

## FUNDING GUIDELINES

*(Please note: The German language version of the funding guidelines is binding, the English language version is merely a translation)*

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### 1 FIELD OF APPLICATION

1.1 These funding guidelines apply to all funding approved by Stiftung Mercator, unless explicitly stated otherwise in writing in an individual case.

1.2 The funding guidelines are directly binding on Stiftung Mercator's Project Partner. The Project Partner shall also have an obligation where the funds are passed to a third party to ensure compliance with the funding guidelines and other contractual agreements.

1.3 Where the funding relates to several Project Partners, the funding guidelines shall apply to all Project Partners. In principle, one Project Partner shall be identified as having lead responsibility to Stiftung Mercator.

### 2 FUNDING PERIOD

2.1 The duration and start of the funding is governed by the Funding Agreement. In principle, the first day of a calendar month shall be specified as the start of the funding.

2.2 The Project Partner must return the signed Funding Agreement to Stiftung Mercator in good time before the planned start of the funding and not later than three months after receipt. Otherwise, Stiftung Mercator reserves the right to withdraw the funding approval.

2.3 If required in an individual case, the Project Partner can, before the planned start of the funding, apply to Stiftung Mercator for a postponement of the funding period. The application shall be submitted in writing and reasons given.

2.4 If required in an individual case, the Project Partner can, before the planned end of the funding period, apply for a cost neutral extension. The application shall be submitted in writing and reasons given.

### 3 USE OF FUNDS

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3.1 The funds are intended to fund the Project described in the Funding Agreement. They are to be used efficiently and economically. They may be used for all expenditure which serves the purposes of this Project.

3.2 The budget agreed in the Funding Agreement shall be binding. Reallocations between calendar years and within cost positions are possible without consulting Stiftung Mercator. Reallocations between cost positions are only possible in exceptional cases in compliance with the individual regulations in the Funding Agreement. A justification and amended budget are to be enclosed to the application submitted to Stiftung Mercator to this effect.

3.3 Interest payments received during the funding period may be used to supplement the approved funding amount.

3.4 Funds shall not be used for expenditure made prior to the Funding Agreement being signed by all parties.

3.5 Funds not used are to be repaid to Stiftung Mercator's account (National-Bank AG Essen, IBAN: DE24 3602 0030 0005 3125 90, BIC: NBAGDE3E), quoting the project number assigned by Stiftung Mercator, at the latest with the last funds allocation statement. The Project Partner waives the right to claim limitation of time with respect to the demand for repayment to Stiftung Mercator.

3.6 Subsequent amendments to the content of the Project being funded are only permitted with prior written consent of Stiftung Mercator.

3.7 The Funding Agreement between Stiftung Mercator and the Project Partner continues also if any of the Project Partner's project managers named in the Funding Agreement moves to another institution. A transfer of the Funding Agreement for the remaining contract period to another institution is only possible with the mutual agreement of the project manager, Project Partner and the other institution and requires the prior written approval of Stiftung Mercator.

**4 FUNDS FOR STAFF COSTS**

4.1 Funds for staff costs are funds for employment contracts and fellowships.

4.2 The level of funds for staff costs must be based on common local conditions, the Project's requirements and the employees' qualifications. Reference points are the compensation scheme for the public service, the fellowship rates of the German Research Foundation (Deutsche Forschungsgemeinschaft), the German National Academic Foundation

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(Studienstiftung des deutschen Volkes), the German Academic Exchange Service (Deutscher Akademischer Austauschdienst), and the Alexander von Humboldt Foundation. The Project Partner shall be responsible for an adequate tariff and pay scale classification. To the extent that Stiftung Mercator sets upper limits for categories in the Funding Agreement, these shall be binding for the Project Partner.

4.3 The Project Partner shall be responsible for compliance with the applicable provisions of tax, employment and social security legislation. Stiftung Mercator shall not be the employer of the employees employed with its funds. The Project Partner shall release Stiftung Mercator from any potential claims at first request.

