

FUNDING AGREEMENT

between

THE UNIVERSITY OF STUTTGART

established in Keplerstr. 7, 70174 Stuttgart, Germany,
represented by its Chancellor Anna Steiger, (**“the University”**)

and

«PARTNER_LEGAL_NAME»

established in «legal address»
represented by «», (**“the Partner”**);

and

«PARTNER_LEGAL_NAME»

established in «legal address»
represented by «», (**“the Partner”**);

each a **“Party”** and together **“the Parties”**.

RECITALS:

- A. The University is the coordinator of a multi-partner project entitled **“FFplus – Fortissimo Plus”**, which project, pursuant to the Grant Agreement number 101163317 between the European High-Performance Computing Joint Undertaking (**“the JU”**) and the partners participating in the FFplus, (**“the FFplus Partners”**), has been funded under the European Community’s Digital Europe Programme;
- B. Under, and as a project goal of FFplus, there is reserved an amount of grant funding to be distributed to eligible projects which have applied for and been awarded funding pursuant to open calls issued in the name, and pursuant to the project goals, of FFplus;
- C. The Partners (main participants – SMEs or Start-ups – and supporting partners) are part of a consortium of partners, (collectively **“the Consortium”**, and individually, each a **“Consortium Partner”**), which Consortium has submitted a proposal responding to the first open call, entitled **“First call for innovation studies for the development of generative AI”**, identifier **“FFplus_Call-1-Type-2**, requesting funding for/towards the project entitled **“«Innovation Study_name»“**, (**“the Study”**), which Innovation Study, having been approved in accordance with the internal management process of FFplus, is now subject to receipt of an award of funding pursuant to this Funding Agreement, (**“the Award”**);

D. It is a requirement of the Award that the Partners, as members of the Consortium, shall enter into this Funding Agreement in order to obtain Funding from FFplus for the purposes of conducting the Innovation Study.

ACCORDINGLY, THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

1.1 The terms already defined above shall be deemed to have been incorporated into this Funding Agreement. In addition, the terms below shall be interpreted as follows:

“Innovation Study” means the study described above, as more particularly detailed in the Proposal, (as defined hereunder). The innovation study must use large-scale European HPC resources (e.g., pre-exascale and exascale supercomputers) to develop and customise generative AI models such as foundation and large language models.

“Main participant” is an SME (or a Start-up) that defines the generative AI development being addressed in the Innovation Study.

“Supporting participants” are organisations supporting the main participant to complete activities foreseen for the Innovation Study.

“FFplus Consortium Agreement” means the agreement concluded in writing amongst the FFplus Partners, detailing their respective right and obligations regarding implementation of FFplus;

“Proposal” shall mean the proposal submitted by the Consortium to FFplus Call-1-Type-2, seeking an award of funding, which Proposal is attached to this Funding Agreement as Part 1 of the Annex;

“Funding” shall mean the funding, as more particularly detailed in the Proposal, payable by the University to the Partners under and in accordance with this Funding Agreement;

“Annex” shall mean the Annex, in 3 Parts, annexed to, and which shall be deemed incorporated into, this Funding Agreement.

“Grant Agreement” means the Agreement between the European High-Performance Computing Joint Undertaking (“JU”) and the University for the project “Fortissimo Plus” (“FFplus”). The provisions necessary for the Funding are attached to this Agreement as Part 3 of the Annex.

2. THE INNOVATION STUDIES

2.1 The Partners agree to undertake the innovation studies as the same has been specified in the Proposal and in accordance with the requirements of this Funding Agreement. Any and all changes to proposed work or budget as described in the Proposal need a prior technical evaluation by the FFplus management and written consent of the University.

2.2 An excerpt from the FFplus Consortium Agreement is attached to this Funding Agreement as Part 2 of the Annex. The Partners shall comply with the terms of the Funding Agreement, as if the Project (as referred to in the FFplus Consortium Agreement), was the innovation studies, and as if the Partners were the original signatories of the FFplus Consortium Agreement, so that the Consortium Partners shall,

in relation to the innovation studies be bound *mutatis mutandis* in the same terms as are the FFplus Partners in relation to FFplus. In case of contradictions between the Funding Agreement and the FFplus Consortium Agreement excerpt, the Funding Agreement takes precedence over the FFplus Consortium Agreement excerpt.

