

Termo de Convênio

Acordo de Cooperação entre a FUNDAÇÃO DE APOIO À UNIVERSIDADE DE SÃO PAULO e a UNIVERSIDADE DE SÃO PAULO, por meio do INSTITUTO DE RELAÇÕES INTERNACIONAIS, que visa à cooperação acadêmica entre as partes.

Pelo presente convênio, a FUNDAÇÃO DE APOIO À UNIVERSIDADE DE SÃO PAULO, CNPJ/MF n. 68.314.830/0001-27, doravante designada CONVENIENTE, e a UNIVERSIDADE DE SÃO PAULO, autarquia estadual de regime especial, com sede na Rua da Reitoria, n. 374, São Paulo/SP, inscrita no CNPJ/MF sob n. 63.025.530/0001-04, doravante designada USP, por intermédio do Instituto de Relações Internacionais (IRI), por seus representantes legais, signatários, em consonância com seus atos constitutivos, com fundamento na Lei nº 8.666/93, têm entre si justo e acertado o que se segue, de acordo com as cláusulas e condições abaixo:

CLÁUSULA PRIMEIRA - OBJETO

O presente convênio tem por objeto viabilizar a concessão de bolsas da Fundação de Apoio à Universidade de São Paulo para estudantes de graduação e pós-graduação, bem como um pesquisador visitante com a finalidade apoiar projetos de pesquisa que tenham conexão com as atividades da Escola de Segurança Multidimensional, conforme plano de trabalho anexo, que passa a ser parte integrante deste instrumento.

CLÁUSULA SEGUNDA - OBRIGAÇÕES DAS PARTÍCIPES

As partícipes se obrigam a:

2.1. Garantir a execução integral do plano de trabalho, parte integrante deste convênio, prezando pela realização das atividades em consonância com as especificações ali constantes, mormente (I) o objeto do ajuste, (II) a justificativa de interesse acadêmico, (III) as metas a serem atingidas, (IV) as etapas ou fases de execução, (V) o custeio do projeto e fontes de recurso, (VII) o plano de aplicação, (VIII) a previsão de início e fim da execução do objeto, (IX) os resultados esperados, (X) a participação nos resultados e (XI) a competência do coordenador do projeto.

2.2. Realizar comunicações recíprocas, respeitada, em especial, a competência do coordenador indicado no plano de trabalho, responsável pelas atividades deste convênio, a quem caberá a solução e o encaminhamento de questões técnicas, administrativas e financeiras que surgirem durante a vigência do presente convênio, bem como a supervisão e o gerenciamento, inclusive financeiro, da execução dos trabalhos.

CLÁUSULA TERCEIRA - RECURSOS FINANCEIROS

Os recursos necessários para o desenvolvimento do projeto serão de responsabilidade das partícipes, na forma definida no plano de trabalho anexo, não havendo repasse de dinheiro de uma partícipe à outra, sendo que o montante total a ser pago pela conveniente aos estudantes e pesquisadores, mediante contratos específicos, será de R\$1.075.567,64 (um milhão, setenta e cinco mil, quinhentos e sessenta e sete reais e sessenta e quatro centavos), considerando os valores repassados pela instituição financiadora.

CLÁUSULA QUARTA - VIGÊNCIA

O presente convênio vigorará pelo prazo de 2 anos a partir da data da assinatura, prorrogável por igual período.

CLÁUSULA QUINTA - PROPRIEDADE INTELECTUAL

5.1. Para fins deste acordo considera-se propriedade intelectual: invenção, modelo de utilidade, desenho industrial, marca, programa de computador, topografia de circuito integrado, cultivar ou qualquer outro desenvolvimento tecnológico, passível de registro ou não.

5.2. Caso resultem das atividades do convênio inventos, aperfeiçoamentos ou inovações passíveis de obtenção de proteção, nos termos da legislação brasileira, das Convenções Internacionais de que o Brasil é signatário ou ainda da legislação nacional de país onde se decida pela proteção, fica estabelecido que a FUSP não terá direito sobre a mesma, sendo a titularidade da USP ou conforme definido em acordo específico assinado pela USP com terceiros.

CLÁUSULA SEXTA - DIREITOS AUTORAIS SOBRE OBRAS CIENTÍFICAS OU LITERÁRIAS

6.1. Se do convênio resultar obra científica ou literária, os direitos decorrentes pertencerão a USP ou conforme definido em acordo específico assinado pela USP com terceiros, ficando estabelecido que a FUSP não terá nenhum direito.

6.2. A eventual utilização será regulada em termo próprio, de acordo com a legislação vigente.

CLÁUSULA SÉTIMA - DENÚNCIA

7.1. O presente convênio poderá ser denunciado a qualquer momento, por qualquer das partes, mediante comunicação expressa, com antecedência mínima de 60 dias.

7.2. Havendo pendências, as partes definirão, mediante termo de encerramento do convênio, as responsabilidades pela conclusão ou encerramento de cada um dos trabalhos e todas as demais pendências, respeitadas as atividades em curso.

CLÁUSULA OITAVA - FORO

Para dirimir dúvidas que possam ser suscitadas na execução e interpretação do presente convênio, fica eleito o foro da Capital do Estado de São Paulo, em uma das Varas da Fazenda Pública, com exclusão de qualquer outro, mesmo privilegiado.

E por estarem justas e convencionadas, as partes assinam o presente termo em 2 (duas) vias.

Instituto de Relações Internacionais

DocuSigned by:

Pedro Bohomoletz de Abreu Dallari

73796A7542D3411
Pedro Bohomoletz de Abreu Dallari

Diretor

Fundação de Apoio à Universidade de São Paulo

DocuSigned by:

Marcelio Alves

BAED0BE919A14D3...
Marcelio Alves

Diretor- Executivo

2 de agosto de 2022

ANEXO

PLANO DE TRABALHO



ÍNDICE

Preâmbulo	2
O Projeto	3
Atividades	4
Despesas	4
Cronograma de Desembolso	6
Apêndice	7



Preâmbulo

Considerando que o convênio nº 1013249 associado ao projeto “*Illicit Markets and Organized Crime at the Triple Frontier: The Challenge of Police Cooperation*” (2019 - 2021), coordenado pela Escola de Segurança Multidimensional (ESEM) vinculada ao IRI-USP e financiado com recursos provenientes do Programa *PMI Impact, 2nd Round*, oferecido pela *Philip Morris International Foundation*, redundou na produção e no oferecimento gratuito de três cursos de extensão, resultando em 4.786 agentes de segurança pública e defesa formados de todos os estados brasileiros e de mais de 8 países.

Considerando os resultados alcançados no biênio 2019-2021, a ESEM se candidatou à 3ª rodada de financiamento¹ proporcionado pela *Philip Morris International Foundation* e obteve resultado favorável, sendo premiada para execução de um novo projeto com 24 meses de financiamento. Este novo biênio (2022-2024) do Programa *PMI Impact* visou expandir a implementação dos mais de 60 projetos em 30 países, dando continuidade às duas primeiras rodadas.

Considerando o marco normativo, as resoluções internas e a orientação da Procuradoria Geral da USP, assim como as normas de *compliance* do financiador, nos termos do *grant agreement*,² um instrumento contratual entre a FUSP e a *PMI* foi formalizado para que a subvenção financeira pudesse ser direcionada à execução do projeto, permitindo a entrega dos respectivos produtos.

Considerando que o escopo do projeto “*Illicit Trade in The Americas Region: Building Capacity in The Police Forces*”, deste novo biênio (2022-2024), é amplo e complexo, envolvendo diversos produtos e entregas, a ESEM resolve formalizar este convênio a fim de viabilizar a concessão de bolsas da Fundação da Universidade de São Paulo para estudantes de graduação e pós-graduação bem como um pesquisador visitante com a finalidade apoiar projetos de pesquisa que tenham conexão com as atividades da Escola de Segurança Multidimensional. Vale dizer que outros convênios entre a FUSP e a USP - por meio do IRI – serão firmados para implementação dos demais produtos e atividades contidas no biênio 2022-2024.

¹ Para mais informações, verificar apêndice.

² Para mais informações, verificar apêndice.





O Projeto

As bolsas de estudos são auxílios financeiros concedidos a estudantes para compartilhar o custo no desenvolvimento de uma pesquisa.

O projeto aqui descrito se refere ao oferecimento de bolsas de estudos para execução de pesquisas de iniciação científica, mestrado, doutorado e pesquisador visitante que tenham conexão com as atividades da ESEM que é difundir e atualizar o conhecimento de agentes de segurança pública e privada do Brasil e América Latina. Estas bolsas auxiliam os acadêmicos na efetivação de suas pesquisas, sendo que em alguns casos, são tidas como imprescindíveis para a realização da pós-graduação.³

Ademais, viabilizam uma dedicação com maior intensidade por parte dos bolsistas no desenvolvimento de pesquisas sobre segurança multidimensional e demais assuntos relacionados ao tema de segurança pública, o que, conseqüentemente, materializa o êxito de uma das finalidades da ESEM.

Este projeto está sendo desenvolvido pela ESEM sob coordenação do professor do Instituto de Relações Internacionais Leandro Piquet Carneiro.

³ Vide https://drive.google.com/file/d/100M784y8_S2eFRIAUqfgMirXNCbhP8fR/view?usp=sharing



Atividades

Categoria de Bolsa	Quantidade	Atividades	TRIMESTRE							
			1	2	3	4	5	6	7	8
Pesquisador Visitante	1	Coordenação das atividades acadêmicas e operacionais da Cátedra de Mercados Ilícitos.					x	x	x	x
Doutorado	4	Assistência acadêmica, estratégica e organizacional nas atividades dos Cursos de Extensão, da Cátedra de Mercados Ilícitos Transnacionais, da Biblioteca de Mercados Ilícitos e do Atlas de Justiça Criminal da Ameripol.	x	x	x	x	x	x	x	x
Mestrado	3	Assistência acadêmica e organizacional nas atividades dos Cursos de Extensão, da Cátedra de Mercados Ilícitos Transnacionais, da Biblioteca de Mercados Ilícitos e do Atlas de Justiça Criminal da Ameripol.	x	x	x	x	x	x	x	x
Iniciação Científica	3	Assistência acadêmica e operacional nas atividades dos Cursos de Extensão, da Cátedra de Mercados Ilícitos Transnacionais, da Biblioteca de Mercados Ilícitos e do Atlas de Justiça Criminal da Ameripol.	x	x	x	x	x	x	x	x
Bolsa FUSP de Complementação	1	Complementação à Bolsa de Doutorado do Coordenador de Instrutores.	x	x	x	x	x	x	x	x

Despesas

Convênio de Bolsas				
Tipo de Despesa	Unidades	Meses	Valor Unitário (R\$)	Valor Total (em R\$)
Pesquisador Visitante	1	12	R\$ 19.855,85	R\$ 238.270,20
Bolsa Doutorado	4	24	R\$ 4.285,50	R\$ 411.408,00
Bolsa Mestrado	3	24	R\$ 2.494,20	R\$ 179.582,40
Iniciação Científica	3	24	R\$ 1.600,13	R\$ 115.209,36
Bolsa FUSP de Complementação	1	24	R\$ 2.142,75	R\$ 51.426,00
Subtotal				R\$ 995.895,96
Taxa FUSP negociada de 8%				R\$ 79.671,68
Total do convênio				R\$ 1.075.567,64

Os valores das bolsas foram estabelecidos com base no programa de Bolsas da FUSP vigente a partir de março de 2022 bem como a tabela de vencimentos dos Docentes disponibilizada pelo Departamento de Recursos Humanos da USP⁴:

⁴ Para mais informações acessar: <https://drh.usp.br/wp-content/uploads/Tabela-Vencimentos-Docentes-03-2022.pdf>



PROGRAMA DE BOLSAS FUSP
Tabela de Modalidades e Valores de Bolsas
Vigente a partir de 01 de março de 2022

MODALIDADE	Nível de Complexidade	Valor Mensal (R\$)
1 Iniciação Científica (Graduação)	IC - 1	800,10
	IC - 2	1.057,22
	IC - 3	1.328,68
	IC - 4	1.600,13
Requisitos: Aluno de graduação de ensino superior em instituição pública ou privada, preferencialmente da USP. Prazo máximo: 12 meses em cada ano de situação acadêmica, renovável até atingir o 5º ano, com bom desempenho acadêmico e dedicação exclusiva ao curso, para desenvolver as atividades de pesquisa científica e/ou tecnológica, ensino ou extensão em projetos gerenciados pela FUSP. Prazo máximo: 12 meses, renováveis.		

	Nível	Valor Mensal (R\$)
2 Mestrado	ME – 1	2.349,60
	ME – 2	2.494,20
Requisitos: Aluno matriculado regularmente em programas de pós-graduação (<i>stricto sensu</i>) de instituição pública ou privada, engajado em projeto de pesquisa que resulte em dissertação de Mestrado. Prazo máximo: 12 meses em cada nível.		

	Nível	Valor Mensal (R\$)
3 Doutorado	DO – 1	3.462,60
	DO – 2	4.285,50
Requisitos: Aluno matriculado regularmente em programas de pós-graduação (<i>stricto sensu</i>) de instituição pública ou privada, engajado em projeto de pesquisa que resulte em tese de Doutorado. Prazo máximo DO-1: 12 meses Prazo máximo DO-2: 12 meses, prorrogáveis por até 36 meses.		

MODALIDADE	Nível	Duração Máxima	Horas Semanais	Situação Acadêmica	Valor Mensal (R\$)
5 Bolsa de Complementação FAPESP e CAPES/CNPq	BC - M	2 anos	8h	Aluno de Mestrado	1.247,10
	BC - D	2 anos	8h	Aluno de Doutorado	2.142,75
	BC - P	2 anos	8h	Pesquisador Pós-Doutoramento	4.239,60
Requisitos: Os requisitos são os exigidos no item 5.1.11 do Programa de Bolsas da FUSP e os dispostos na Portaria PR-Nº 05/2012 da FAPESP Também poderão ser concedidas Bolsas de Complementação à bolsa da CAPES/CNPq de acordo com Portaria Conjunta nº 1 de 15/07/2010 da CAPES/CNPq , mediante autorização expressa dessas instituições para a concessão da complementação em um dos três níveis existentes, carga horária e valor. Tanto para Complementação de Bolsa FAPESP como para CAPES/CNPq deverá ser comprovado que as atividades não acarretarão prejuízo para o desenvolvimento do projeto de pesquisa do bolsista, bem como para sua formação acadêmica/profissional, juntamente com a autorização expressa do seu Orientador e do Coordenador do Projeto FUSP.					





Cronograma de Desembolso

Parcela	Data do pagamento	Valor (R\$)
1ª	01/05/2022	360.000,00
2ª	01/11/2022	360.000,00
3ª	01/05/2023	177.778,00
4ª	01/11/2023	177.789,64





Apêndice





3RD FUNDING ROUND
APPLICATION
TERMS &
FUNDING
RULES

PMI IMPACT – FUNDING ROUND 3

GRANT AGREEMENT

This Agreement, effective as of May 1, 2022 (“**Effective Date**”) is between:

Philip Morris Products SA, a corporation organized under the laws of Switzerland, with registered offices at Avenue de Rhodanie 50, 1007 Lausanne, Switzerland (“**PMI**”), and

São Paulo University Support Foundation – FUSP, is a non-profit privately legal entity foundation, with registered offices at Afrânio Peixoto avenue, nº 14 – District of Butantã, São Paulo SP, Brazil (“**Grantee**”);

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

WHEREAS PMI has accepted Grantee’s application for funding under PMI IMPACT and the Parties are entering into this Agreement to record the terms on which PMI is making the Grant.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement the definitions below shall apply and shall prevail over the Definitions in the Application to the extent they may be different.

“**Agreement**” means this Agreement, including its Schedules.

An “**Affiliate**” means: (i) in respect of PMI, any entity that is controlled by Philip Morris International Inc.; and (ii) in respect of Grantee, any entity which controls, is controlled by or is under common control with, Grantee; and ‘control’ or ‘controlled’ means the ability directly or indirectly to direct the affairs of another by means of ownership, contract or otherwise.

The “**Application**” means Grantee’s application for a Grant under PMI IMPACT, attached hereto as Schedule 1, amended if applicable by Schedule 2, and subject also to any changes approved by the PMI Contact under the Agreement.