**5 FUNDS FOR NON-STAFF RESOURCES**

5.1 Funds for non-staff resources are in particular funds for equipment and consumables, service and work contracts, travel, events and publications.

5.2 To the extent that equipment and consumables are financed with the funds, the Project Partner shall ensure that they are kept, used and maintained properly. The equipment and supplies shall become the property of the Project Partner that procured them, and should be inventoried according to its requirements. The equipment and consumables remain the property of the Project Partner if the Project Partner's project manager named in the Funding Agreement moves to a different organisation. It shall only be possible to take the equipment and consumables to another organisation with reciprocal agreement between the project manager, the Project Partner and the other organisation and with prior written consent from Stiftung Mercator.

5.3 Clauses 4.2 and 4.3 apply mutatis mutandi to the employment of freelancers.

5.4 Travel can be financed with the funds, if and to the extent that it is necessary for implementation of the Project or serves the purpose of presenting the project results to the (expert) public. Travel expenses are to be calculated based on the principles of German travel expenses law in accordance with current income tax guidelines. The means of transport shall be chosen under consideration of economy and climate protection. As a rule, only the costs for the cheapest travel class may be financed (train: 2nd class, flight: economy class).

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5.5 Events can be financed with the funds, if and to the extent that this serves the implementation of the Project. Corporate hospitality and other costs shall be appropriate to the occasion and the participant group.

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5.6 Publications can be financed with the funds, if and to the extent that they serve primarily the publication of the project results or are directly connected in some other way to the approved Project. The form of publication can be freely chosen. The specific provisions on publication of the project results (Clause 8) and on press communications and publicity (Clause 9) are to be considered.

## 6 MANAGEMENT OF THE FUNDS

6.1 Upon signature of the Funding Agreement by all parties, the Project Partner shall draw up a payment schedule for the entire funding period. The "Payment Schedule and Call for Funds" form provided by Stiftung Mercator shall be used for this purpose. Stiftung Mercator's regular payment dates are June 1<sup>st</sup> and December 1<sup>st</sup>. In exceptional cases, diverging payment dates can be agreed upon.

6.2 Stiftung Mercator shall only transfer funds at express request. The required funds set out in the payment schedule shall be requested at least four weeks in advance without notification from Stiftung Mercator. The "Payment Schedule and Call for Funds" form provided by Stiftung Mercator shall be used for this purpose. Following receipt of funds, the Project Partner shall submit a formal notification of receipt within four weeks.

6.3 If payment amounts or dates different from those in the agreed payment schedule prove necessary (e.g. owing to postponement, extension, change in the Project content), the payment schedule shall be adjusted accordingly. The "Payment Schedule and Call for Funds" form provided by Stiftung Mercator shall be used for this purpose.

6.4 Stiftung Mercator shall transfer the funds to the Project Partner's bank account, or in the case of universities and other public sector institutions to the relevant treasurer's office.

6.5 Where the Project Partner is a public sector institution, the funds shall in principle be managed through the administration of such institution. The Project Partner shall provide the administration department responsible with all necessary documentation and information to enable the matter to be dealt with correctly. The treasurer's office shall treat the funds as money held in trust. Treasury management, book-keeping and the receipt format shall be based on

the treasurer's office rules. The receipts shall remain with the institution. They are to be retained for the period of time prescribed in the treasurer's office rules.

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6.6 Where the Project Partner is not a public sector institution, the funds shall in principle be paid through a giro account that the Project Partner will set up in its name with a German financial institution or, if the legal domicile of the Project Partner is abroad, with an internationally renowned financial institution.

6.7 The funds shall be broken down in the budget by the individual uses and by calendar years. The funds are not linked to financial years and so do not lapse at the end of a calendar year.