Although the Consortium Partners shall have no direct contractual relationship with the JU, by virtue of this Funding Agreement and specifically this Clause 2.2, they shall be deemed bound to the University in the same way as the FFplus Partners are bound to the JU by virtue of their direct accession to the Grant Agreement, in order that there are equivalent and consistent provisions in place in relation to the expenditure of JU grant funding.

2.3 Publicly available results

2.3.1 The Partners agree that all results covered by section 2.3.2 will be made publicly available.

2.3.2 The Partners commit and agree to the provision of information and data required for the production of public success stories relating to the innovation studies covered by this agreement. Such information and data include, but is not limited to, the following:

- a) Content of success stories written using dedicated document templates and guidelines provided by the FFplus Partners.
- b) Media content: At least four high-quality images of the innovation study in high resolution (min 1200x800 px), .jpg or .png format, landscape position (team image, team at work, simulation/LLM model wireframe or screen, final product/service).
- c) At least 2 short videos/animations produced during the execution of the Innovation Study in full-HD, min 1920x1080 px, .mp4 format, 30-60 fps, landscape position, introducing simulation/product development, LLMs visualization/graphic/model).
- d) Information about the organisations involved in the innovation study, including: role of innovation study partners (end-user, Software provider, domain or HPC expert, HPC provider), country of end-user, name of the software used, name of the industrial sector, suitable high-resolution logos, trademarks, short company description and names/functions of key persons.

The Partners consent to the use of all information and data for the purpose of project dissemination on a wider level, also beyond the project framework and lifetime, in different kinds of publications, newspapers, magazines and other print media, or electronic media (including the Internet), and/or in mailings for educational and awareness purposes.

2.4 The Partners allow the University to forward the Proposal to the members of FFplus Work Package 3 “Experiment and Innovation Studies Oversight” (being employees of the FFplus Partners, ARCTUR, CINECA, CESGA, CYFRONET and USTUTT). The purpose is to facilitate the effective support and management of the innovation studies and to ensure that the innovation study proceed according to their objectives during the execution of the innovation study work plan.

2.5 Innovation Studies Reporting

- 2.5.1 Besides monthly monitoring updates, the innovation studies partners will submit technical progress reports to the FFplus management at month 4, month 7 and a final report at the end of the innovation study. An additional technical progress report might be requested at M8 should the intermediate report be assessed as unsatisfactory. A template will be provided, and the technical progress reports will cover results, challenges, risks and data management.
- 2.5.2 By the end of the 7th month of studies timeframe, the study's participants must submit an intermediate report on the results achieved (and those expected by the end of the study) and the potential impact of those results on the SME's business model and potentially by third parties using the results. It will be used to evaluate the eligibility to submit a proposal for extension of the innovation study to a subsequent open call for proposals.
- 2.5.3 The Partners will duly submit their financial reports at month 5 and at the end of the innovation study to the University, using the template provided. The financial report will cover all costs and must contain a breakdown of purchase and travel costs.
- 2.6 The Innovation Study will commence on December 1st, 2024 or once the Funding Agreement has come into effect (pursuant to clause 6.4), whichever point in time is later. Innovation studies will run for 10 months or until the end of the FFplus term, whichever point in time is earlier.
- 2.7 Consortium Partners acknowledge that the attendance to project meetings (e.g. initial Kick-Off) is mandatory.

