Parties indicate otherwise.

Any disputes relating to its formation, performance, interpretation or termination shall be subject to the exclusive jurisdiction of the

Should the Parties fail to reach an agreement, the first Party to act shall refer the matter to the competent court under the jurisdiction of the Paris Court of Appeal, notwithstanding multiple defendants, the introduction of third parties, or the existence of emergency or summary proceedings.

Done at....., on.....

In five (5) original copies, one (1) for each Party to the Contract,

For CITEO

For Partner 1

**Jean HORNAIN**  
**Managing director**

**NAME**  
**FUNCTION**

For Partner 2 etc.

**NAME**  
**FUNCTION**

# Table of annexes

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<b>Appendix 2</b>	Application form
<b>Appendix 3</b>	Time sheet table
<b>Appendix 4</b>	Financial Annex
<b>Appendix 5</b>	Certificates from the social security bodies issued by the French social security body responsible for collecting the social security contributions for which it is liable, dated within the last six (6) months;
<b>Appendix 6</b>	Partners' company registration certificate (extrait K-bis or equivalent)
<b>Appendix 7</b>	Declaration on foreign workers employed by the Partners