## 7 FUNDS ALLOCATION STATEMENT AND PROJECT REPORT

7.1 Evidence of the proper use of the funds is to be provided to Stiftung Mercator. Two months after the end of the funding period, figures showing the total allocation of funds and a detailed final report are to be submitted. Where the funding period spans more than one calendar year, figures showing the interim allocation of funds and, in addition, an interim report on the work carried out and the results thereof shall be submitted by the end of each February.

7.2 The allocation statement shall certify that the funds have been used efficiently and economically for the correct purpose and that the allocation statement is correct in terms of facts and calculations. The "Funds Allocation Statement" form provided by Stiftung Mercator shall be used for this purpose.

7.3 If the Project is co-financed by contributions from the Project Partner or third parties, the allocation of funds with respect to Clause 7.2 can be shown in the form of an overview of all income and expenditure, without the need for an actual assignment of income sources to individual items of expenditure. In this case a separate statement is to be made to the effect that the requirements for the funds to be used for specific purposes have been fulfilled.

7.4 The individual expenditure receipts are to be retained by the Project Partner for its standard retention periods, but for at least 10 years after the funding ends.

7.5 Stiftung Mercator or its authorised agent shall be entitled to request the Project Partner's books, expenditure receipts and other business documents at any time and to examine the use of funds in situ.

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7.6 The interim and final reports shall contain details of the individual results achieved, including detailed evidence in figures in the case of the most significant items. The “Project Report” form provided by Stiftung Mercator shall be used for this purpose. Stiftung Mercator reserves the right to pass on and evaluate such reports and to publish them.

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## 8 PUBLICATION OF THE PROJECT RESULTS

8.1 The results of the Project being funded shall be made available to the public in suitable form. Stiftung Mercator expects the results to be made available not only in traditional print media, but also in open-access publications. A specific or different use of the project results can be provided for in the Funding Agreement.

8.2 All publications resulting from the Project must contain a reference to funding by Stiftung Mercator in an appropriate manner corresponding to the wording agreed in the Funding Agreement. The reference shall include a copy of the Foundation’s logo according to Stiftung Mercator’s corporate design. Stiftung Mercator will digitally provide its logo and the provisions for its corporate design. The aforesaid right of use is not exclusive and revocable at any time. The Project Partner is not authorized to modify the logo or use it in a different way.

8.3 If the Project Partner is solely responsible for a project result, all publications containing information about Stiftung Mercator must be agreed with Stiftung Mercator sufficiently well in advance. If the Project Partner and Stiftung Mercator are jointly responsible for a publication or event (e.g. as joint publishers or organisers), they shall mutually agree upon all measures for purposes of quality assurance.

8.4 Without having to request it, Stiftung Mercator is to be given a free specimen copy of all publications resulting from the Project in order to keep Stiftung Mercator informed of the progress and the intended effects of the Project. This also applies to publications not available from booksellers.

## 9 PRESS COMMUNICATIONS AND PUBLICITY

9.1 It is important to Stiftung Mercator that the Project Partner communicates the Project being funded and the Foundation’s funding decision to the press and to the public. The Project Partner shall plan and realise all Project-related activities in terms of press communications and publicity and shall agree these

with Stiftung Mercator sufficiently well in advance. Press and public relation activities relating to the project (e.g. press releases, invitations, programmes, events, websites) must contain an appropriate reference to the funding by Stiftung Mercator corresponding to the wording contained in the Funding Agreement. Clause 8.2 shall apply accordingly. For tax reasons, references on the Internet should not link to the Stiftung Mercator website.

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9.2 Stiftung Mercator reserves the right to inform the press and the public in suitable form about the projects it funds as well as about their representatives or initiators and the respective level of funding. For this purpose, the Project Partner shall provide Stiftung Mercator on request with relevant written and graphic material for purposes of presenting the Project externally in a uniform manner.