“**Audit Reports Schedule**” means the dates for submitting reports of the Audit Firm, set out in Schedule 5 to this Agreement.

“**Audit Firm**” means PricewaterhouseCoopers AG, Switzerland (“**PwC**”), retained by PMI IMPACT, or other firms of the PricewaterhouseCoopers global network or third parties that PwC appoints, to carry out the expenditure reviews in Section 7 in accordance with the International Standard on Related Services 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information issued by the International Federation of Accountants (‘IFAC’) and in compliance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

“**Confidential Information**” means (i) non-public financial information in the Expression of Interest which Grantee has specifically designated as confidential; (ii) any other data or information that either Party specifically designates as confidential and informs the other Party of such designation; and (iii) until the completion of the Term, all Deliverables and other information concerning Grantee’s performance of the Project.

A “**Conflict of Interest**” is a situation in which a person’s or organization’s objectivity in making decisions or taking actions could, in the opinion of a reasonable person, be impaired by his/her/its personal interest. Personal interest can arise from many types of relationships, including family or political ties, financial investments, and personal interactions. Conflicts of Interest with regard to the Grant and the Project may, for example, arise due to ties or relationships between Grantee, Grantee Personnel, any Subcontractor, and PMI or its Affiliates or their personnel.

“Deliverables” means the Progress and Final Reports, including the measurable and tangible outcomes (proofs of performance) that Grantee expects to achieve by the end of each Project Phase. Depending on the nature of the Project. “Deliverables” may also mean items such as concepts, ideas, surveys, designs, software (including source code and object code), technology, know-how, data and databases, photographs, processes, plans, specifications, documentation, methods, programs, training materials, texts of speeches, seminars and presentations, recommendations and all types of reports in draft or final form, which have been developed by or for Grantee pursuant to this Agreement; by way of example, in cases where the objective of the Project is to deliver training, awareness campaigns, organize conferences, set up scholarships, conduct seminars or deliver lectures, it means the delivery of those matters; in cases where the objective of the Project is to buy machinery or equipment, it includes the selection, ordering, delivery and, where relevant, installation and testing thereof.

“End Date” means March 31st, 2024 or such other date as the Parties may agree pursuant to Section 2.3.

“Expert” means a member of the Expert Council, being the body comprised of independent experts appointed by PMI which, inter alia, selected the Applicants for the award of the Grants by PMI. PMI may decide to use its discretionary right to award exceptionally a Grant to one or more Applicant(s) whose Application have not been selected for the award of a Grant by the Expert Council.

“Export Control” means laws that regulates the export or re-export of products, technologies, technical data (e.g., military and so-called dual-use items that can be used for both civilian and military applications) or services around the world and impose prohibitions or restrictions, by means of authorizations and licenses. They can be imposed by organizations such as the United Nations or the European Union, or they can be imposed by specific countries such as the United States (e.g., the US Export Administration Regulations and the US International Traffic in Arms Regulations).

“Facilitating Payments” means payments to Government Officials to expedite or secure the performance of routine government action (non-discretionary actions that are ordinarily and commonly performed). Examples include payments to facilitate non-discretionary processing of legitimate requests for visas, licenses or permits, or to connect telephones or other utility services.

The **“Final Report”** means the final report on Grantee’s implementation of the Project, including financial details of the Grant expenditure, required to be submitted by Grantee pursuant to the Application and the form provided in Schedule 3.

A **“Government Agency”** means a government, or a department or other unit of a government.

A **“Government-controlled Organization”** means an organization: (i) owns or controls 50% or more of the entity’s shares, (ii) funds a majority of the entity’s budget, or (iii) can otherwise direct the management, policies or affairs of that entity.

A **“Government Official”** means any officer, employee of, or person acting on behalf of (i) a government or one or more of its departments, agencies or Government Instrumentalities or (ii) a Public International Organization; or any officials of a political party or candidates for political office. Note that in some contexts, interactions with close family members of a Government Officials may be treated as an interaction with that Government Official.

A **“Government Instrumentality”** means an organization that serves a public purpose and is closely tied to any level of government, but may not itself be considered a Government Agency. For purposes of this Agreement, the term Government Instrumentality covers any Government-controlled Organization

“Grant” means, notwithstanding any different amount that may be specified in the Application, **USD 689,326.00**, payable by PMI to Grantee under PMI IMPACT, to be spent exclusively on the performance of the Project under the terms set out in this Agreement, or any part of that amount.

“Grant Instalments” means the instalments of the Grant as specified in Schedule 4 to this Agreement.

“Grantee Materials” means Grantee’s own proprietary methodologies, techniques, processes, inventions, innovations, concepts and know-how, which are identified and notified to PMI as Grantee Materials, that are not the result of work performed under this Agreement and that are not Deliverables.

“Grantee Personnel” means employees of Grantee or other individuals involved in the performance of the Project who are listed by the Grantee in the Project Implementation Plan of the Application.

“Intellectual Property Rights” means all rights in any country or jurisdiction in patents, inventions, trade secrets and other rights in know-how, copyrights (including any extensions or renewals), rights affording equivalent protection to copyright, data, rights in databases, registered designs, design rights, industrial designs and utility models, trademarks, trade names, trade dresses, logos, domain names, business names and all registrations or applications to register any of the foregoing.

“PMI Contact” means Stratila, Tatiana Tatiana.Stratila@pmi.com or such other person as PMI may notify to Grantee from time to time.

“PMI IMPACT” means PMI’s initiative to provide Grants through an open and defined process to law enforcement and other Government Agencies, inter-governmental organizations, the private sector and civil society to enable them to implement programs and create synergies which will aim to reduce illegal trade, prevent it and counter the negative consequences of illegal trade for individuals, their families, and communities.

A **“Progress Report”** means a narrative description of Grantee’s implementation of the Project since the start of the Project, or the most recent previous Progress Report, including the financial details of the Grant expenditure, required to be submitted by Grantee pursuant to the Application and in the form provided in Schedule 3.

The **“Project”** means the project to be carried out by Grantee with the Grant.

The **“Project Budget”** means the budget attached in the Application, describing in detail how the Grant will be spent.

The **“Project Leader”** means the employee of Grantee appointed to lead the Project.

“Project Partner” means an independent contractor (individual or legal entity), not an employee of the Grantee, contracted or retained by the Grantee to perform substantive activities or tasks related to the Project that require expertise specific to the Project. Examples of Project Partners are researchers, consultants, subject matter experts, and IT or technology companies contracted to develop substantive materials or Deliverables for the Project.

“Project Phases” means the phases of the Project’s implementation set out in the Application.

“Project Routine Supplier” means an independent contractor (individual or legal entity), not an employee of a Grantee, contracted or retained by the Grantee to supply equipment or other goods, or routine services for the Project, such as translation agencies, travel agents or providers of event venues. A travel agency contracted by the Grantee to organize travelling required for the Project is an example of a Project Routine Supplier.

A **“Public International Organization”** means an organization whose members are countries or governments, including organizations officially recognized as public international organizations by the U.S. Government (as identified in [22 U.S. Code § 288](#) or by the U.S. Department of State in [Vol. 9](#) of its Foreign Affairs Manual). Additional organizations that qualify as public international organizations under the laws of other countries may also be considered as such under this policy.

“**Sanctions**” mean laws that prohibit trade with certain countries, organizations and individuals around the world. They can be imposed by organizations such as the United Nations or the European Union, or they can be imposed by specific countries such as the United States, the United Kingdom or Switzerland.

A “**Subcontractor**” means a Project Partner or a Project Routine Supplier as referred in this Agreement. If applicable, references to Subcontractors shall include references to their employees.

“**Term**” means the period from the Effective Date until the expiration or earlier termination of this Agreement.

“**Timelines**” means the timelines for completion of the Deliverables, including the delivery of the Progress and Final Reports, as set out in the Application.

2. IMPLEMENTATION OF THE PROJECT

2.1 Grantee shall implement the Project and provide the Deliverables in English in accordance with the Timelines, and in accordance with the other provisions of the Application, including ensuring effective management and implementation of the Project, the monitoring and evaluation of the progress of the Project, the achievement of its objectives and the management of the Grant in accordance with Grantee’s responses under Section C. Project Management of the Application.

2.2 If the contractual negotiations of the Parties and the signature of this Agreement have caused the commencement of the Project to be postponed, the Timelines shall be extended accordingly and shall start running on or after the Effective Date.

2.3 If Grantee encounters, or anticipates that it will likely encounter, delays in the performance of the Project, it will inform the PMI Contact in writing promptly so that the Parties may discuss whether any delays will be acceptable to PMI. If the PMI Contact agrees in writing, the Timelines and End Date may be changed to later dates. If applicable, Schedule 7 to the Agreement shall be amended accordingly.

2.4 Grantee shall implement the Project by using only Grantee Personnel, as well as any Subcontractors. Grantee shall not use any Subcontractors who are Project Partners other than those referred to in the Application and for the activities/tasks mentioned in the Application without first:

2.4.1 obtaining the consent of the Subcontractor;

2.4.2 notifying the PMI Contact in writing of its identity and the nature of the activities to be performed by it; and

2.4.3 obtaining the PMI Contact’s prior written consent to its use for these notified activities.

This section shall not apply to Subcontractors who are Project Routine Suppliers and whose identity has not been described in the Application.

2.5 Subcontractors who are Project Partners must not subcontract or delegate their obligations without the PMI Contact’s prior written consent, which shall only be granted in exceptional circumstances, unless such subcontracting is required for the provision of routine or administrative support services for the Project, such as accommodation and travel.

2.6 No Subcontractor who is a Project Partner may be a Government Official, Government Agency, Government Instrumentality or Public International Organization, unless it is a public academic institution or an employee of a public academic institution. This restriction does not apply to Subcontractors who are Project Routine Suppliers.

2.7 Any use by Grantee of a Subcontractor shall not relieve Grantee from any liability or obligation hereunder. Grantee shall procure that Subcontractors comply with all obligations described herein as applying to them,

but Grantee shall be responsible for the acts, omissions and defaults of any Subcontractor as fully as if they were the acts, omissions or defaults of Grantee.

- 2.8 Grantee may not terminate the appointment of the Project Leader without first obtaining the PMI Contact's written consent and if the Project Leader shall leave the Project of his/her own accord, Grantee shall promptly inform the PMI Contact in writing. In both cases, Grantee shall propose a new Project Leader to the PMI Contact and if the PMI Contact approves the proposal, Grantee shall promptly appoint this person.
- 2.9 Grantee shall not change other Grantee Personnel unless it has good reasons to do so and without notifying PMI in writing.
- 2.10 Grantee acknowledges PMI's commitment to UN Sustainable Development Goals embodied by its sustainability strategy and performance, and hereby agrees to make its best efforts in the Project implementation to ensure a sustainable operation of Deliverables during and, if applicable, after the Term of this Agreement.

3. GRANTEE'S INDEPENDENCE AND RESPONSIBILITY FOR THE PROJECT

- 3.1 Grantee acknowledges that the implementation and financial management of the Project shall be its sole responsibility. Grantee shall spend the Grant with all due care and skill, act in good faith and undertake the Project in a professional manner. PMI accepts no responsibility for any third-party claim that may arise as a result of Grantee's activities. Any taxes imposed in connection with the payment by PMI of the Grant to Grantee will be the sole and exclusive responsibility of Grantee.
- 3.2 Apart from the Grant, PMI and its Affiliates shall have no obligation to provide any financial or non-financial support for the Project or to Grantee.
- 3.3 In the performance of the Project, whatever its nature, Grantee shall maintain full independence from PMI. For example, in cases where Grantee develops Deliverables it shall be free to reach its own conclusions and make its own anti-illegal trade recommendations within the scope of the Project. In cases where Grantee organizes educational events it shall have the freedom to define the content of these events, choose and engage members of working groups and stakeholders, select the program, materials and attendees, and raise awareness about and promote the Project. Grantee may however request the PMI Contact to provide comments, suggestions, or opinions on the Project and the Deliverables or seek the input of the PMI Contact regarding potential experts, stakeholders and speakers for the Project, which input Grantee may accept, or not, at its sole discretion.
- 3.4 Grantee shall avoid fabrication, falsification, plagiarism, the use of misleading information or other misconduct in the performance of the Project.
- 3.5 Grantee is and shall remain an independent contractor and this Agreement shall not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between PMI and Grantee or any of Grantee Personnel or Subcontractors. Grantee shall not hold itself out to be anything other than an independent contractor and Grantee is not authorized, nor shall it purport to be authorized, to create obligations binding on PMI or any of its Affiliates in any manner whatsoever.

4. USE OF THE GRANT

- 4.1 Grantee shall spend the Grant entirely in connection with the Project and in accordance with the Project Budget. Any re-allocation of the Grant from one expenditure category to another without the prior written consent of the PMI Contact or to activities not stipulated in the Application is prohibited.
- 4.2 Grantee confirms that it maintains in its name a Brazilian Reais (BRL) bank account for the receipt and expenditure of the Grant Instalments in the country where Grantee is registered and it will ensure full transparency on its receipt of the Grant Instalments and expenditure of the Grant, including: (i) a separate

Project cost accounting; (ii) recording the Grant separately from any other funds, other donors' contributions or its operational funds, and (iii) ensuring that only the expenses related to the Grant are recorded against the Grant and that all expenses and transactions made with the Grant are directly relevant to the Project.

- 4.3 Grantee's bank information, including Grantee's Project account number and signatory or signatories are as follows:

FUNDACAO DE APOIO A UNIVERSIDADE DE SAO PAULO

Banco do Brasil - ag 1897-X - Agencia governo - account 121.037-8

IBAN: BR7800000000018970001210378C1

Swift Code: BRASBRJSBO

- 4.4 If Grantee shall receive any bank or other interest on the Grant Instalments, Grantee shall use the interest entirely in connection with the Project.
- 4.5 Grantee shall not make any substantial changes to the Project or the manner in which the Grant is spent without prior written consent of the PMI Contact.
- 4.6 Grantee shall ensure that any vehicles, boats, materials, equipment and other items bought with the Grant shall be used solely for the implementation of the Project and under no circumstances will they be appropriated for the personal use of Grantee Personnel, any Subcontractor or any other person. Throughout its working life each of the foregoing items must remain the property of Grantee and be insured by Grantee against fire, theft and other risks that are appropriate and customary for that item. Grantee shall if requested by the PMI Contact provide proof of such insurance and custody of the purchased items mentioned herein.
- 4.7 When Grantee spends the Grant, cash transactions, including with Subcontractors, must be kept to a minimum, strictly justified, in compliance with applicable laws and evidenced by receipts and other supporting documentation to verify the cash disbursement (e.g. contracts, purchase orders, delivery notes). Cash payments exceeding USD 100 per payment must not be made without the PMI Contact's prior written consent, which shall only be granted in exceptional circumstances.
- 4.8 Grantee shall notify the PMI Contact in writing if at any time during the Term it becomes aware that the Grant will exceed the costs of performing the Project, for example because of previously unanticipated cost reductions or because its costs are in a currency other than USD and it has converted part or all of the Grant at a more favorable exchange rate than originally anticipated when the Project Budget was finalized. In such a case, Grantee shall then propose in writing additional activities for the Project to the PMI Contact. If the PMI Contact agrees in writing with the proposal, Grantee shall undertake these activities and include them in its Progress and Final Reports. Should the Parties fail to agree on additional activities, PMI may reduce future Grant Instalments by the applicable amount or, if requested by the PMI Contact, Grantee shall repay PMI the excess.
- 4.9 Grantee shall notify the PMI Contact in writing, and provide evidence thereof to the PMI Contact, if at any time during the Term it becomes aware that the Grant will be insufficient to enable it to perform the Project, or other cost increases that could not reasonably have been anticipated, or because its costs are in a currency other than USD and it has converted part or all of the Grant at an exchange rate which was unfavorable compared to the rate anticipated when the Project Budget was finalized. Grantee shall then propose corresponding reductions in the Project activities and if agreed in writing by the PMI Contact those activities shall be removed from the Project. If it becomes necessary for Grantee to spend more than the Grant to complete the Project due to the fact that Grantee had not anticipated certain costs for the successful implementation of the Project that it could reasonably have anticipated, it shall nevertheless complete the Project by the End Date and in all respects in accordance with the Application and Grantee shall bear the additional costs itself.

