



---

3<sup>RD</sup> FUNDING ROUND

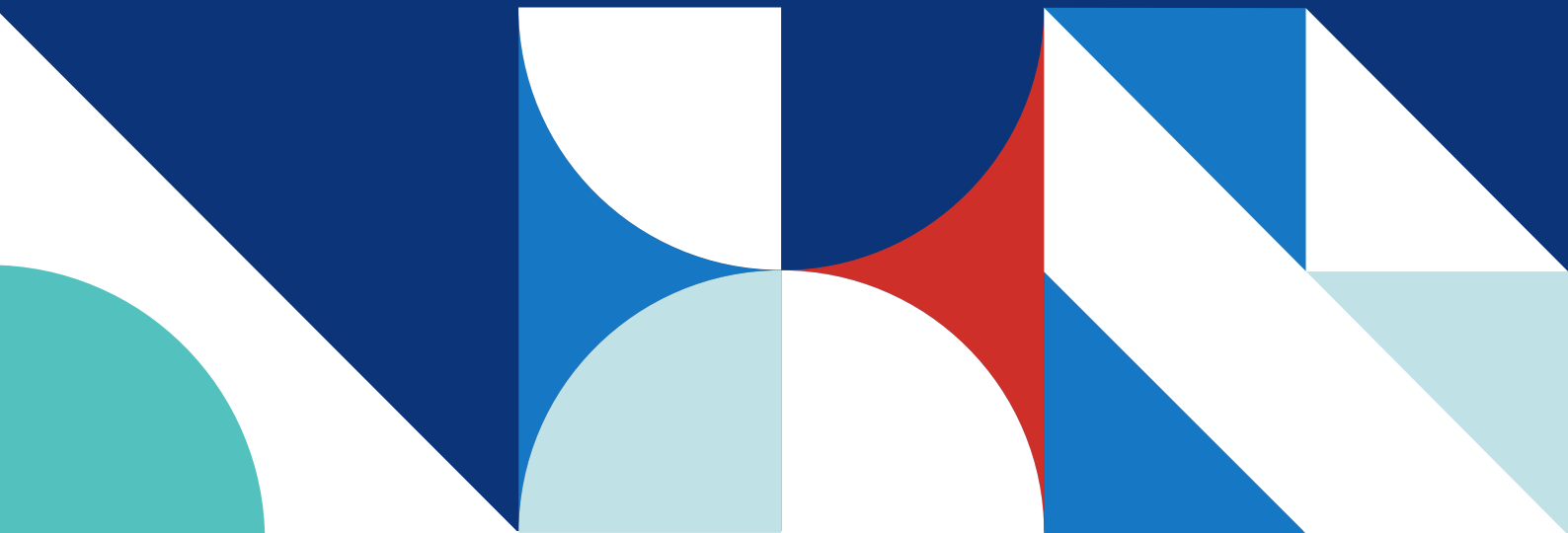
---

APPLICATION  
TERMS &  
FUNDING  
RULES

# APPLICATION TERMS AND FUNDING RULES

This document describes the terms governing applications for Grants in the PMI IMPACT Third Funding Round (the “**Application Terms and Funding Rules**”).

Applicants must ensure that their Applications conform to these Application Terms and Funding Rules.



## DEFINITIONS

“**Affiliate**” means any entity which controls, is controlled by or is under common control with a party, and “control” means the ability, directly or indirectly, to direct the affairs of another by means of ownership, contract or otherwise.

An “**Application**” means an application for a Grant under PMI IMPACT submitted in response to a call for Applications by PMI, including the application’s supporting documentation and these Application Terms and Funding Rules, which are an integral part of each application.

An “**Applicant**” is an organization applying for a Grant, identified through the exploratory stage and invited by the project office to submit an Application to PMI IMPACT as described in Section 3. An “Applicant” does not include the Applicant’s Affiliates. Should the Applicant want to involve one of its Affiliates in its Project, such Affiliate must be indicated in the Application either as a Project Partner or Project Routine Supplier depending on the task(s) assigned to it in the Project.

“**Applicant Personnel**” means employees of Applicant involved in the performance of the Project. Individuals retained by the Applicant based on services agreements for the Project or employees of the Applicant’s Affiliates are not Applicant Personnel and should be considered as Project Partners or Project Routine Suppliers depending on their tasks. See the definitions of Project Partners or Project Routine Suppliers below.