3. THE FUNDING

- 3.1 It is a condition of the Award, and consequently any payment of Funding, that each Consortium Partner shall have signed this Funding Agreement. The University shall be under no obligation to the Partner or to the Consortium unless and until this Funding Agreement has been signed in accordance with the requirements stipulated by the University.
- 3.2 Innovation Studies Partners should ideally use EuroHPC systems for the work. A decision not to apply for access to the EuroHPC systems should be duly justified. If approved, it is possible for access to HPC resources to be otherwise provided by the EuroHPC up to the amount specified in the estimated budget for the Study in the Proposal.
- 3.3 The budget for the Innovation Study has been included within the Proposal, along with the allocation amongst the Consortium Partners. The maximum amount of the Funding may not exceed EUR 200 000 for the main participant (SME or Start-up) and EUR 150 000 for supporting participants participating in the call FFplus_Call-1-Type-2). Funding for supporting participants is limited to a maximum of EUR 300 000 over all FFplus innovation studies. The maximum total funding for each innovation study is EUR 300 000.
- 3.4 The payment of the Funding shall be deemed a grant and accordingly no VAT or other purchase/sales or other tax shall be payable. The Funding is a maximum commitment

and in no circumstances shall any further amount be payable, other than as expressly approved in advance, in writing, by the University. In case that it subsequently turns out that the Funding was subject to taxation, the Partners bear the tax liability.

- 3.5 The Partners shall be accountable to the University in relation to the Funding. The University shall be entitled to seek a breakdown of expenditure incurred and for which payment has been made by the Partners, to ascertain/ensure, (as the University shall determine in its sole discretion, although acting reasonably and in good faith), that the Partners has expended all Funding in accordance with the Proposal and the requirements of, or as are referred to in, this Funding Agreement.
- 3.6 The Funding will be paid by the University to the Partners, (which will provide the University with appropriate banking details to enable electronic transfer), in two instalments. The first tranche – or the pre-financing – of 50% shall be paid within thirty (30) days of the Partners signature of this Funding Agreement, provided that, as aforesaid, all Consortium Partners shall have signed this Funding Agreement. The second and last payment will be done within thirty (30) days of the Partners having provided the financial report as well as appropriate evidence, (as the University shall determine in its sole discretion, although acting reasonably and in good faith), that the Consortium Partners have properly provided the deliverables required for the full completion of the Innovation Study as specified in the Proposal.
- 3.7 For supporting participants, only engineering activities are eligible for funding. Activities such as business consultancy, marketing initiatives, administrative tasks, and other non-engineering activities are not eligible for funding.
- 3.8 In case the Partners receives excess or undue payment, the Party has to return the relevant amount to the University without delay.

4. OBLIGATIONS UNDER THE GRANT AGREEMENT

- 4.1 The Partners have to comply with the rules regarding grant and eligible and ineligible costs according to Articles 5 and 6 of the EuroHPC JU Model Grant Agreement and according to the eligibility conditions set up under the section “Funding, Eligibility Criteria & Obligations” in the Call Announcement, identifier FFplus-CALL1-Type-2.
- 4.2 The Partners are subject to the audit rights of the JU, the European Commission/Agency, the European Court of Auditors (ECA) and the European Anti-Fraud Office (OLAF). They have the right to carry out checks, reviews, audits and investigations on the Partners according to Article 22 of the Grant Agreement.
- 4.3 The JU and the European Commission/Agency shall have the right to carry out interim and final evaluations of the impact of the action at the Partner`s according to Article 23 of the Grant Agreement.
- 4.4 As regulated in Article 35 of the Grant Agreement the Partners have the obligation to avoid conflict of interests.

- 4.5 The Partners are bound by the confidentiality provisions as mentioned in Article 36 of the Grant Agreement.
- 4.6 The Partners have to comply with the obligations resulting from Article 38 of the Grant Agreement.
- 4.7 The liability provisions in Article 46 of the Grant Agreement also apply for the Partners.
- 4.8 The University is entitled to verify compliance with the provisions of this section 4 in conjunction with the relevant Articles of the Grant Agreement. In case of breach of these obligations, the University may take appropriate action to reduce the Funding or terminate the participation of the Partners.
- 4.9 In case of non-compliance with the rules of Articles 5 and 6 of the EuroHPC JU Model Grant Agreement and FFplus Grant Agreement, the Partners will indemnify the University against any and all claims regarding their grant and their eligible and ineligible costs.
- 4.10 For supporting participants, only engineering activities are eligible for funding. Activities such as business consultancy, marketing initiatives, administrative tasks, and other non-engineering activities are not eligible for funding.