- 4.10 Grantee shall ensure that all prices/fees paid to Subcontractors are reasonable in amount and at prevailing market rates for the products sold or services performed in the same geographical location, and, in the case of services, that they are at prevailing market rates for services performed by persons with similar expertise, skills, training, tenure (in the case of academics) and experience. Grantee shall ensure the impartiality of the selection process for any Subcontractor and be prepared to justify to PMI the selection of any Subcontractor whose prices/fees exceed the prevailing market rates. When it selects a Subcontractor to supply goods, such as vehicles, office materials, equipment, and other items, or to supply routine or administrative support services, such as translation agencies, travel agents or providers of event venues, Grantee shall compare the capabilities and prices of different potential suppliers and select the one who can provide the best quality products or services at competitive prices.
- 4.11 Grantee shall ensure that any part of the Grant used to fund salaries, wages or reasonable work-related expenses:
- 4.11.1 will be used only for the salaries, wages or reasonable work-related expenses of persons who are working on the Project; and
- 4.11.2 will be in amounts that are reasonable compensation or reimbursement for the actual time and expenses associated with the work on the Project.

5. COMPLIANCE

- 5.1 Grantee shall spend the Grant in full compliance with all applicable legal, regulatory and internal requirements to which it is subject, including those relating to anti-corruption and anti-bribery, such as the US Foreign Corrupt Practice Act and the UK Bribery Act; those relating to money-laundering, and any equivalent laws and regulations in other jurisdictions; and public procurement and tendering rules. If Grantee is unable to spend any part of the Grant in the manner intended at the time of submission of the Application because to do so would be in breach of this Section 5.1, it shall inform the PMI Contact in writing immediately.
- 5.2 Grantee shall not use the Grant for any illegal, unethical or improper purpose.
- 5.3 Grantee will not, directly or indirectly, use the Grant in any manner that would violate US, EU or any other applicable Sanctions in effect during the performance of the Project.
- 5.4 Grantee shall comply fully with any applicable Export Control of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, and any other applicable Export Controls including, without limitation, the US Export Administration Regulations and the US International Traffic in Arms Regulations.
- 5.5 Grantee shall not use the Grant to support or oppose any political party or candidate for public office or other political activity, nor for any lobbying purposes; nor in support of religious causes or organizations whose activities support or propagate such causes.
- 5.6 Grantee shall not authorize, offer, promise or give any payments or anything else of value through any means whatsoever:
- 5.6.1 to any Government Official or to any other person while knowing that all or any portion of the thing of value will be offered, promised or given to a Government Official for the purpose of influencing official action to obtain or retain business or secure any improper advantage or benefit, or to reward such an act; or
- 5.6.2 to any person (whether or not a Government Official) to influence that person to act in breach of a duty of good faith, impartiality or trust, or to reward such an act. This includes a prohibition on offering or making Facilitating Payments.

- 5.7 Grantee shall not use any illegal, unethical, or improper methods in connection with this Agreement. Without limiting the generality of the foregoing, Grantee further agrees that it shall not make a gift or political contribution in cash or in kind or any payment to any Government Official, including for an interview of a Government Official, without the prior written consent of the PMI Contact, which shall only be granted in exceptional circumstances and where it is legally permissible.
- 5.8 Grantee shall use the Grant to entertain, meaning provide travel, lodging, meals or hospitality to, or permit the entertainment, of any person, including Grantee Personnel and Subcontractors, only in connection with the Project and in full compliance with this Agreement and all applicable laws. All such entertainment shall be reasonable and customary in the geographical location where the entertainment takes place and strictly required for the implementation of the Project and therefore not excessive and lavish. For example, Grantee shall not fund or host any entertainment for any persons that is unrelated to the Project, such as side trips or leisure activities, or provide them with any stipend, spending money or per diems. Grantee shall not fund, organize or host any entertainment for spouses, other family members or other guests of Grantee Personnel or other persons involved in the implementation of the Project. Unless otherwise agreed in writing by the PMI Contact, travel should be in economy class or its equivalent. If applicable, Grantee shall ensure that only souvenirs that reflect the logo of the Project and are of nominal value may be offered to stakeholders, speakers and participants in the Project.
- 5.9 Grantee shall accurately record all approved gifts, entertainment and contributions referred to in Sections **Error! Reference source not found.**7 and 5.8 in its books and records and include their details in its Progress and Final Reports.
- 5.10 Grantee shall at all times comply with all applicable data protection laws and will use security technology, processes and procedures that are consistent with industry best practices and generally accepted security standards (but no less than appropriate organizational and technical measures in view of the nature of the data being processed, and the nature of the processing) so as to prevent unauthorized persons having access to personal data which has been provided in connection with the Project, and so as to ensure security, confidentiality and integrity of personal data.
- 5.11 Grantee shall ensure that Grantee, Grantee Personnel and each Subcontractor will review and comply with the standards of conduct set out in this Section 5.
- 5.12 Grantee shall at its own expense during the Term maintain employer's liability, third party liability, and professional negligence insurance to cover its liabilities arising from this Agreement and the Project and any other insurances that may be relevant to this Agreement and the Project.
- 5.13 PMI certifies that it does not expect any advantage in return for the Grant and is not seeking to influence the award of business or other advantages to PMI or its Affiliates. Grantee confirms that its acceptance of the Grant is not conditioned upon its conferring any improper benefit on PMI or its Affiliates.
- 5.14 Grantee certifies that no-one in its or any Subcontractor's organizations, including members of Boards of Directors, Supervisory or Advisory Boards, Scientific Boards, Management Boards or other similar bodies and whether or not involved in the Project is a Government Official with responsibilities involving the giving of advice or regulation or decision-making in connection with the business and affairs of PMI and its Affiliates; that it will regularly check that this is still the case; and that it will promptly inform the PMI Contact in writing if at any time during the Term this certification is no longer accurate.
- 5.15 Grantee confirms that it is permitted to receive the Grant under applicable ethics rules, and that it has complied, and will comply, with all applicable rules regarding disclosure of the nature and scope of the Project and the relationship between Grantee and PMI.

6. CONFLICTS OF INTEREST

Grantee represents and warrants that at the Effective Date it has no actual or potential Conflict of Interest with PMI. Grantee shall promptly inform the PMI Contact in writing if it becomes aware at any time during the Term of any such actual or potential Conflict of Interest or if any Grantee Personnel or Subcontractor has any actual or potential Conflict of Interest, and immediately take all the necessary steps to rectify this situation. PMI may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

7. REPORTS, RECORDS, AUDIT FIRM PROCEDURES

7.1 Grantee shall provide accurate Progress and Final Reports on its implementation of the Project in English, in compliance with the Timelines and as set out in Schedule 3.

7.2 Grantee shall keep and maintain complete and accurate financial and accounting records in compliance with applicable regulations and other data necessary to identify its receipt of the Grant Instalments, its expenditure of the Grant Instalments and the receipt of goods and services, such as signed contracts, delivery notes, confirmations of receipt, third party invoices (in all cases as original documents, not copies) and any bank or other interest earned on the Grant. All funds or assets related to the Project shall be reflected in these accounting records and data. Grantee shall not create or maintain any unrecorded funds or assets related to the Project. These records shall be kept for three (3) years after the Term or any longer period required by any laws applicable to Grantee.

7.3 Grantee agrees to meet PMI on request at Grantee's premises or elsewhere, including at PMI's offices in Lausanne, to discuss the progress of the Project, any variations in the expenditure of the Grant compared to the Project Budget and Grantee's compliance with applicable laws in the implementation of the Project. Grantee's reasonable travel and accommodation expenses for any meetings in Lausanne or elsewhere will be reimbursed by PMI on presentation of supporting documents.

7.4 PMI shall retain the Audit Firm which will be responsible for:

7.4.1 conducting agreed-upon procedures on the Grantee's financial and accounting records, and any documents or records relating to the Project's implementation, and Grantee's expenditure of the Grant; and

7.4.2 preparing reports and submitting to PMI its findings and share such reports with Grantee.

7.5 Grantee agrees to such audit referred above and shall cooperate with the Audit Firm, giving it full access to Grantee's financial and accounting records referred in Section 7.2.

7.6 During the two (2) years immediately following the Term, PMI shall have the right at its own expense to appoint an independent expert to conduct a review and assessment of the impact generated by the Project on the fight against illicit trade and prepare an impact report to PMI. PMI shall give Grantee at least ten (10) calendar days prior written notice of any visit by such expert. Grantee agrees to such impact review and shall fully cooperate with such expert in any such review and assessment, including authorizing and coordinating the expert's interviews with the Project Leader or Grantee Personnel, and providing access to relevant premises, documents and records.

8. REPRESENTATIONS AND WARRANTIES

8.1 Grantee represents and warrants to PMI that:

8.1.1 It is duly incorporated/established, validly existing, and has the power and authority to perform its obligations under this Agreement;

- 8.1.2 Any and all authorizations, approvals, and reports required by the legislation of any country in order for it to enter into and perform this Agreement have been obtained/filed or shall have been obtained/filed by it prior to the commencement of the Project and upon PMI's request it shall deliver copies of the foregoing to PMI;
- 8.1.3 The execution and performance of this Agreement does not and shall not violate any law, regulation or official decision to which it is subject or which would prevent the award of the Grant to it, and does not constitute a breach of any contract to which it is a party;
- 8.1.4 Neither Grantee, nor any of Grantee Personnel or Project Partners is a Government Official, Government Agency, Government Instrumentality, Public International Organization or a close relative of any of the foregoing in a position to influence the award of business or other advantages to PMI or its Affiliates. Should any such person become any of the foregoing during the Term, Grantee shall inform the PMI Contact immediately in writing and consult the PMI Contact in case of any doubt in respect to this matter;
- 8.1.5 It, its senior executives, the Project Leader and any Project Partners have not been and are not being investigated for/accused/convicted of violating anti-bribery laws or engaging in any unlawful or inappropriate practice that would call into question their integrity;
- 8.1.6 It, its senior executives, the Project Leader and any Project Partners are not listed on any applicable Sanctions list nor subject to any applicable country level Sanctions;
- 8.1.7 It has not attempted to influence any Expert concerning the Application; and
- 8.1.8 It complies fully with any applicable Export Control of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, and any other applicable Export Controls including, without limitation, the US Export Administration Regulations and the US International Traffic in Arms Regulations.
- 8.1.9 The Application did not contain any inaccurate, false or misleading information or documentation and Grantee did not make any misrepresentation during the Application process and Grant award procedure.

9. GRANT INSTALMENTS

- 9.1 Following the signature of this Agreement, subject to its having received Grantee's invoice for the relevant amount complying with Schedule 7, PMI shall pay the first Grant Instalment to this Agreement by bank transfer in accordance with Schedule 4 to this Agreement.
- 9.2 PMI shall pay each other Grant Instalment specified in Schedule 4 to this Agreement according to the following procedure:
 - 9.2.1 Grantee completes the Deliverables related to the applicable Project Phase, in compliance with the applicable Timelines, and submits the Deliverables by email to the PMI Contact;
 - 9.2.2 PMI checks that the Deliverables are satisfactory and, if they are, the PMI Contact informs Grantee in writing that it may issue its invoice for the relevant amount of the next Grant Instalment;
 - 9.2.3 Within fifteen (15) calendar days of receipt of Grantee's invoice for the relevant amount complying with Schedule 7, PMI will pay the Grant Instalment by bank transfer. Schedule 7 to this Agreement can be subject to change based on the review of the Deliverables.
- 9.3 If the PMI Contact considers in his/her reasonable opinion that the items in 9.2.1 are unsatisfactory, Section 9.55 shall apply.

- 9.4 If Grantee can demonstrate to the PMI Contact that it has completed the Deliverables relating to a Project Phase sooner than anticipated in the Timelines, PMI may in its discretion pay the corresponding Grant Instalment on an earlier date than the applicable date in the Full Proposal. PMI shall pay Grant Instalments in US Dollars by bank transfer to the bank account referred to in Section 4.23.
- 9.5 PMI may in its discretion by written notice to Grantee withhold all or part of the second and any subsequent Grant Instalment(s) if after the review of any Deliverables, audits issued pursuant to Section 4 and 7.4, it considers in its reasonable opinion that Grantee has failed to comply with Sections 2 and 4 of this Agreement or to implement the Project in accordance with the Application (the “**Discovered Irregularities**”). Upon PMI being satisfied that Grantee has resolved the Discovered Irregularities, the PMI Contact shall inform Grantee that it may issue its invoice for the relevant amount and within fifteen (15) calendar days of receipt of Grantee’s invoice complying with Schedule 7, PMI will pay the applicable Grant Instalment.
- 9.6 If:
- 9.6.1 any Deliverable submitted by Grantee is not in material conformity with the Application, has not been delivered in English or in accordance with the applicable Timeline; or
 - 9.6.2 PMI reasonably believes that Grantee has otherwise breached its obligations under this Agreement; or
 - 9.6.3 any of the audits referred to in Sections 7.4, or any Progress Report reveals that substantial amounts of any Grant Instalment have not been spent according to the Project Budget, or that Grantee has reallocated or made unauthorized changes to the Project Budget as referred to in Section 4.1 or made changes referred to in Section 4.5 without the prior written consent of the PMI Contact,
- then PMI may by written notice to Grantee withhold payment of any Grant Instalments, or part thereof, until the breach has been remedied to PMI’s reasonable satisfaction or, if not capable of remedy, Grantee has taken other steps to PMI’s reasonable satisfaction and Grantee shall, if requested in writing by PMI to do so, promptly repay the full unspent or wrongly spent amount, without any set-offs, or other deductions.
- 9.7 If the Final Report reveals that any of the Grant in USD or any other currency is unspent at completion of the Project, or that Grantee has spent any of the Grant other than in accordance with the Application, Grantee shall, if requested to do so by PMI by written notice, promptly repay the full unspent or wrongly spent amount, without any set-offs, or other deductions. Possible currency conversion impact and bank transaction fees charged when the unspent amount is repaid to PMI are acceptable.
- 9.8 PMI shall not be obliged under this Agreement to take any action (including making any payment hereunder) that it believes, in good faith, would cause it to be in violation of the laws of:
- 9.8.1 any countries where the Project is being undertaken;
 - 9.8.2 the countries where PMI and/or Grantee are incorporated or carry on business; or
 - 9.8.3 any other applicable jurisdiction.
- 9.9 The exercise by PMI of its rights under Sections 9.5, 9.66, 9.77 and 9.88 shall not affect its rights under Sections 10.2, 10.3, 10.4 and 10.5.
- 10. TERM AND TERMINATION**
- 10.1 This Agreement is effective as of the Effective Date and shall continue in force until its expiry at the completion of the final report referred to in the Audit Reports Schedule, unless terminated earlier in accordance with the terms and conditions of this Agreement.

- 10.2 Either Party may terminate this Agreement upon written notice to the other Party in the event that the other Party is in material breach of any provision of this Agreement that is capable of remedy and that has not been cured to the satisfaction of the non-breaching Party within thirty (30) calendar days of receipt of notice of the breach from the non-breaching Party. Such notice of termination shall be effective on the expiry of such thirty (30) calendar day period. The breaching Party shall make every effort to cure any such breach and may consult with the non-breaching Party as to how such a cure can be achieved.
- 10.3 Either Party may terminate this Agreement upon written notice having immediate effect to the other Party in the event that the other Party:
- 10.3.1 is in material breach of any provision of this Agreement that is not capable of remedy; or
- 10.3.2 becomes insolvent, is the subject of a petition in bankruptcy or of any other proceedings under bankruptcy, insolvency or similar laws or makes an assignment for the benefit of creditors, or any equivalent procedure to the preceding.
- 10.4 Notwithstanding its rights under Sections 10.2 and 10.3, PMI may terminate this Agreement by written notice to Grantee having immediate effect:
- 10.4.1 in the event that PMI becomes aware that any representation or warranty made by Grantee under this Agreement is false or misleading or has become false or misleading during the Term in any material respect;
- 10.4.2 if for any reason the Project is postponed or significantly disrupted or the Project cannot be performed as contemplated hereunder. Upon such termination, the Parties shall have no further obligations hereunder, with the exception that PMI shall be liable to pay a pro rata amount of any unpaid Grant Instalment covering the period to the date of termination if Grantee was in full compliance with its obligations hereunder; or
- 10.4.3 a new Project Leader appointed by Grantee is not approved by the PMI Contact pursuant to Section 2.8.
- 10.5 A breach of Sections 3.4 (Fabrication and other misconduct), 4 (Use of the Grant), 5 (Compliance), 6 (Conflicts of Interest), 7 (Reports, Records, Audit Firm Procedures), and 8 (Representations and Warranties) shall be a material breach of this Agreement and Grantee's full compliance in all respects with such terms is an essential obligation of Grantee under this Agreement. Any breach of Section 5 shall be deemed incapable of remedy at the sole discretion of PMI. Breaches of other Sections of this Agreement, for example the disclosure in a report made pursuant to Section 7.4 of irregularities in the accounting procedures referred to in Section 7.2, may also be material breaches and may also be incapable of remedy, depending on the circumstances.
- 10.6 A breach of any Section which is not itself a material breach shall be deemed a material breach incapable of remedy if it takes place a second time and if PMI gave Grantee written notice after the first breach that a subsequent breach would be deemed material.
- 10.7 To the maximum extent permitted by law, Grantee shall not be entitled to any compensation, damages, indemnity, commissions, or any other amount for any cause arising directly or indirectly out of the termination of this Agreement for any reason.
- 10.8 Upon the termination of this Agreement by PMI pursuant to Sections 10.2, 10.3 or 10.4, Grantee shall, if requested in writing by PMI to do so, promptly repay the Grant Instalments already received by it, without any set-offs, or other deductions. Possible currency conversion impact and bank transaction fees charged when the unspent amount is repaid to PMI are acceptable.
- 10.9 The provisions of Sections 4.6, 5.10, 11, 12, 13 and all representations, warranties and indemnities provided herein shall survive termination or expiration of this Agreement.