The “**Audit Firm**” means a reputable international audit firm retained by PMI IMPACT to carry out the expenditure reviews in Section 7.4 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). The Audit Firm will be identified in each Grant Agreement.

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 Applications and Projects may arise, for example, due to ties or relationships between Applicants or persons involved in the implementation of the Project and PMI or between Applicants and the Experts, or because of the subject matter of Projects.

“**Due Diligence**” is described in Section 5 of these Application Terms and Funding Rules.

“**Expert Council**” means the body comprised of independent experts appointed by PMI which will select, Applications, which passed Due Diligence checks and were pre-selected by PMI, for the award of Grants by PMI, and an “Expert” is a member of 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).

The “**Third Funding Round**” means (i) the period during which the Applications are submitted and reviewed by the Expert Council and PMI, and Grants are awarded by PMI in the third funding round of PMI IMPACT; plus (ii) the period during which the Projects that received Grants are implemented and completed, normally no more than 24 months.

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

A “**Government Official**” means:

- (a) any officer or employee of a government, including officers or employees of Government-controlled Organizations, or any department or agency thereof, or of a Public International Organization (such as the United Nations Educational, Scientific and Cultural Organization or the World Bank), including any person in an uncompensated honorary position within any of the foregoing whose duties are ceremonial but who has actual influence over the award of business;
- (b) any employee or other representative of a political party, or any candidate for political office;
- (c) any member of ruling or reigning royal family; or
- (d) any other person acting in an official capacity for, or on behalf of, any of the foregoing.

A “**Government-controlled Organization**” means an organization (i) of which a government owns or controls 50% or more of the shares or (ii) whose management, policies or affairs a government can otherwise direct.

“**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 items.

A “**Grant**” is a monetary amount payable by PMI under PMI IMPACT to a successful Applicant, to be spent exclusively on its Project under the terms set out in a grant agreement between PMI and an Applicant (“Grant Agreement”).

“**PMI**” means Philip Morris Products S.A.

A “**Project**” means the project proposed to be carried out by an Applicant with a Grant, as well as the project awarded a Grant under a Grant Agreement.

A “**Project Budget**” means the budget prepared in accordance with the Project Budget template, attached to an Application.

A “**Project Leader**” means the employee of an Applicant appointed to lead its Project.

“**Public International Organizations**” mean organizations whose members are countries, governments or other public international organizations.

A “**Project Partner**” means an independent contractor (individual or legal entity), not an employee of an Applicant, contracted or retained by the Applicant to perform substantive activities or tasks related to the Project that require expertise specific to the Project. Their costs should be budgeted as Other Costs. Examples of Project Partners are researchers, consultants, subject matter experts, IT or technology companies contracted to develop substantive materials or work product for the Project. Project Partners must not be Government Officials, Government Agencies, Government-controlled Organizations or Public International Organizations, with the exception of public academic institutions or their employees.

A “**Project Routine Supplier**” means an independent contractor (individual or legal entity), not an employee of an Applicant, contracted or retained by the Applicant to supply equipment or other goods, or routine services for the Project, such as translation agencies, travel agents or providers of event venues. Their costs should be budgeted as Other Costs. Suppliers retained by the Applicant for its regular office supplies or support, and not specifically for the Project, such as suppliers of regular IT or general accounting support, are not Project Routine Suppliers, and their costs should be budgeted as Administrative/Overhead Costs.

“**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.

## 1. WHO MAY APPLY

Applications for Grants may be made by public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations.

Applicants may not be individuals.

Applicants may not be tobacco or electronic cigarette manufacturing companies or controlled by, or belong to, the same group of companies as any tobacco or electronic cigarette manufacturing company.

## 2. ELIGIBLE APPLICATIONS

Applications and the proposed Projects must conform to the theme and the topics of the Third Funding Round, which can be found on the PMI IMPACT website.

Applicants must not propose in their Projects any activities directed towards persons who are minors (i.e., under age), nor any activities involving the use of private investigators.

The maximum duration of the Project proposed in an Application shall be 24 months<sup>1</sup>.