5. TERMINATION

- 5.1 This Funding Agreement or the participation of one or more Partners may be terminated:
 - (i) with immediate effect by the University, by the provision of notice in writing to the affected Partner(s), in the event that the Funding shall not be used for the purposes of the innovation study, (as the University shall in its sole discretion determine, acting at all times reasonably and in good faith); or
 - (ii) at the expiry of any reasonable period of notice, (as the University shall in its sole discretion determine, acting at all times reasonably and in good faith), provided in writing by the University to the affected Partner(s), within which notice the University shall have required that the Partner rectify any deficiency in the provision of the innovation study and which deficiency shall not have been so rectified to the reasonable satisfaction of the University; or
 - (iii) at the expiry of period of notice of two weeks, provided in writing by the University to the affected Partner(s), within which notice the University shall have required that the Partner(s) rectify any violations of the provisions of sections 2.3.1 and 2.3.2 of this Funding Agreement and which violation shall not have been so rectified according to the provisions of this Funding Agreement.
- 5.2 For the avoidance of doubt, the Consortium Partners are jointly and severally liable for technical completion of the innovation study, and therefore the technical responsibilities of each Consortium Partner cannot be seen in isolation. Accordingly, (and again for the

avoidance of doubt), where the University shall terminate the participation of any one Consortium Partner within the innovation study, although this Funding agreement remains in force and the other Consortium Partners shall be entitled to request that the innovation study continue on the basis that it can be completed in accordance with the Proposal and within funding budget, the University nevertheless reserves the right to voluntarily terminate this Funding Agreement where in the opinion of the University, (as the University shall in its sole discretion determine, acting at all times reasonably and in good faith), the continuance of the innovation study no longer remains feasible.

- 5.3 In the event of termination of this Funding Agreement or the participation of one or more Partners pursuant to Clause 5.1 or 5.2, the University shall be entitled to recover from the Partners any part of the Funding which has not been spent or which the University shall, acting reasonably and in good faith as aforesaid, deem to have been misspent by the Partners.

Further, where this Funding Agreement shall be terminated in any circumstance above listed, the University shall reimburse the Consortium Partners for any costs and/or expenses, properly incurred and which would have been reimbursable had this Funding Agreement not been so terminated.

6. MISCELLANEOUS

- 6.1 This Funding Agreement may be amended only by written agreement between the Parties.
- 6.2 Neither Party shall be entitled to assign any of its rights or obligations under this Funding Agreement without the prior written consent of the other.
- 6.3 Any reference in this Funding Agreement to the provision of a notice in writing shall include the provision of a hard copy notice and the provision of notice by electronic mail, (provided proof of despatch to an appropriate address), with, in either case, clear reference to this Funding Agreement and the innovation study.
- 6.4 This Funding Agreement becomes effective when signed by the University and the Partners. An electronic version of the signature is acceptable.
- 6.5 This Funding Agreement shall be interpreted in accordance with the law of Germany. The place of jurisdiction for any dispute arising out of or in connection with the Funding Agreement shall be Stuttgart, Germany.

IN WITNESS WHEREOF this Funding Agreement has been executed by the Parties as follows:

On behalf of the University of Stuttgart

(Signature) _____ (Authorised signatory)

(Name) ___ Anna Steiger, Chancellor _____

(Date) _____

On behalf of «Partner_legal_name»

(Signature) _____ (Authorised signatory)

(Name) _____

(Date) _____

On behalf of «Partner_legal_name»

(Signature) _____ (Authorised signatory)

(Name) _____

(Date) _____

ANNEX

This is the Annex, in 3 Parts, referred to in the foregoing Funding Agreement between the University of Stuttgart and «Partner_legal_name».

Part 1 – The Proposal

Part 2 – Excerpt of the FFplus Consortium Agreement

Part 3 – Excerpt of the FFplus Grant Agreement