11. INTELLECTUAL PROPERTY AND PUBLICATION OF WORK PRODUCT

- 11.1 Grantee warrants that the Deliverables if applicable will be Grantee's or any Subcontractor's original work and that they and Grantee Materials do not and will not infringe the Intellectual Property Rights of any third party.
- 11.2 Any Intellectual Property Rights created by Grantee or Subcontractors in the Deliverables and Grantee Materials shall belong to Grantee or the applicable Subcontractors, but Grantee grants or shall procure that such Subcontractor(s) grant(s) PMI and its Affiliates a worldwide, permanent, non-exclusive, irrevocable, transferable and fully paid-up license (including the right to grant sub-licenses to whomever PMI and its Affiliates may decide) to use, adapt, reproduce and publish them, including any partially completed Deliverables, in whole or in part in any manner and any medium. PMI and its Affiliates shall also have a worldwide, permanent, non-exclusive, irrevocable, transferable and fully paid-up license (including the right to grant sub-licenses) to use any Grantee Materials, or Intellectual Property Rights to which Grantee has a license, that are necessary for the full and unrestricted use of the Deliverables.
- 11.3 The licenses in Section 11.2 shall include PMI's right to complete, or have completed by any third party selected by PMI, any unfinished versions of the Deliverables if PMI reasonably believes that Grantee has not complied with the terms of this Agreement, or that Grantee is unable to implement the Project as required by this Agreement, or if the Project is not being, or has not been, performed in whole or in part for any reason.
- 11.4 In cases where the Project involves the carrying out of seminars, the creation of training materials, the delivery of speeches, or the making of presentations, Grantee shall publish or arrange for third parties to publish the Deliverables promptly after the completion of the Project unless otherwise agreed with the PMI Contact in writing and not charge royalties or any other amounts when it authorizes third parties to publish the Deliverables, or extracts from or summaries of it. In cases where the Deliverables of Grantee include research findings, results or reports, Grantee shall use its best effort to publish such research in peer-reviewed journals and provide transparency about PMI's financial support according to Section 12.
- 11.5 Apart from its obligations in Section 12.6, Grantee shall not, without the prior written consent of the PMI Contact, use PMI's or any of its Affiliates' names or any trademark or service mark belonging to PMI or its Affiliates, including the PMI IMPACT logo, in any press release, form of advertising, or business communication. Grantee shall send to the PMI Contact a preview of how it intends to use PMI's or any of its Affiliates' names or any trademark or service mark belonging to PMI or its Affiliates so that PMI can assess whether such intended use complies with its policies and applicable laws, including those restricting or prohibiting the direct or indirect promotion of tobacco products.
- 11.6 Grantee shall give written notice to the PMI Contact as soon as it becomes aware of any infringement of Intellectual Property Rights in the Deliverables and/or Grantee Materials, or any inadvertent disclosure or unauthorised use of such Intellectual Property Rights, or any claim that such Intellectual Property Rights infringe the rights of any third party.

12. CONFIDENTIALITY AND PUBLICITY

- 12.1 Both Parties shall keep all Confidential Information confidential, maintain tangible Confidential Information in a secure location, and not use Confidential Information for any purpose other than in accordance with this Agreement and the Project. These obligations shall not apply to any Confidential Information that:
- 12.1.1 comes into the public domain other than through breach of this Agreement;
- 12.1.2 was known by the other Party (as established by its own records or other competent proof) before disclosure;
- 12.1.3 comes lawfully into the possession of a Party from a third party who is not under an obligation to keep such information confidential; or

- 12.1.4 the disclosure of which is required by law, by any court of competent jurisdiction or by any official regulatory body, provided that the relevant Party immediately notifies the other Party of such a demand.
- 12.2 Grantee shall have and maintain security systems and processes to enable it to comply with the confidentiality obligations of this Section 12. This shall include ensuring that all Grantee Personnel and Subcontractors are bound by confidentiality agreements containing substantially similar terms to those contained herein, and Grantee shall accept responsibility for any use or disclosure of Confidential Information by Grantee Personnel or Subcontractors in violation of the terms of this Section 12 and shall take such steps as may be required by applicable law to enforce this obligation.
- 12.3 Confidential Information belonging to a Party may only be disclosed pursuant to the written consent of that Party, except that reports required by Section 7.4 may be made public by PMI and, with the approval of the PMI Contact, by Grantee. Deliverables and other information concerning Grantee's performance of the Project, including the Progress and Final Reports, may be disclosed before the findings of the final report referred to in the Audit Reports Schedule only with the prior written consent of the PMI Contact.
- 12.4 Each Party will endeavor to inform the other after receipt of any request for information about the Project from a third party, including any news organization. However, subject only to the terms of Sections 5.10, 11.5 and 12.1, each Party remains free to respond to any such request in the manner it sees fit.
- 12.5 Whether or not in response to a request for information about the Project from a third party:
- 12.5.1 notwithstanding Section 11.5, each Party may disclose and make public the existence and terms of the Application and of this Agreement; and
- 12.5.2 PMI may disclose the identity of Grantee and information regarding the terms of this Agreement and the Grant, including its amount and purpose, in the PMI IMPACT website, public reports and news releases.
- 12.6 To provide transparency about PMI's financial support of the Project, when making public any Deliverables if applicable, Grantee shall disclose the fact that the Project was funded by PMI IMPACT, a grant award initiative of Philip Morris International. Grantee shall also attribute PMI's financial support orally during presentations and meetings in relation to the Deliverables to any third parties. Before Grantee makes any of its Deliverables public, Grantee and the PMI Contact shall agree on the precise language and manner or format of disclosing PMI's financial support and ensuring that such language and manner or format comply with applicable laws and PMI transparency policies.
- By way of example, the Parties may agree that Grantee shall add the following text to its final Deliverables:
- The present [report/study/article/publication...] was funded by PMI IMPACT, a grant award initiative of Philip Morris International ("PMI"). In the performance of its [research], Grantee maintained full independence from PMI. The views and opinions expressed in this document are those of Grantee and do not necessarily reflect the views of PMI. Responsibility for the information and views expressed in this [report/study/article/publication...] lies entirely with Grantee. Neither PMI, nor any of its affiliates, nor person acting on their behalf may be held responsible for any use which may be made of the information contained herein.*
- 12.7 If PMI shall terminate this Agreement pursuant to Sections 10.2, 10.3 or 10.4, Grantee shall not publish any uncompleted Deliverables, but may complete the Deliverables with its own funds and publish it. If Grantee does publish such completed Deliverables it may not however add the text in Section 12.6, nor any other mention that the Project or Deliverables was funded or financially supported by PMI IMPACT or PMI or its affiliates.

- 12.8 Grantee grants PMI and its Affiliates permission to use the Project executive summary contained in the Final Report and the materials contained in the impact report referred in Section 7.6, including Grantee's company logo, records of interviews with Grantee Personnel, as the case may be, for use either internally or externally, in PMI's materials, presentations and publications about the subject matter of the Project, including, but not limited to, corporate brochures, annual reports, PMI's and PMI IMPACT's websites, and PMI's social media platforms, provided, however, this release does not authorize PMI to use these materials in connection with any tobacco product advertisement. There is no time limit on the validity of this release nor is there any geographic limitation on where these materials may be distributed. At any time Grantee may revoke its consent for future use of these materials. However, Grantee understands that the revocation does not cover the withdrawal of material already in use. Grantee waives any right to compensation for the use of these materials in the manner described in the section.

13. LIABILITY AND INDEMNIFICATION

- 13.1 Grantee agrees to indemnify, defend and hold PMI, its Affiliates and their respective directors, officers, agents and employees harmless from and against all liabilities, actions, demands, claims, judgments (including appeals), losses, costs, penalties, tax or other levy and expenses (including without limitation, reasonable attorneys' fees) brought by or on behalf of any person:

13.1.1 for injury to, or death of, any person or persons, or loss or damage to property, or loss of data, arising out of the negligence, strict liability, or willful misconduct of Grantee, its employees or Subcontractors in connection with the Project, except for those claims arising out of willful misconduct or gross negligence by PMI or its Affiliates;

13.1.2 for any debts incurred in connection with the Project unpaid by Grantee, Grantee employees or Subcontractors;

13.1.3 any actual or alleged infringement of any Intellectual Property Rights caused by any Deliverables or Grantee Materials, including those of Subcontractors; or the breach of any of Grantee's obligations under Sections 5, 6, 7, 8, 9, 11 and 12.

- 13.2 PMI's liability under this Agreement, apart from the liability to make the Grant Instalments in accordance with the terms and conditions hereof, shall be excluded or limited to the maximum extent permitted by law.

14. CONTACTS, APPROVALS AND NOTICES

- 14.1 Unless otherwise specified in this Agreement, contacts between Grantee and PMI Contact can be made verbally by phone or by emails.

- 14.2 Approvals given by the PMI Contact shall only be valid if made in writing, including by email.

- 14.3 Notices required to be in writing, such as, for example, arising out of Section 10 of this Agreement, except those required to be addressed by Grantee to the PMI Contact, shall be made by personal delivery or by prepaid registered post or by facsimile, addressed to the address specified below in respect of the relevant Party (or at such other address as such Party may last have specified to the other Party in writing) and if so served shall, in the case of a notice sent by post, be deemed to be served on the third day following the date of posting and, if by facsimile, when transmitted (with printed confirmation of receipt) and, if by personal delivery, on the date of such delivery.

- 14.4 The addresses referred to in Section 14.3 are as follows:

Philip Morris Products SA
Avenue de Rhodanie 50
1007 Lausanne
Switzerland

Phone: +41 58 242 0000

Attn: PMI IMPACT Project Office

Grantee

São Paulo University Support Foundation – FUSP

Av. Afrânio Peixoto, nº 14

District of Butanta, São Paulo, Brazil

Phone: +55 11 3035-0550

Attn: International Relations Institute

15. GOVERNING LAW, DISPUTE RESOLUTION

- 15.1 This Agreement shall be governed by the laws of Switzerland without regard to its conflict of laws provisions.
- 15.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, which cannot be settled amicably shall be submitted to the exclusive jurisdiction of the courts of Lausanne, Switzerland, save that nothing in this Section shall limit the right of PMI to apply for injunctive relief (or otherwise commence proceedings) in any other court of competent jurisdiction.

16. MISCELLANEOUS

- 16.1 This Agreement, including its Schedules, constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements concerning the subject matter hereof. There are no terms, conditions or obligations, oral or written, express or implied, between PMI and Grantee, or any agent, representative, employee, officer, or Affiliate of either of them, other than those contained herein.
- 16.2 Grantee may not assign its rights nor assign or subcontract its obligations under this Agreement in whole or in part to any third party except:
- 16.2.1 with the prior written consent of PMI, which may be given or withheld in PMI's entire discretion; or
- 16.2.2 in the case of subcontracting, to Subcontractors.
- 16.3 PMI reserves the rights to assign or transfer all or part of its rights and obligations under this Agreement, without consent of Grantee, to any of its Affiliates or to any corporate successor in case such successor acquires all or substantially all of its assets, whether by sale, merger, operation of law or otherwise.
- 16.4 This Agreement may not be amended, modified or superseded, nor any term or provision hereof waived, except by a written document signed by the Parties.
- 16.5 Nothing in this Agreement shall prevent either Party from disclosing the terms of this Agreement, if necessary, to any Government Agency or Government Official or any other person that, in the respective Party's judgment, has a legitimate need to know.
- 16.6 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.
- 16.7 Neither Party's failure to insist on strict performance of any provision of this Agreement or to exercise any right hereunder shall be construed as a waiver or relinquishment of such Party's right to rely upon such provisions or rights, unless such waiver is in writing. Neither Party's waiver of any provision of this Agreement or any breach hereunder, shall be deemed to apply to any other or to a subsequent provision, right or breach.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives as of the date below written.

PHILIP MORRIS PRODUCTS SA

Signature: *alvise giustiniani*
alvise.giustiniani (Jun 28, 2022 18:38 GMT+2)

Name: alvise giustiniani

Title: VP Illicit Trade Prevention

Date: Jun 28, 2022

Signature: 

Name: Nicolas Otte

Title: Director

Date: Jun 28, 2022

GRANTEE

Signature: 

Name: MARCILIO ALVES

Title: director FUSP

Date: Jun 28, 2022

Signature: _____

Name: _____

Title: _____

Date: _____

**SCHEDULE 1
Application**

[attached]

**SCHEDULE 2
Amendment to Application**

1. If the Application (including the Project Budget and Implementation Plan) has been amended, add the details or attach here.
2. If there are no amendments, leave this Schedule blank and add "This Schedule has been left blank deliberately".

**SCHEDULE 3
Progress and Final Report Templates**

1. Progress / Final Report – Financials (Project Budget and Use of Grant) [attached]
2. Progress / Final Report – Project Implementation (Progress on Deliverables and Activities) [attached]
3. Executive Summary of the completed Project [attached]

**SCHEDULE 4
Grant Instalment Schedule**

Line #	Description / Phase	Description / Instalment	Estimated Start Date	Estimated End Date	Estimated Amount, USD	Estimated timing of invoicing
1.	Phase 1	Instalment 1	Month 1 – May 1, 2022	Month 6 –October 31, 2022	200,000.00	Month 1 – May, 2022
2.	Phase 2	Instalment 2	Month 7 – November 1, 2022	Month 12 – April 30, 2023	200,000.00	Month 7 - November, 2022
3.	Phase 3	Instalment 3	Month 13 – May 1, 2023	Month 18 – October 30, 2023	144,663.00	Month 13 – May, 2023
4	Phase 4	Instalment 2	Month 19 – November 1, 2023	Month 24 - April 30, 2024	144,663.00	Month 19 - November, 2023
		Grant total:			689,326.00	

**SCHEDULE 5
Audit Reports Schedule**

Audit Report 1 (mid-term)	Month 10 – 12
Audit Report 2	Month 24-25 (upon Project completion)

SCHEDULE 6

Procedures for the Audit Firm Under PMI IMPACT

1. General

- 1.1 PMI will retain the Audit Firm who will be responsible for: (i) conducting agreed-upon procedures on the Applicant's financial and accounting records and any documents or records relating to its PMI IMPACT Project's implementation ("the **Project**"); and (ii) preparing reports of its findings for submission to PMI. In particular, the scope of such engagement shall include:
- (a) General accounting procedures with respect to the Project's implementation (accounting and record keeping, comparing the financial report to the accounting system and records, exchange rates);
 - (b) Procedures to obtain information to see if the Grant is being or has been spent exclusively on the Project and if expenditures conform to: (i) information in the Grantee's reports; and (ii) the Grant Agreement ("**Agreement**"), including the Application and its supporting documents (amended if applicable by Schedule 2 of the Agreement and subject also to any changes approved by the PMI Contact under the Agreement); and
 - (c) Procedures to inspect if selected expenditures relate to the Agreement and the Project and to compare the expenditures with the scope of the Agreement and the Project.
- 1.2 This document provides guidance to Grantee on the standards and scope of procedures and reporting required by the Audit Firm under PMI IMPACT.
- 1.3 For the definitions of "Audit Firm", "Grant", "Application", "Project Budget" and other terms used below, see the Agreement. For any terms not defined in the Agreement, see the PMI IMPACT Application Terms and Funding Rules.