## 10 INFORMATION OBLIGATION

10.1 The collaboration between Stiftung Mercator and the Project Partner shall be characterised by trust and respect. They shall maintain secrecy with regard to any confidential information they obtain in the course of the implementation of the funded Project.

10.2 The Project Partner shall have an obligation to inform Stiftung Mercator, without being asked and without delay, of all events that have a significant bearing on the Project being funded. This applies in particular to all circumstances and events which prejudice or could prejudice the implementation of the project or the achievement of its objectives or could lead to foreseeable delays.

10.3 Stiftung Mercator intends to regularly evaluate its funding and the effects achieved thereby. The Project Partner shall support Stiftung Mercator or its appointed representative to a reasonable extent in carrying out the evaluation, in particular by providing documents and summaries required for the evaluation documents and allow interviews of participants in the Project.

## 11 RULES OF GOOD SCIENTIFIC PRACTICE

Where the funding relates to a Project involving scientific work, the Project Partner and all persons involved with the Project shall have an obligation, in carrying out the work being funded, to observe its own rules of good scientific practice and those of the German Research Foundation (Deutsche Forschungsgemeinschaft). In the event of failure to comply with such rules,

Stiftung Mercator reserves the right to retrospectively withdraw the funds granted or to stop future payments and request the return of funds already paid.

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## 12 WITHDRAWAL, RETURN, STOPPAGE

12.1 Stiftung Mercator reserves the right to withdraw approval, withhold funds and to request the return of funds already paid if a material element of these Funding Guidelines or of the specific approval terms and conditions contained in the Funding Agreement is particularly seriously or repeatedly infringed. This applies in particular where funds were granted based on information that was in essential respects incorrect or incomplete, are not used for the correct purpose, evidence of the use of the funds is not provided or not provided by the deadline, or the Project Partner breaches other material contractual obligations.

12.2 Stiftung Mercator reserves the right to stop the funding with future effect, to withhold funds called for and to recover unused funds if these Funding Guidelines or the specific approval terms and conditions contained in the Funding Agreement are breached. This also applies where material prerequisites for the implementation of the Project are not fulfilled or in Stiftung Mercator's opinion the Project objectives are no longer achievable.

12.3 In the above-mentioned cases, the Project Partner shall have no right to lodge performance or replacement claims. In the event of return of the funds, in accepting these funding guidelines the Project Partner waives the right to claim limitation of time.

## 13 CLIMATE PROTECTION

Stiftung Mercator is committed to reducing the anthropogenic emission of greenhouse gases included in the Kyoto Protocol. It considers it important that its Project Partners appropriately consider this goal in the implementation of the funded Project (e.g. through the use of environmentally-friendly means of transport).

## 14 DATA PROTECTION

Stiftung Mercator is authorised to collect and store the personal data required for performance of the contract. It shall treat these data confidentially and not disclose them to third parties.

**15 FINAL PROVISIONS**

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15.1 The Project Partner is obligated to carry out the Project funded by Stiftung Mercator with the utmost care and under consideration of the charitable objectives pursued by Stiftung Mercator.

15.2 Stiftung Mercator does not assume any warranty or liability for the implementation and achievement of the objectives of the Project funded by it.

15.3 Amendments or supplements to these funding guidelines must be made in writing. Stiftung Mercator reserves the right to modify these Funding Guidelines at any time provided the modifications are reasonable for the Project Partner taking Stiftung Mercator's interests into account. Modifications shall be notified in writing in good time. The modifications are deemed to have been approved if the Project Partner does not raise an objection in writing within four weeks.

15.4 If any provision of the agreement is deemed null and void, the validity of the remaining provisions of the agreement shall remain unaffected. In place of an invalid or impractical provision, a valid and practical provision which comes as close as possible to the purpose intended by the invalid or impractical provision, shall be deemed to be agreed. Any contractual gaps in the agreement shall be closed in the spirit of the agreement as a whole.

15.5 German law shall apply with no international conflict of law rules. Place of jurisdiction is Essen.