2. Standards

The Audit Firm shall be retained by PMI in accordance with the International Standard on Related Services 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information issued by the International Federation of Accountants ('**IFAC**') and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). The Audit Firm shall report its findings to PMI, which PMI will share with the respective Grantee.

3. Key Rules for Accounting, Record Keeping and Related Auditor's Tasks

- 3.1 When performing the agreed-upon procedures, the Audit Firm obtains from Grantee information about its compliance with the following key rules for accounting and record keeping related to the Project:
- (a) Grantee maintains a Brazilian Reais (BRL) bank account for the purposes of the Project (the "Project Account") and uses the Project Account only for the Project (unless otherwise agreed by PMI). The Project Account must be accurate and up-to-date. The Audit Firm compares the Project Account (accounting records for a cash account) with the corresponding information on bank statements and inspects the accuracy of the accounting records;
 - (b) Grantee has a double-entry book-keeping system, and the Project Account and expenditures relating to the Project are easily identifiable and verifiable;
 - (c) The information in Grantee's reports and the Deliverables can be traced to Grantee's expenditures, accounting system and records (e.g., trial balance, general ledger accounts, sub ledgers, etc.);

- (d) The budget in Grantee's records can be compared with the Project Budget and any changes approved by the PMI Contact under the Agreement;
- (e) The documents supporting expenditures relate to the Project and the expenditures are comparable with the scope of the Project.

3.2 The Audit Firm reports any differences identified during the application of the above procedures.

4. Procedures to Obtain Information about the Use of the Grant for Project Related Expenditures

4.1 The Audit Firm takes a sample of expenditures for each budget line to obtain information on the real use of the Grant and compliance with the Agreement and Grantee's reports and the Deliverables.

4.2 The Audit Firm uses the following sampling methodology:

- (a) the sample size is forty (40) % of the monetary value of each cost category, as defined in Section 7.3 of the Application Terms and Funding Rules of PMI IMPACT (Personnel Costs, Administrative/Overhead Costs, and Other Costs are the three cost categories subject to auditing).
- (b) a sample of expenditures should be selected from each cost category evenly, e.g., if Other Costs include costs for the purchase of equipment and payments to Subcontractors, a sample should be taken from both types of costs.

4.3 The Audit Firm undertakes the following activities for the samples selected:

- (a) Expenditures actually incurred:
 - (i) The Audit Firm traces the expenditure entries with supporting documents and proof of payment and obtains information on whether they relate to the Project. The Audit Firm also obtains information about proof of performance, i.e., inspects substantiated documentation to see if goods or services have been received and inspects the existence of assets. To inspect the existence of assets that are not always at the Grantee's location, the Audit Firm and the Grantee must agree on the timing of the Audit Firm's visit for such inspection in the respective location.
 - (ii) The Audit Firm traces personnel costs of the Grantee and Subcontractors to see if they relate to the Agreement, including its Section 4.9, and the Project and notes its findings in its report. The Audit Firm will do so by inspecting the Grantee's reports, and obtaining information on the percentage of the working time spent by personnel on the Project, employment agreements, pay slips, the Grantee's Deliverables and, if deemed appropriate, by interviewing the Project Leader or other members of the Grantee's project team or Subcontractor's personnel.
 - (iii) For petty cash payments, based on sample testing, the Audit Firm traces each transaction to see if it related to the Project, obtains information as to whether each transaction was supported by receipts, and compares the actual cash payments with the maximum per payment limit under the Agreement. Each exceeding payment, for which Grantee did not seek the PMI Contact's prior written consent, shall be reported.
 - (iv) The Audit Firm compares petty cash balances per accounting records with actual amounts on-hand, compares petty cash disbursements with supporting evidence, inspects the cash storage location, and inspects the procedures the Grantee's employees use to access the funds.
 - (v) Examples of supporting documents are original third party invoices, signed contracts, travel receipts (hotel, airline, taxi, etc.), air tickets and boarding passes, delivery notes, pay slips, employment agreements, etc. Examples of proof of performance are Grantee's or

Subcontractors' reports, photo clips (e.g., for events), information in the Internet (links to publications, web portals, etc.), drafts of research papers, etc.

(b) Cut-off implementation period

The Audit Firm compares the date of expenditures based on supporting documents with the implementation period of the Project and notes expenditures that are outside of the Project period.

(c) Budget

(i) The Audit Firm inspects if expenditures were agreed in the Project Budget subject to any changes approved by the PMI Contact under the Agreement. Based on a sample, selected with the methodology as defined in Section 4.2 above, the Audit Firm also inspects administrative/overhead costs and mathematically checks that these do not overlap with other costs and that the recorded administrative/overhead costs do not exceed the limit of administrative/overhead costs specified in the Agreement and notes every difference in its report.

(ii) The Audit Firm obtains information to inspect if selected expenditures relate to the Project and compares the expenditures with the scope of the Project.

(d) Records

The Audit Firm inspects if expenditures are recorded in the Grantee's accounting system in accordance with the applicable accounting standards of the country where the Grantee is established and the Grantee's usual cost accounting practices.

(e) Valuation

The Audit Firm compares the recorded monetary values of expenditures with underlying documents (e.g., invoices, salary statements, etc.) and prevailing market exchange rates of commercial banks applicable on the date of the transactions.

(f) Classification

The Audit Firm compares selected expenditure items as reported in Grantee's reports with classification used in (sub) heading of the Project Budget. Any deviation shall be reported.

(g) Subcontractors

The same standards for expenditure criteria, as described above, apply to Subcontractors. Based on a sample, selected with the methodology as defined in Section 4.2 above, the Audit Firm obtains information about Subcontractors' expenditures. All documentation related to Subcontractors' expenditures must be available at Grantee's location. The Audit Firm also compares payment instructions included in the Agreement with the actual payments.

4.4 Dates for the delivery of the reports referred to in Schedule 5 of the Agreement.

SCHEDULE 7
Invoicing Requirements

1. All invoices from Grantees require the following information:

Complete Grantee's name and address;

Unique invoice number and invoice date;

Mention:

that the invoice is for a PMI IMPACT Grant instalment; and

the instalment number;

Total amount due and currency;

Payment Terms and Bank Information, including Grantee's Project account referred to in Section 4.2;

PMI Billing Address:

Philip Morris Products SA
OC Division
Avenue de Rhodanie 50
1007 Lausanne
Switzerland

VAT Registration Number: CHE-116.276.488 TVA (must be included on invoices containing VAT)

Attention: PMI IMPACT Project Office

When applicable, include local VAT.

Purchase Order number that PMI will share with Grantee upon the signature of this Agreement;

2. Send your invoices by e-mail to Stratila, Tatiana Tatiana.Stratila@pmi.com for the PMI Contact's review and approval. After the PMI Contact explicitly approves the invoice, send it from the email address specified in the Declaration of pdf invoicing that PMI will share with Grantee upon the signature of this Agreement to PMI SCE FIN, Invoices PMI Management PhilipMorrisInternationalManagementSA@pmi.com

PMI IMPACT – FUNDING ROUND 3

GRANT AGREEMENT

This Agreement, effective as of May 1, 2022 (“**Effective Date**”) is between:

Philip Morris Products SA, a corporation organized under the laws of Switzerland, with registered offices at Avenue de Rhodanie 50, 1007 Lausanne, Switzerland (“**PMI**”), and

São Paulo University Support Foundation – FUSP, is a non-profit privately legal entity foundation, with registered offices at Afrânio Peixoto avenue, nº 14 – District of Butantã, São Paulo SP, Brazil (“**Grantee**”);

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

WHEREAS PMI has accepted Grantee’s application for funding under PMI IMPACT and the Parties are entering into this Agreement to record the terms on which PMI is making the Grant.

THE PARTIES AGREE AS FOLLOWS:

1. DEFINITIONS

In this Agreement the definitions below shall apply and shall prevail over the Definitions in the Application to the extent they may be different.

“**Agreement**” means this Agreement, including its Schedules.

An “**Affiliate**” means: (i) in respect of PMI, any entity that is controlled by Philip Morris International Inc.; and (ii) in respect of Grantee, any entity which controls, is controlled by or is under common control with, Grantee; and ‘control’ or ‘controlled’ means the ability directly or indirectly to direct the affairs of another by means of ownership, contract or otherwise.

The “**Application**” means Grantee’s application for a Grant under PMI IMPACT, attached hereto as Schedule 1, amended if applicable by Schedule 2, and subject also to any changes approved by the PMI Contact under the Agreement.

“**Audit Reports Schedule**” means the dates for submitting reports of the Audit Firm, set out in Schedule 5 to this Agreement.

“**Audit Firm**” means PricewaterhouseCoopers AG, Switzerland (“**PwC**”), retained by PMI IMPACT, or other firms of the PricewaterhouseCoopers global network or third parties that PwC appoints, to carry out the expenditure reviews in Section 7 in accordance with the International Standard on Related Services 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information issued by the International Federation of Accountants (‘IFAC’) and in compliance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA).

“**Confidential Information**” means (i) non-public financial information in the Expression of Interest which Grantee has specifically designated as confidential; (ii) any other data or information that either Party specifically designates as confidential and informs the other Party of such designation; and (iii) until the completion of the Term, all Deliverables and other information concerning Grantee’s performance of the Project.

A “**Conflict of Interest**” is a situation in which a person’s or organization’s objectivity in making decisions or taking actions could, in the opinion of a reasonable person, be impaired by his/her/its personal interest. Personal interest can arise from many types of relationships, including family or political ties, financial investments, and personal interactions. Conflicts of Interest with regard to the Grant and the Project may, for example, arise due to ties or relationships between Grantee, Grantee Personnel, any Subcontractor, and PMI or its Affiliates or their personnel.

“Deliverables” means the Progress and Final Reports, including the measurable and tangible outcomes (proofs of performance) that Grantee expects to achieve by the end of each Project Phase. Depending on the nature of the Project. “Deliverables” may also mean items such as concepts, ideas, surveys, designs, software (including source code and object code), technology, know-how, data and databases, photographs, processes, plans, specifications, documentation, methods, programs, training materials, texts of speeches, seminars and presentations, recommendations and all types of reports in draft or final form, which have been developed by or for Grantee pursuant to this Agreement; by way of example, in cases where the objective of the Project is to deliver training, awareness campaigns, organize conferences, set up scholarships, conduct seminars or deliver lectures, it means the delivery of those matters; in cases where the objective of the Project is to buy machinery or equipment, it includes the selection, ordering, delivery and, where relevant, installation and testing thereof.

“End Date” means March 31st, 2024 or such other date as the Parties may agree pursuant to Section 2.3.

“Expert” means a member of the Expert Council, being the body comprised of independent experts appointed by PMI which, inter alia, selected the Applicants for the award of the Grants by PMI. PMI may decide to use its discretionary right to award exceptionally a Grant to one or more Applicant(s) whose Application have not been selected for the award of a Grant by the Expert Council.

“Export Control” means laws that regulates the export or re-export of products, technologies, technical data (e.g., military and so-called dual-use items that can be used for both civilian and military applications) or services around the world and impose prohibitions or restrictions, by means of authorizations and licenses. They can be imposed by organizations such as the United Nations or the European Union, or they can be imposed by specific countries such as the United States (e.g., the US Export Administration Regulations and the US International Traffic in Arms Regulations).

“Facilitating Payments” means payments to Government Officials to expedite or secure the performance of routine government action (non-discretionary actions that are ordinarily and commonly performed). Examples include payments to facilitate non-discretionary processing of legitimate requests for visas, licenses or permits, or to connect telephones or other utility services.

The **“Final Report”** means the final report on Grantee’s implementation of the Project, including financial details of the Grant expenditure, required to be submitted by Grantee pursuant to the Application and the form provided in Schedule 3.

A **“Government Agency”** means a government, or a department or other unit of a government.

A **“Government-controlled Organization”** means an organization: (i) owns or controls 50% or more of the entity’s shares, (ii) funds a majority of the entity’s budget, or (iii) can otherwise direct the management, policies or affairs of that entity.

A **“Government Official”** means any officer, employee of, or person acting on behalf of (i) a government or one or more of its departments, agencies or Government Instrumentalities or (ii) a Public International Organization; or any officials of a political party or candidates for political office. Note that in some contexts, interactions with close family members of a Government Officials may be treated as an interaction with that Government Official.

A **“Government Instrumentality”** means an organization that serves a public purpose and is closely tied to any level of government, but may not itself be considered a Government Agency. For purposes of this Agreement, the term Government Instrumentality covers any Government-controlled Organization

“Grant” means, notwithstanding any different amount that may be specified in the Application, **USD 689,326.00**, payable by PMI to Grantee under PMI IMPACT, to be spent exclusively on the performance of the Project under the terms set out in this Agreement, or any part of that amount.

“Grant Instalments” means the instalments of the Grant as specified in Schedule 4 to this Agreement.

“Grantee Materials” means Grantee’s own proprietary methodologies, techniques, processes, inventions, innovations, concepts and know-how, which are identified and notified to PMI as Grantee Materials, that are not the result of work performed under this Agreement and that are not Deliverables.

“Grantee Personnel” means employees of Grantee or other individuals involved in the performance of the Project who are listed by the Grantee in the Project Implementation Plan of the Application.

“Intellectual Property Rights” means all rights in any country or jurisdiction in patents, inventions, trade secrets and other rights in know-how, copyrights (including any extensions or renewals), rights affording equivalent protection to copyright, data, rights in databases, registered designs, design rights, industrial designs and utility models, trademarks, trade names, trade dresses, logos, domain names, business names and all registrations or applications to register any of the foregoing.

“PMI Contact” means Stratila, Tatiana Tatiana.Stratila@pmi.com or such other person as PMI may notify to Grantee from time to time.

“PMI IMPACT” means PMI’s initiative to provide Grants through an open and defined process to law enforcement and other Government Agencies, inter-governmental organizations, the private sector and civil society to enable them to implement programs and create synergies which will aim to reduce illegal trade, prevent it and counter the negative consequences of illegal trade for individuals, their families, and communities.

A **“Progress Report”** means a narrative description of Grantee’s implementation of the Project since the start of the Project, or the most recent previous Progress Report, including the financial details of the Grant expenditure, required to be submitted by Grantee pursuant to the Application and in the form provided in Schedule 3.

The **“Project”** means the project to be carried out by Grantee with the Grant.

The **“Project Budget”** means the budget attached in the Application, describing in detail how the Grant will be spent.

The **“Project Leader”** means the employee of Grantee appointed to lead the Project.

“Project Partner” means an independent contractor (individual or legal entity), not an employee of the Grantee, contracted or retained by the Grantee to perform substantive activities or tasks related to the Project that require expertise specific to the Project. Examples of Project Partners are researchers, consultants, subject matter experts, and IT or technology companies contracted to develop substantive materials or Deliverables for the Project.

“Project Phases” means the phases of the Project’s implementation set out in the Application.

“Project Routine Supplier” means an independent contractor (individual or legal entity), not an employee of a Grantee, contracted or retained by the Grantee to supply equipment or other goods, or routine services for the Project, such as translation agencies, travel agents or providers of event venues. A travel agency contracted by the Grantee to organize travelling required for the Project is an example of a Project Routine Supplier.

A **“Public International Organization”** means an organization whose members are countries or governments, including organizations officially recognized as public international organizations by the U.S. Government (as identified in [22 U.S. Code § 288](#) or by the U.S. Department of State in [Vol. 9](#) of its Foreign Affairs Manual). Additional organizations that qualify as public international organizations under the laws of other countries may also be considered as such under this policy.

“**Sanctions**” mean laws that prohibit trade with certain countries, organizations and individuals around the world. They can be imposed by organizations such as the United Nations or the European Union, or they can be imposed by specific countries such as the United States, the United Kingdom or Switzerland.

A “**Subcontractor**” means a Project Partner or a Project Routine Supplier as referred in this Agreement. If applicable, references to Subcontractors shall include references to their employees.

“**Term**” means the period from the Effective Date until the expiration or earlier termination of this Agreement.

“**Timelines**” means the timelines for completion of the Deliverables, including the delivery of the Progress and Final Reports, as set out in the Application.

2. IMPLEMENTATION OF THE PROJECT

- 2.1 Grantee shall implement the Project and provide the Deliverables in English in accordance with the Timelines, and in accordance with the other provisions of the Application, including ensuring effective management and implementation of the Project, the monitoring and evaluation of the progress of the Project, the achievement of its objectives and the management of the Grant in accordance with Grantee’s responses under Section C. Project Management of the Application.
- 2.2 If the contractual negotiations of the Parties and the signature of this Agreement have caused the commencement of the Project to be postponed, the Timelines shall be extended accordingly and shall start running on or after the Effective Date.
- 2.3 If Grantee encounters, or anticipates that it will likely encounter, delays in the performance of the Project, it will inform the PMI Contact in writing promptly so that the Parties may discuss whether any delays will be acceptable to PMI. If the PMI Contact agrees in writing, the Timelines and End Date may be changed to later dates. If applicable, Schedule 7 to the Agreement shall be amended accordingly.
- 2.4 Grantee shall implement the Project by using only Grantee Personnel, as well as any Subcontractors. Grantee shall not use any Subcontractors who are Project Partners other than those referred to in the Application and for the activities/tasks mentioned in the Application without first:
 - 2.4.1 obtaining the consent of the Subcontractor;
 - 2.4.2 notifying the PMI Contact in writing of its identity and the nature of the activities to be performed by it; and
 - 2.4.3 obtaining the PMI Contact’s prior written consent to its use for these notified activities.

This section shall not apply to Subcontractors who are Project Routine Suppliers and whose identity has not been described in the Application.

- 2.5 Subcontractors who are Project Partners must not subcontract or delegate their obligations without the PMI Contact’s prior written consent, which shall only be granted in exceptional circumstances, unless such subcontracting is required for the provision of routine or administrative support services for the Project, such as accommodation and travel.
- 2.6 No Subcontractor who is a Project Partner may be a Government Official, Government Agency, Government Instrumentality or Public International Organization, unless it is a public academic institution or an employee of a public academic institution. This restriction does not apply to Subcontractors who are Project Routine Suppliers.
- 2.7 Any use by Grantee of a Subcontractor shall not relieve Grantee from any liability or obligation hereunder. Grantee shall procure that Subcontractors comply with all obligations described herein as applying to them,

but Grantee shall be responsible for the acts, omissions and defaults of any Subcontractor as fully as if they were the acts, omissions or defaults of Grantee.

- 2.8 Grantee may not terminate the appointment of the Project Leader without first obtaining the PMI Contact's written consent and if the Project Leader shall leave the Project of his/her own accord, Grantee shall promptly inform the PMI Contact in writing. In both cases, Grantee shall propose a new Project Leader to the PMI Contact and if the PMI Contact approves the proposal, Grantee shall promptly appoint this person.
- 2.9 Grantee shall not change other Grantee Personnel unless it has good reasons to do so and without notifying PMI in writing.
- 2.10 Grantee acknowledges PMI's commitment to UN Sustainable Development Goals embodied by its sustainability strategy and performance, and hereby agrees to make its best efforts in the Project implementation to ensure a sustainable operation of Deliverables during and, if applicable, after the Term of this Agreement.

3. GRANTEE'S INDEPENDENCE AND RESPONSIBILITY FOR THE PROJECT

- 3.1 Grantee acknowledges that the implementation and financial management of the Project shall be its sole responsibility. Grantee shall spend the Grant with all due care and skill, act in good faith and undertake the Project in a professional manner. PMI accepts no responsibility for any third-party claim that may arise as a result of Grantee's activities. Any taxes imposed in connection with the payment by PMI of the Grant to Grantee will be the sole and exclusive responsibility of Grantee.
- 3.2 Apart from the Grant, PMI and its Affiliates shall have no obligation to provide any financial or non-financial support for the Project or to Grantee.
- 3.3 In the performance of the Project, whatever its nature, Grantee shall maintain full independence from PMI. For example, in cases where Grantee develops Deliverables it shall be free to reach its own conclusions and make its own anti-illegal trade recommendations within the scope of the Project. In cases where Grantee organizes educational events it shall have the freedom to define the content of these events, choose and engage members of working groups and stakeholders, select the program, materials and attendees, and raise awareness about and promote the Project. Grantee may however request the PMI Contact to provide comments, suggestions, or opinions on the Project and the Deliverables or seek the input of the PMI Contact regarding potential experts, stakeholders and speakers for the Project, which input Grantee may accept, or not, at its sole discretion.
- 3.4 Grantee shall avoid fabrication, falsification, plagiarism, the use of misleading information or other misconduct in the performance of the Project.
- 3.5 Grantee is and shall remain an independent contractor and this Agreement shall not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between PMI and Grantee or any of Grantee Personnel or Subcontractors. Grantee shall not hold itself out to be anything other than an independent contractor and Grantee is not authorized, nor shall it purport to be authorized, to create obligations binding on PMI or any of its Affiliates in any manner whatsoever.

4. USE OF THE GRANT

- 4.1 Grantee shall spend the Grant entirely in connection with the Project and in accordance with the Project Budget. Any re-allocation of the Grant from one expenditure category to another without the prior written consent of the PMI Contact or to activities not stipulated in the Application is prohibited.
- 4.2 Grantee confirms that it maintains in its name a Brazilian Reais (BRL) bank account for the receipt and expenditure of the Grant Instalments in the country where Grantee is registered and it will ensure full transparency on its receipt of the Grant Instalments and expenditure of the Grant, including: (i) a separate

Project cost accounting; (ii) recording the Grant separately from any other funds, other donors' contributions or its operational funds, and (iii) ensuring that only the expenses related to the Grant are recorded against the Grant and that all expenses and transactions made with the Grant are directly relevant to the Project.

- 4.3 Grantee's bank information, including Grantee's Project account number and signatory or signatories are as follows:

FUNDACAO DE APOIO A UNIVERSIDADE DE SAO PAULO

Banco do Brasil - ag 1897-X - Agencia governo - account 121.037-8

IBAN: BR780000000018970001210378C1

Swift Code: BRASBRJSBO

- 4.4 If Grantee shall receive any bank or other interest on the Grant Instalments, Grantee shall use the interest entirely in connection with the Project.
- 4.5 Grantee shall not make any substantial changes to the Project or the manner in which the Grant is spent without prior written consent of the PMI Contact.
- 4.6 Grantee shall ensure that any vehicles, boats, materials, equipment and other items bought with the Grant shall be used solely for the implementation of the Project and under no circumstances will they be appropriated for the personal use of Grantee Personnel, any Subcontractor or any other person. Throughout its working life each of the foregoing items must remain the property of Grantee and be insured by Grantee against fire, theft and other risks that are appropriate and customary for that item. Grantee shall if requested by the PMI Contact provide proof of such insurance and custody of the purchased items mentioned herein.
- 4.7 When Grantee spends the Grant, cash transactions, including with Subcontractors, must be kept to a minimum, strictly justified, in compliance with applicable laws and evidenced by receipts and other supporting documentation to verify the cash disbursement (e.g. contracts, purchase orders, delivery notes). Cash payments exceeding USD 100 per payment must not be made without the PMI Contact's prior written consent, which shall only be granted in exceptional circumstances.
- 4.8 Grantee shall notify the PMI Contact in writing if at any time during the Term it becomes aware that the Grant will exceed the costs of performing the Project, for example because of previously unanticipated cost reductions or because its costs are in a currency other than USD and it has converted part or all of the Grant at a more favorable exchange rate than originally anticipated when the Project Budget was finalized. In such a case, Grantee shall then propose in writing additional activities for the Project to the PMI Contact. If the PMI Contact agrees in writing with the proposal, Grantee shall undertake these activities and include them in its Progress and Final Reports. Should the Parties fail to agree on additional activities, PMI may reduce future Grant Instalments by the applicable amount or, if requested by the PMI Contact, Grantee shall repay PMI the excess.
- 4.9 Grantee shall notify the PMI Contact in writing, and provide evidence thereof to the PMI Contact, if at any time during the Term it becomes aware that the Grant will be insufficient to enable it to perform the Project, or other cost increases that could not reasonably have been anticipated, or because its costs are in a currency other than USD and it has converted part or all of the Grant at an exchange rate which was unfavorable compared to the rate anticipated when the Project Budget was finalized. Grantee shall then propose corresponding reductions in the Project activities and if agreed in writing by the PMI Contact those activities shall be removed from the Project. If it becomes necessary for Grantee to spend more than the Grant to complete the Project due to the fact that Grantee had not anticipated certain costs for the successful implementation of the Project that it could reasonably have anticipated, it shall nevertheless complete the Project by the End Date and in all respects in accordance with the Application and Grantee shall bear the additional costs itself.

- 4.10 Grantee shall ensure that all prices/fees paid to Subcontractors are reasonable in amount and at prevailing market rates for the products sold or services performed in the same geographical location, and, in the case of services, that they are at prevailing market rates for services performed by persons with similar expertise, skills, training, tenure (in the case of academics) and experience. Grantee shall ensure the impartiality of the selection process for any Subcontractor and be prepared to justify to PMI the selection of any Subcontractor whose prices/fees exceed the prevailing market rates. When it selects a Subcontractor to supply goods, such as vehicles, office materials, equipment, and other items, or to supply routine or administrative support services, such as translation agencies, travel agents or providers of event venues, Grantee shall compare the capabilities and prices of different potential suppliers and select the one who can provide the best quality products or services at competitive prices.
- 4.11 Grantee shall ensure that any part of the Grant used to fund salaries, wages or reasonable work-related expenses:
- 4.11.1 will be used only for the salaries, wages or reasonable work-related expenses of persons who are working on the Project; and
- 4.11.2 will be in amounts that are reasonable compensation or reimbursement for the actual time and expenses associated with the work on the Project.

5. COMPLIANCE

- 5.1 Grantee shall spend the Grant in full compliance with all applicable legal, regulatory and internal requirements to which it is subject, including those relating to anti-corruption and anti-bribery, such as the US Foreign Corrupt Practice Act and the UK Bribery Act; those relating to money-laundering, and any equivalent laws and regulations in other jurisdictions; and public procurement and tendering rules. If Grantee is unable to spend any part of the Grant in the manner intended at the time of submission of the Application because to do so would be in breach of this Section 5.1, it shall inform the PMI Contact in writing immediately.
- 5.2 Grantee shall not use the Grant for any illegal, unethical or improper purpose.
- 5.3 Grantee will not, directly or indirectly, use the Grant in any manner that would violate US, EU or any other applicable Sanctions in effect during the performance of the Project.
- 5.4 Grantee shall comply fully with any applicable Export Control of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, and any other applicable Export Controls including, without limitation, the US Export Administration Regulations and the US International Traffic in Arms Regulations.
- 5.5 Grantee shall not use the Grant to support or oppose any political party or candidate for public office or other political activity, nor for any lobbying purposes; nor in support of religious causes or organizations whose activities support or propagate such causes.
- 5.6 Grantee shall not authorize, offer, promise or give any payments or anything else of value through any means whatsoever:
- 5.6.1 to any Government Official or to any other person while knowing that all or any portion of the thing of value will be offered, promised or given to a Government Official for the purpose of influencing official action to obtain or retain business or secure any improper advantage or benefit, or to reward such an act; or
- 5.6.2 to any person (whether or not a Government Official) to influence that person to act in breach of a duty of good faith, impartiality or trust, or to reward such an act. This includes a prohibition on offering or making Facilitating Payments.

- 5.7 Grantee shall not use any illegal, unethical, or improper methods in connection with this Agreement. Without limiting the generality of the foregoing, Grantee further agrees that it shall not make a gift or political contribution in cash or in kind or any payment to any Government Official, including for an interview of a Government Official, without the prior written consent of the PMI Contact, which shall only be granted in exceptional circumstances and where it is legally permissible.
- 5.8 Grantee shall use the Grant to entertain, meaning provide travel, lodging, meals or hospitality to, or permit the entertainment, of any person, including Grantee Personnel and Subcontractors, only in connection with the Project and in full compliance with this Agreement and all applicable laws. All such entertainment shall be reasonable and customary in the geographical location where the entertainment takes place and strictly required for the implementation of the Project and therefore not excessive and lavish. For example, Grantee shall not fund or host any entertainment for any persons that is unrelated to the Project, such as side trips or leisure activities, or provide them with any stipend, spending money or per diems. Grantee shall not fund, organize or host any entertainment for spouses, other family members or other guests of Grantee Personnel or other persons involved in the implementation of the Project. Unless otherwise agreed in writing by the PMI Contact, travel should be in economy class or its equivalent. If applicable, Grantee shall ensure that only souvenirs that reflect the logo of the Project and are of nominal value may be offered to stakeholders, speakers and participants in the Project.
- 5.9 Grantee shall accurately record all approved gifts, entertainment and contributions referred to in Sections **Error! Reference source not found.**7 and 5.8 in its books and records and include their details in its Progress and Final Reports.
- 5.10 Grantee shall at all times comply with all applicable data protection laws and will use security technology, processes and procedures that are consistent with industry best practices and generally accepted security standards (but no less than appropriate organizational and technical measures in view of the nature of the data being processed, and the nature of the processing) so as to prevent unauthorized persons having access to personal data which has been provided in connection with the Project, and so as to ensure security, confidentiality and integrity of personal data.
- 5.11 Grantee shall ensure that Grantee, Grantee Personnel and each Subcontractor will review and comply with the standards of conduct set out in this Section 5.
- 5.12 Grantee shall at its own expense during the Term maintain employer's liability, third party liability, and professional negligence insurance to cover its liabilities arising from this Agreement and the Project and any other insurances that may be relevant to this Agreement and the Project.
- 5.13 PMI certifies that it does not expect any advantage in return for the Grant and is not seeking to influence the award of business or other advantages to PMI or its Affiliates. Grantee confirms that its acceptance of the Grant is not conditioned upon its conferring any improper benefit on PMI or its Affiliates.
- 5.14 Grantee certifies that no-one in its or any Subcontractor's organizations, including members of Boards of Directors, Supervisory or Advisory Boards, Scientific Boards, Management Boards or other similar bodies and whether or not involved in the Project is a Government Official with responsibilities involving the giving of advice or regulation or decision-making in connection with the business and affairs of PMI and its Affiliates; that it will regularly check that this is still the case; and that it will promptly inform the PMI Contact in writing if at any time during the Term this certification is no longer accurate.
- 5.15 Grantee confirms that it is permitted to receive the Grant under applicable ethics rules, and that it has complied, and will comply, with all applicable rules regarding disclosure of the nature and scope of the Project and the relationship between Grantee and PMI.

6. CONFLICTS OF INTEREST

Grantee represents and warrants that at the Effective Date it has no actual or potential Conflict of Interest with PMI. Grantee shall promptly inform the PMI Contact in writing if it becomes aware at any time during the Term of any such actual or potential Conflict of Interest or if any Grantee Personnel or Subcontractor has any actual or potential Conflict of Interest, and immediately take all the necessary steps to rectify this situation. PMI may verify that the measures taken are appropriate and may require additional measures to be taken by a specified deadline.

7. REPORTS, RECORDS, AUDIT FIRM PROCEDURES

7.1 Grantee shall provide accurate Progress and Final Reports on its implementation of the Project in English, in compliance with the Timelines and as set out in Schedule 3.

7.2 Grantee shall keep and maintain complete and accurate financial and accounting records in compliance with applicable regulations and other data necessary to identify its receipt of the Grant Instalments, its expenditure of the Grant Instalments and the receipt of goods and services, such as signed contracts, delivery notes, confirmations of receipt, third party invoices (in all cases as original documents, not copies) and any bank or other interest earned on the Grant. All funds or assets related to the Project shall be reflected in these accounting records and data. Grantee shall not create or maintain any unrecorded funds or assets related to the Project. These records shall be kept for three (3) years after the Term or any longer period required by any laws applicable to Grantee.

7.3 Grantee agrees to meet PMI on request at Grantee's premises or elsewhere, including at PMI's offices in Lausanne, to discuss the progress of the Project, any variations in the expenditure of the Grant compared to the Project Budget and Grantee's compliance with applicable laws in the implementation of the Project. Grantee's reasonable travel and accommodation expenses for any meetings in Lausanne or elsewhere will be reimbursed by PMI on presentation of supporting documents.

7.4 PMI shall retain the Audit Firm which will be responsible for:

7.4.1 conducting agreed-upon procedures on the Grantee's financial and accounting records, and any documents or records relating to the Project's implementation, and Grantee's expenditure of the Grant; and

7.4.2 preparing reports and submitting to PMI its findings and share such reports with Grantee.

7.5 Grantee agrees to such audit referred above and shall cooperate with the Audit Firm, giving it full access to Grantee's financial and accounting records referred in Section 7.2.

7.6 During the two (2) years immediately following the Term, PMI shall have the right at its own expense to appoint an independent expert to conduct a review and assessment of the impact generated by the Project on the fight against illicit trade and prepare an impact report to PMI. PMI shall give Grantee at least ten (10) calendar days prior written notice of any visit by such expert. Grantee agrees to such impact review and shall fully cooperate with such expert in any such review and assessment, including authorizing and coordinating the expert's interviews with the Project Leader or Grantee Personnel, and providing access to relevant premises, documents and records.

8. REPRESENTATIONS AND WARRANTIES

8.1 Grantee represents and warrants to PMI that:

8.1.1 It is duly incorporated/established, validly existing, and has the power and authority to perform its obligations under this Agreement;

- 8.1.2 Any and all authorizations, approvals, and reports required by the legislation of any country in order for it to enter into and perform this Agreement have been obtained/filed or shall have been obtained/filed by it prior to the commencement of the Project and upon PMI's request it shall deliver copies of the foregoing to PMI;
- 8.1.3 The execution and performance of this Agreement does not and shall not violate any law, regulation or official decision to which it is subject or which would prevent the award of the Grant to it, and does not constitute a breach of any contract to which it is a party;
- 8.1.4 Neither Grantee, nor any of Grantee Personnel or Project Partners is a Government Official, Government Agency, Government Instrumentality, Public International Organization or a close relative of any of the foregoing in a position to influence the award of business or other advantages to PMI or its Affiliates. Should any such person become any of the foregoing during the Term, Grantee shall inform the PMI Contact immediately in writing and consult the PMI Contact in case of any doubt in respect to this matter;
- 8.1.5 It, its senior executives, the Project Leader and any Project Partners have not been and are not being investigated for/accused/convicted of violating anti-bribery laws or engaging in any unlawful or inappropriate practice that would call into question their integrity;
- 8.1.6 It, its senior executives, the Project Leader and any Project Partners are not listed on any applicable Sanctions list nor subject to any applicable country level Sanctions;
- 8.1.7 It has not attempted to influence any Expert concerning the Application; and
- 8.1.8 It complies fully with any applicable Export Control of the United States of America, the United Kingdom, the European Union, Switzerland and the United Nations, and any other applicable Export Controls including, without limitation, the US Export Administration Regulations and the US International Traffic in Arms Regulations.
- 8.1.9 The Application did not contain any inaccurate, false or misleading information or documentation and Grantee did not make any misrepresentation during the Application process and Grant award procedure.

9. GRANT INSTALMENTS

- 9.1 Following the signature of this Agreement, subject to its having received Grantee's invoice for the relevant amount complying with Schedule 7, PMI shall pay the first Grant Instalment to this Agreement by bank transfer in accordance with Schedule 4 to this Agreement.
- 9.2 PMI shall pay each other Grant Instalment specified in Schedule 4 to this Agreement according to the following procedure:
 - 9.2.1 Grantee completes the Deliverables related to the applicable Project Phase, in compliance with the applicable Timelines, and submits the Deliverables by email to the PMI Contact;
 - 9.2.2 PMI checks that the Deliverables are satisfactory and, if they are, the PMI Contact informs Grantee in writing that it may issue its invoice for the relevant amount of the next Grant Instalment;
 - 9.2.3 Within fifteen (15) calendar days of receipt of Grantee's invoice for the relevant amount complying with Schedule 7, PMI will pay the Grant Instalment by bank transfer. Schedule 7 to this Agreement can be subject to change based on the review of the Deliverables.
- 9.3 If the PMI Contact considers in his/her reasonable opinion that the items in 9.2.1 are unsatisfactory, Section 9.55 shall apply.

- 9.4 If Grantee can demonstrate to the PMI Contact that it has completed the Deliverables relating to a Project Phase sooner than anticipated in the Timelines, PMI may in its discretion pay the corresponding Grant Instalment on an earlier date than the applicable date in the Full Proposal. PMI shall pay Grant Instalments in US Dollars by bank transfer to the bank account referred to in Section 4.23.
- 9.5 PMI may in its discretion by written notice to Grantee withhold all or part of the second and any subsequent Grant Instalment(s) if after the review of any Deliverables, audits issued pursuant to Section 4 and 7.4, it considers in its reasonable opinion that Grantee has failed to comply with Sections 2 and 4 of this Agreement or to implement the Project in accordance with the Application (the “**Discovered Irregularities**”). Upon PMI being satisfied that Grantee has resolved the Discovered Irregularities, the PMI Contact shall inform Grantee that it may issue its invoice for the relevant amount and within fifteen (15) calendar days of receipt of Grantee’s invoice complying with Schedule 7, PMI will pay the applicable Grant Instalment.
- 9.6 If:
- 9.6.1 any Deliverable submitted by Grantee is not in material conformity with the Application, has not been delivered in English or in accordance with the applicable Timeline; or
 - 9.6.2 PMI reasonably believes that Grantee has otherwise breached its obligations under this Agreement; or
 - 9.6.3 any of the audits referred to in Sections 7.4, or any Progress Report reveals that substantial amounts of any Grant Instalment have not been spent according to the Project Budget, or that Grantee has reallocated or made unauthorized changes to the Project Budget as referred to in Section 4.1 or made changes referred to in Section 4.5 without the prior written consent of the PMI Contact,
- then PMI may by written notice to Grantee withhold payment of any Grant Instalments, or part thereof, until the breach has been remedied to PMI’s reasonable satisfaction or, if not capable of remedy, Grantee has taken other steps to PMI’s reasonable satisfaction and Grantee shall, if requested in writing by PMI to do so, promptly repay the full unspent or wrongly spent amount, without any set-offs, or other deductions.
- 9.7 If the Final Report reveals that any of the Grant in USD or any other currency is unspent at completion of the Project, or that Grantee has spent any of the Grant other than in accordance with the Application, Grantee shall, if requested to do so by PMI by written notice, promptly repay the full unspent or wrongly spent amount, without any set-offs, or other deductions. Possible currency conversion impact and bank transaction fees charged when the unspent amount is repaid to PMI are acceptable.
- 9.8 PMI shall not be obliged under this Agreement to take any action (including making any payment hereunder) that it believes, in good faith, would cause it to be in violation of the laws of:
- 9.8.1 any countries where the Project is being undertaken;
 - 9.8.2 the countries where PMI and/or Grantee are incorporated or carry on business; or
 - 9.8.3 any other applicable jurisdiction.
- 9.9 The exercise by PMI of its rights under Sections 9.5, 9.66, 9.77 and 9.88 shall not affect its rights under Sections 10.2, 10.3, 10.4 and 10.5.
- 10. TERM AND TERMINATION**
- 10.1 This Agreement is effective as of the Effective Date and shall continue in force until its expiry at the completion of the final report referred to in the Audit Reports Schedule, unless terminated earlier in accordance with the terms and conditions of this Agreement.

- 10.2 Either Party may terminate this Agreement upon written notice to the other Party in the event that the other Party is in material breach of any provision of this Agreement that is capable of remedy and that has not been cured to the satisfaction of the non-breaching Party within thirty (30) calendar days of receipt of notice of the breach from the non-breaching Party. Such notice of termination shall be effective on the expiry of such thirty (30) calendar day period. The breaching Party shall make every effort to cure any such breach and may consult with the non-breaching Party as to how such a cure can be achieved.
- 10.3 Either Party may terminate this Agreement upon written notice having immediate effect to the other Party in the event that the other Party:
- 10.3.1 is in material breach of any provision of this Agreement that is not capable of remedy; or
- 10.3.2 becomes insolvent, is the subject of a petition in bankruptcy or of any other proceedings under bankruptcy, insolvency or similar laws or makes an assignment for the benefit of creditors, or any equivalent procedure to the preceding.
- 10.4 Notwithstanding its rights under Sections 10.2 and 10.3, PMI may terminate this Agreement by written notice to Grantee having immediate effect:
- 10.4.1 in the event that PMI becomes aware that any representation or warranty made by Grantee under this Agreement is false or misleading or has become false or misleading during the Term in any material respect;
- 10.4.2 if for any reason the Project is postponed or significantly disrupted or the Project cannot be performed as contemplated hereunder. Upon such termination, the Parties shall have no further obligations hereunder, with the exception that PMI shall be liable to pay a pro rata amount of any unpaid Grant Instalment covering the period to the date of termination if Grantee was in full compliance with its obligations hereunder; or
- 10.4.3 a new Project Leader appointed by Grantee is not approved by the PMI Contact pursuant to Section 2.8.
- 10.5 A breach of Sections 3.4 (Fabrication and other misconduct), 4 (Use of the Grant), 5 (Compliance), 6 (Conflicts of Interest), 7 (Reports, Records, Audit Firm Procedures), and 8 (Representations and Warranties) shall be a material breach of this Agreement and Grantee's full compliance in all respects with such terms is an essential obligation of Grantee under this Agreement. Any breach of Section 5 shall be deemed incapable of remedy at the sole discretion of PMI. Breaches of other Sections of this Agreement, for example the disclosure in a report made pursuant to Section 7.4 of irregularities in the accounting procedures referred to in Section 7.2, may also be material breaches and may also be incapable of remedy, depending on the circumstances.
- 10.6 A breach of any Section which is not itself a material breach shall be deemed a material breach incapable of remedy if it takes place a second time and if PMI gave Grantee written notice after the first breach that a subsequent breach would be deemed material.
- 10.7 To the maximum extent permitted by law, Grantee shall not be entitled to any compensation, damages, indemnity, commissions, or any other amount for any cause arising directly or indirectly out of the termination of this Agreement for any reason.
- 10.8 Upon the termination of this Agreement by PMI pursuant to Sections 10.2, 10.3 or 10.4, Grantee shall, if requested in writing by PMI to do so, promptly repay the Grant Instalments already received by it, without any set-offs, or other deductions. Possible currency conversion impact and bank transaction fees charged when the unspent amount is repaid to PMI are acceptable.
- 10.9 The provisions of Sections 4.6, 5.10, 11, 12, 13 and all representations, warranties and indemnities provided herein shall survive termination or expiration of this Agreement.

11. INTELLECTUAL PROPERTY AND PUBLICATION OF WORK PRODUCT

- 11.1 Grantee warrants that the Deliverables if applicable will be Grantee's or any Subcontractor's original work and that they and Grantee Materials do not and will not infringe the Intellectual Property Rights of any third party.
- 11.2 Any Intellectual Property Rights created by Grantee or Subcontractors in the Deliverables and Grantee Materials shall belong to Grantee or the applicable Subcontractors, but Grantee grants or shall procure that such Subcontractor(s) grant(s) PMI and its Affiliates a worldwide, permanent, non-exclusive, irrevocable, transferable and fully paid-up license (including the right to grant sub-licenses to whomever PMI and its Affiliates may decide) to use, adapt, reproduce and publish them, including any partially completed Deliverables, in whole or in part in any manner and any medium. PMI and its Affiliates shall also have a worldwide, permanent, non-exclusive, irrevocable, transferable and fully paid-up license (including the right to grant sub-licenses) to use any Grantee Materials, or Intellectual Property Rights to which Grantee has a license, that are necessary for the full and unrestricted use of the Deliverables.
- 11.3 The licenses in Section 11.2 shall include PMI's right to complete, or have completed by any third party selected by PMI, any unfinished versions of the Deliverables if PMI reasonably believes that Grantee has not complied with the terms of this Agreement, or that Grantee is unable to implement the Project as required by this Agreement, or if the Project is not being, or has not been, performed in whole or in part for any reason.
- 11.4 In cases where the Project involves the carrying out of seminars, the creation of training materials, the delivery of speeches, or the making of presentations, Grantee shall publish or arrange for third parties to publish the Deliverables promptly after the completion of the Project unless otherwise agreed with the PMI Contact in writing and not charge royalties or any other amounts when it authorizes third parties to publish the Deliverables, or extracts from or summaries of it. In cases where the Deliverables of Grantee include research findings, results or reports, Grantee shall use its best effort to publish such research in peer-reviewed journals and provide transparency about PMI's financial support according to Section 12.
- 11.5 Apart from its obligations in Section 12.6, Grantee shall not, without the prior written consent of the PMI Contact, use PMI's or any of its Affiliates' names or any trademark or service mark belonging to PMI or its Affiliates, including the PMI IMPACT logo, in any press release, form of advertising, or business communication. Grantee shall send to the PMI Contact a preview of how it intends to use PMI's or any of its Affiliates' names or any trademark or service mark belonging to PMI or its Affiliates so that PMI can assess whether such intended use complies with its policies and applicable laws, including those restricting or prohibiting the direct or indirect promotion of tobacco products.
- 11.6 Grantee shall give written notice to the PMI Contact as soon as it becomes aware of any infringement of Intellectual Property Rights in the Deliverables and/or Grantee Materials, or any inadvertent disclosure or unauthorised use of such Intellectual Property Rights, or any claim that such Intellectual Property Rights infringe the rights of any third party.

12. CONFIDENTIALITY AND PUBLICITY

- 12.1 Both Parties shall keep all Confidential Information confidential, maintain tangible Confidential Information in a secure location, and not use Confidential Information for any purpose other than in accordance with this Agreement and the Project. These obligations shall not apply to any Confidential Information that:
- 12.1.1 comes into the public domain other than through breach of this Agreement;
- 12.1.2 was known by the other Party (as established by its own records or other competent proof) before disclosure;
- 12.1.3 comes lawfully into the possession of a Party from a third party who is not under an obligation to keep such information confidential; or

- 12.1.4 the disclosure of which is required by law, by any court of competent jurisdiction or by any official regulatory body, provided that the relevant Party immediately notifies the other Party of such a demand.
- 12.2 Grantee shall have and maintain security systems and processes to enable it to comply with the confidentiality obligations of this Section 12. This shall include ensuring that all Grantee Personnel and Subcontractors are bound by confidentiality agreements containing substantially similar terms to those contained herein, and Grantee shall accept responsibility for any use or disclosure of Confidential Information by Grantee Personnel or Subcontractors in violation of the terms of this Section 12 and shall take such steps as may be required by applicable law to enforce this obligation.
- 12.3 Confidential Information belonging to a Party may only be disclosed pursuant to the written consent of that Party, except that reports required by Section 7.4 may be made public by PMI and, with the approval of the PMI Contact, by Grantee. Deliverables and other information concerning Grantee's performance of the Project, including the Progress and Final Reports, may be disclosed before the findings of the final report referred to in the Audit Reports Schedule only with the prior written consent of the PMI Contact.
- 12.4 Each Party will endeavor to inform the other after receipt of any request for information about the Project from a third party, including any news organization. However, subject only to the terms of Sections 5.10, 11.5 and 12.1, each Party remains free to respond to any such request in the manner it sees fit.
- 12.5 Whether or not in response to a request for information about the Project from a third party:
- 12.5.1 notwithstanding Section 11.5, each Party may disclose and make public the existence and terms of the Application and of this Agreement; and
- 12.5.2 PMI may disclose the identity of Grantee and information regarding the terms of this Agreement and the Grant, including its amount and purpose, in the PMI IMPACT website, public reports and news releases.
- 12.6 To provide transparency about PMI's financial support of the Project, when making public any Deliverables if applicable, Grantee shall disclose the fact that the Project was funded by PMI IMPACT, a grant award initiative of Philip Morris International. Grantee shall also attribute PMI's financial support orally during presentations and meetings in relation to the Deliverables to any third parties. Before Grantee makes any of its Deliverables public, Grantee and the PMI Contact shall agree on the precise language and manner or format of disclosing PMI's financial support and ensuring that such language and manner or format comply with applicable laws and PMI transparency policies.
- By way of example, the Parties may agree that Grantee shall add the following text to its final Deliverables:
- The present [report/study/article/publication...] was funded by PMI IMPACT, a grant award initiative of Philip Morris International ("PMI"). In the performance of its [research], Grantee maintained full independence from PMI. The views and opinions expressed in this document are those of Grantee and do not necessarily reflect the views of PMI. Responsibility for the information and views expressed in this [report/study/article/publication...] lies entirely with Grantee. Neither PMI, nor any of its affiliates, nor person acting on their behalf may be held responsible for any use which may be made of the information contained herein.*
- 12.7 If PMI shall terminate this Agreement pursuant to Sections 10.2, 10.3 or 10.4, Grantee shall not publish any uncompleted Deliverables, but may complete the Deliverables with its own funds and publish it. If Grantee does publish such completed Deliverables it may not however add the text in Section 12.6, nor any other mention that the Project or Deliverables was funded or financially supported by PMI IMPACT or PMI or its affiliates.

- 12.8 Grantee grants PMI and its Affiliates permission to use the Project executive summary contained in the Final Report and the materials contained in the impact report referred in Section 7.6, including Grantee's company logo, records of interviews with Grantee Personnel, as the case may be, for use either internally or externally, in PMI's materials, presentations and publications about the subject matter of the Project, including, but not limited to, corporate brochures, annual reports, PMI's and PMI IMPACT's websites, and PMI's social media platforms, provided, however, this release does not authorize PMI to use these materials in connection with any tobacco product advertisement. There is no time limit on the validity of this release nor is there any geographic limitation on where these materials may be distributed. At any time Grantee may revoke its consent for future use of these materials. However, Grantee understands that the revocation does not cover the withdrawal of material already in use. Grantee waives any right to compensation for the use of these materials in the manner described in the section.

13. LIABILITY AND INDEMNIFICATION

- 13.1 Grantee agrees to indemnify, defend and hold PMI, its Affiliates and their respective directors, officers, agents and employees harmless from and against all liabilities, actions, demands, claims, judgments (including appeals), losses, costs, penalties, tax or other levy and expenses (including without limitation, reasonable attorneys' fees) brought by or on behalf of any person:

13.1.1 for injury to, or death of, any person or persons, or loss or damage to property, or loss of data, arising out of the negligence, strict liability, or willful misconduct of Grantee, its employees or Subcontractors in connection with the Project, except for those claims arising out of willful misconduct or gross negligence by PMI or its Affiliates;

13.1.2 for any debts incurred in connection with the Project unpaid by Grantee, Grantee employees or Subcontractors;

13.1.3 any actual or alleged infringement of any Intellectual Property Rights caused by any Deliverables or Grantee Materials, including those of Subcontractors; or the breach of any of Grantee's obligations under Sections 5, 6, 7, 8, 9, 11 and 12.

- 13.2 PMI's liability under this Agreement, apart from the liability to make the Grant Instalments in accordance with the terms and conditions hereof, shall be excluded or limited to the maximum extent permitted by law.

14. CONTACTS, APPROVALS AND NOTICES

- 14.1 Unless otherwise specified in this Agreement, contacts between Grantee and PMI Contact can be made verbally by phone or by emails.

- 14.2 Approvals given by the PMI Contact shall only be valid if made in writing, including by email.

- 14.3 Notices required to be in writing, such as, for example, arising out of Section 10 of this Agreement, except those required to be addressed by Grantee to the PMI Contact, shall be made by personal delivery or by prepaid registered post or by facsimile, addressed to the address specified below in respect of the relevant Party (or at such other address as such Party may last have specified to the other Party in writing) and if so served shall, in the case of a notice sent by post, be deemed to be served on the third day following the date of posting and, if by facsimile, when transmitted (with printed confirmation of receipt) and, if by personal delivery, on the date of such delivery.

- 14.4 The addresses referred to in Section 14.3 are as follows:

Philip Morris Products SA
Avenue de Rhodanie 50
1007 Lausanne
Switzerland

Phone: +41 58 242 0000

Attn: PMI IMPACT Project Office

Grantee

São Paulo University Support Foundation – FUSP

Av. Afrânio Peixoto, nº 14

District of Butanta, São Paulo, Brazil

Phone: +55 11 3035-0550

Attn: International Relations Institute

15. GOVERNING LAW, DISPUTE RESOLUTION

- 15.1 This Agreement shall be governed by the laws of Switzerland without regard to its conflict of laws provisions.
- 15.2 Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, which cannot be settled amicably shall be submitted to the exclusive jurisdiction of the courts of Lausanne, Switzerland, save that nothing in this Section shall limit the right of PMI to apply for injunctive relief (or otherwise commence proceedings) in any other court of competent jurisdiction.

16. MISCELLANEOUS

- 16.1 This Agreement, including its Schedules, constitutes the complete agreement between the Parties and supersedes any prior oral or written agreements concerning the subject matter hereof. There are no terms, conditions or obligations, oral or written, express or implied, between PMI and Grantee, or any agent, representative, employee, officer, or Affiliate of either of them, other than those contained herein.
- 16.2 Grantee may not assign its rights nor assign or subcontract its obligations under this Agreement in whole or in part to any third party except:
- 16.2.1 with the prior written consent of PMI, which may be given or withheld in PMI's entire discretion; or
- 16.2.2 in the case of subcontracting, to Subcontractors.
- 16.3 PMI reserves the rights to assign or transfer all or part of its rights and obligations under this Agreement, without consent of Grantee, to any of its Affiliates or to any corporate successor in case such successor acquires all or substantially all of its assets, whether by sale, merger, operation of law or otherwise.
- 16.4 This Agreement may not be amended, modified or superseded, nor any term or provision hereof waived, except by a written document signed by the Parties.
- 16.5 Nothing in this Agreement shall prevent either Party from disclosing the terms of this Agreement, if necessary, to any Government Agency or Government Official or any other person that, in the respective Party's judgment, has a legitimate need to know.
- 16.6 The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.
- 16.7 Neither Party's failure to insist on strict performance of any provision of this Agreement or to exercise any right hereunder shall be construed as a waiver or relinquishment of such Party's right to rely upon such provisions or rights, unless such waiver is in writing. Neither Party's waiver of any provision of this Agreement or any breach hereunder, shall be deemed to apply to any other or to a subsequent provision, right or breach.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their respective duly authorized representatives as of the date below written.

PHILIP MORRIS PRODUCTS SA

Signature: *alvise giustiniani*
alvise.giustiniani (Jun 28, 2022 18:38 GMT+2)

Name: alvise giustiniani

Title: VP Illicit Trade Prevention

Date: Jun 28, 2022

Signature: 

Name: Nicolas Otte

Title: Director

Date: Jun 28, 2022

GRANTEE

Signature: 

Name: MARCILIO ALVES

Title: director FUSP

Date: Jun 28, 2022

Signature: _____

Name: _____

Title: _____

Date: _____

**SCHEDULE 1
Application**

[attached]

**SCHEDULE 2
Amendment to Application**

1. If the Application (including the Project Budget and Implementation Plan) has been amended, add the details or attach here.
2. If there are no amendments, leave this Schedule blank and add "This Schedule has been left blank deliberately".

**SCHEDULE 3
Progress and Final Report Templates**

1. Progress / Final Report – Financials (Project Budget and Use of Grant) [attached]
2. Progress / Final Report – Project Implementation (Progress on Deliverables and Activities) [attached]
3. Executive Summary of the completed Project [attached]

**SCHEDULE 4
Grant Instalment Schedule**

Line #	Description / Phase	Description / Instalment	Estimated Start Date	Estimated End Date	Estimated Amount, USD	Estimated timing of invoicing
1.	Phase 1	Instalment 1	Month 1 – May 1, 2022	Month 6 –October 31, 2022	200,000.00	Month 1 – May, 2022
2.	Phase 2	Instalment 2	Month 7 – November 1, 2022	Month 12 – April 30, 2023	200,000.00	Month 7 - November, 2022
3.	Phase 3	Instalment 3	Month 13 – May 1, 2023	Month 18 – October 30, 2023	144,663.00	Month 13 – May, 2023
4	Phase 4	Instalment 2	Month 19 – November 1, 2023	Month 24 - April 30, 2024	144,663.00	Month 19 - November, 2023
		Grant total:			689,326.00	

**SCHEDULE 5
Audit Reports Schedule**

Audit Report 1 (mid-term)	Month 10 – 12
Audit Report 2	Month 24-25 (upon Project completion)

SCHEDULE 6
Procedures for the Audit Firm Under PMI IMPACT

1. General

- 1.1 PMI will retain the Audit Firm who will be responsible for: (i) conducting agreed-upon procedures on the Applicant's financial and accounting records and any documents or records relating to its PMI IMPACT Project's implementation ("the **Project**"); and (ii) preparing reports of its findings for submission to PMI. In particular, the scope of such engagement shall include:
- (a) General accounting procedures with respect to the Project's implementation (accounting and record keeping, comparing the financial report to the accounting system and records, exchange rates);
 - (b) Procedures to obtain information to see if the Grant is being or has been spent exclusively on the Project and if expenditures conform to: (i) information in the Grantee's reports; and (ii) the Grant Agreement ("**Agreement**"), including the Application and its supporting documents (amended if applicable by Schedule 2 of the Agreement and subject also to any changes approved by the PMI Contact under the Agreement); and
 - (c) Procedures to inspect if selected expenditures relate to the Agreement and the Project and to compare the expenditures with the scope of the Agreement and the Project.
- 1.2 This document provides guidance to Grantee on the standards and scope of procedures and reporting required by the Audit Firm under PMI IMPACT.
- 1.3 For the definitions of "Audit Firm", "Grant", "Application", "Project Budget" and other terms used below, see the Agreement. For any terms not defined in the Agreement, see the PMI IMPACT Application Terms and Funding Rules.

2. Standards

The Audit Firm shall be retained by PMI in accordance with the International Standard on Related Services 4400 Engagements to Perform Agreed-Upon Procedures Regarding Financial Information issued by the International Federation of Accountants ('**IFAC**') and the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA). The Audit Firm shall report its findings to PMI, which PMI will share with the respective Grantee.

3. Key Rules for Accounting, Record Keeping and Related Auditor's Tasks

- 3.1 When performing the agreed-upon procedures, the Audit Firm obtains from Grantee information about its compliance with the following key rules for accounting and record keeping related to the Project:
- (a) Grantee maintains a Brazilian Reais (BRL) bank account for the purposes of the Project (the "Project Account") and uses the Project Account only for the Project (unless otherwise agreed by PMI). The Project Account must be accurate and up-to-date. The Audit Firm compares the Project Account (accounting records for a cash account) with the corresponding information on bank statements and inspects the accuracy of the accounting records;
 - (b) Grantee has a double-entry book-keeping system, and the Project Account and expenditures relating to the Project are easily identifiable and verifiable;
 - (c) The information in Grantee's reports and the Deliverables can be traced to Grantee's expenditures, accounting system and records (e.g., trial balance, general ledger accounts, sub ledgers, etc.);

- (d) The budget in Grantee's records can be compared with the Project Budget and any changes approved by the PMI Contact under the Agreement;
- (e) The documents supporting expenditures relate to the Project and the expenditures are comparable with the scope of the Project.

3.2 The Audit Firm reports any differences identified during the application of the above procedures.

4. Procedures to Obtain Information about the Use of the Grant for Project Related Expenditures

4.1 The Audit Firm takes a sample of expenditures for each budget line to obtain information on the real use of the Grant and compliance with the Agreement and Grantee's reports and the Deliverables.

4.2 The Audit Firm uses the following sampling methodology:

- (a) the sample size is forty (40) % of the monetary value of each cost category, as defined in Section 7.3 of the Application Terms and Funding Rules of PMI IMPACT (Personnel Costs, Administrative/Overhead Costs, and Other Costs are the three cost categories subject to auditing).
- (b) a sample of expenditures should be selected from each cost category evenly, e.g., if Other Costs include costs for the purchase of equipment and payments to Subcontractors, a sample should be taken from both types of costs.

4.3 The Audit Firm undertakes the following activities for the samples selected:

- (a) Expenditures actually incurred:
 - (i) The Audit Firm traces the expenditure entries with supporting documents and proof of payment and obtains information on whether they relate to the Project. The Audit Firm also obtains information about proof of performance, i.e., inspects substantiated documentation to see if goods or services have been received and inspects the existence of assets. To inspect the existence of assets that are not always at the Grantee's location, the Audit Firm and the Grantee must agree on the timing of the Audit Firm's visit for such inspection in the respective location.
 - (ii) The Audit Firm traces personnel costs of the Grantee and Subcontractors to see if they relate to the Agreement, including its Section 4.9, and the Project and notes its findings in its report. The Audit Firm will do so by inspecting the Grantee's reports, and obtaining information on the percentage of the working time spent by personnel on the Project, employment agreements, pay slips, the Grantee's Deliverables and, if deemed appropriate, by interviewing the Project Leader or other members of the Grantee's project team or Subcontractor's personnel.
 - (iii) For petty cash payments, based on sample testing, the Audit Firm traces each transaction to see if it related to the Project, obtains information as to whether each transaction was supported by receipts, and compares the actual cash payments with the maximum per payment limit under the Agreement. Each exceeding payment, for which Grantee did not seek the PMI Contact's prior written consent, shall be reported.
 - (iv) The Audit Firm compares petty cash balances per accounting records with actual amounts on-hand, compares petty cash disbursements with supporting evidence, inspects the cash storage location, and inspects the procedures the Grantee's employees use to access the funds.
 - (v) Examples of supporting documents are original third party invoices, signed contracts, travel receipts (hotel, airline, taxi, etc.), air tickets and boarding passes, delivery notes, pay slips, employment agreements, etc. Examples of proof of performance are Grantee's or

Subcontractors' reports, photo clips (e.g., for events), information in the Internet (links to publications, web portals, etc.), drafts of research papers, etc.

(b) Cut-off implementation period

The Audit Firm compares the date of expenditures based on supporting documents with the implementation period of the Project and notes expenditures that are outside of the Project period.

(c) Budget

(i) The Audit Firm inspects if expenditures were agreed in the Project Budget subject to any changes approved by the PMI Contact under the Agreement. Based on a sample, selected with the methodology as defined in Section 4.2 above, the Audit Firm also inspects administrative/overhead costs and mathematically checks that these do not overlap with other costs and that the recorded administrative/overhead costs do not exceed the limit of administrative/overhead costs specified in the Agreement and notes every difference in its report.

(ii) The Audit Firm obtains information to inspect if selected expenditures relate to the Project and compares the expenditures with the scope of the Project.

(d) Records

The Audit Firm inspects if expenditures are recorded in the Grantee's accounting system in accordance with the applicable accounting standards of the country where the Grantee is established and the Grantee's usual cost accounting practices.

(e) Valuation

The Audit Firm compares the recorded monetary values of expenditures with underlying documents (e.g., invoices, salary statements, etc.) and prevailing market exchange rates of commercial banks applicable on the date of the transactions.

(f) Classification

The Audit Firm compares selected expenditure items as reported in Grantee's reports with classification used in (sub) heading of the Project Budget. Any deviation shall be reported.

(g) Subcontractors

The same standards for expenditure criteria, as described above, apply to Subcontractors. Based on a sample, selected with the methodology as defined in Section 4.2 above, the Audit Firm obtains information about Subcontractors' expenditures. All documentation related to Subcontractors' expenditures must be available at Grantee's location. The Audit Firm also compares payment instructions included in the Agreement with the actual payments.

4.4 Dates for the delivery of the reports referred to in Schedule 5 of the Agreement.

SCHEDULE 7
Invoicing Requirements

1. All invoices from Grantees require the following information:

Complete Grantee's name and address;

Unique invoice number and invoice date;

Mention:

that the invoice is for a PMI IMPACT Grant instalment; and

the instalment number;

Total amount due and currency;

Payment Terms and Bank Information, including Grantee's Project account referred to in Section 4.2;

PMI Billing Address:

Philip Morris Products SA
OC Division
Avenue de Rhodanie 50
1007 Lausanne
Switzerland

VAT Registration Number: CHE-116.276.488 TVA (must be included on invoices containing VAT)

Attention: PMI IMPACT Project Office

When applicable, include local VAT.

Purchase Order number that PMI will share with Grantee upon the signature of this Agreement;

2. Send your invoices by e-mail to Stratila, Tatiana Tatiana.Stratila@pmi.com for the PMI Contact's review and approval. After the PMI Contact explicitly approves the invoice, send it from the email address specified in the Declaration of pdf invoicing that PMI will share with Grantee upon the signature of this Agreement to PMI SCE FIN, Invoices PMI Management PhilipMorrisInternationalManagementSA@pmi.com