The Grant requested for the proposed Project cannot be more than USD 750,000 nor less than USD 100,000<sup>2</sup>.

Applicants may submit one Application only for the Third Funding Round. If an Applicant submits two or more Applications, only the first one successfully submitted will be accepted and the other(s) will be automatically excluded from the selection process.

In case an Applicant is unable to provide certain information requested for its Application or to comply with certain requirements of these Application Terms and Funding Rules due to its legal status as, and rules applicable to, a Government Agency, Government-controlled Organization or Public International Organization, it should contact the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com) and explain the reason for this inability. If satisfied with the explanation, PMI may waive this requirement.

## 3. EXPLORATORY STAGE PRIOR TO SUBMISSION OF APPLICATION

Following PMI calls for Applications any public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations interested in applying for a Grant in the PMI IMPACT Third Funding Round is invited to contact the project office of PMI IMPACT and propose a concept of the project.

- a) **Who to contact for the exploratory stage:** please contact the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com), specify the name of the organization that is interested in applying for a Grant, provide your official contact information and send a concept note of the proposed project.
- b) **How to prepare a concept note of the proposed project:** please use the template available on PMI IMPACT website. The concept should be brief (cca. 2-pager document).
- c) **How to find out the result of the exploratory stage:** the project office of PMI IMPACT will inform the relevant organization about the result of the exploratory stage using the contact information provided as per point a) above. If the concept of the proposed project is endorsed by PMI, the project office of PMI IMPACT will invite the respective organization to submit an Application to PMI IMPACT. If the concept of the proposed project is not endorsed by PMI, the project office of PMI IMPACT will notify the respective organization accordingly.
- d) **How to prepare the Application for submission to PMI IMPACT:** the invited organization will be instructed to login an online platform (“**CG System**”). It should be able to enter the CG System and land on the entry page (the code should allow Applicant to enter the CG System as many times as the Applicant needs before, to work with the Application, save information, download and upload files). After the Application is finalized, it can be submitted to PMI IMPACT. The Application is saved, locked and recorded. PMI can access the Application and all the documents submitted with it.

<sup>1</sup>The maximum duration of a Project is indicative and may vary and be adapted on a case-by-case basis.

<sup>2</sup>The thresholds are indicative and can be subject to change by PMI, considering applications on a case-by-case basis.

- e) **How to find out the deadlines for submission of Applications to PMI IMPACT:** the submission deadlines are published on the PMI IMPACT website. For more information, please see the [Grant Award Guidelines](#).

## 4. GRANT AWARD PROCEDURE

The procedure for awarding Grants comprises the following stages:

### A. Submission of Applications under the PMI IMPACT initiative

PMI calls for Applications; Public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations, identified through the exploratory stage described in Section 3 above, are invited to submit an Application to PMI IMPACT.

### B. Due Diligence Checks and Pre-Selection of Applications by PMI

PMI conducts Due Diligence checks on Applicants and Applications to ensure that they are complete and meet the applicable requirements; PMI pre-selects Applications to be submitted to the Expert Council.

### C. Review of Pre-Selected Applications and Selection by the Expert Council

Following Stage B above, the Expert Council reviews and selects Applications for the award of Grants by PMI.

### D. The Expert Council and PMI – Joint Consultation

For Applications that the Expert Council preliminary selected for rejection under Stage C above, the Expert Council and PMI shall conduct a joint consultation to reassess the merits of such Applications and determine whether an unanimous decision may be reached in the selection of those Applications for the award of a Grant.

### E. Applications not selected by the Expert Council

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.

### F. Award of Grants

PMI informs unsuccessful Applicants that their Applications have not been selected for the award of Grants and invites successful Applicants to enter into Grant Agreements with PMI; PMI awards Grants under Grant Agreements between PMI and successful Applicants and publishes the results of the Grant award procedure on the PMI IMPACT website.

For a more detailed description of the Grant award procedure, see the [Grant Award Guidelines](#).

## 5. DUE DILIGENCE

PMI will conduct Due Diligence checks on Applicants and Applications to ensure that the requirements set out below are met. To the extent possible, it may also check that the confirmations made by the Applicant in Section 8 are true and accurate.

At any time, PMI may request Applicants to provide information in addition to the information they have already provided in their Applications in order to complete these Due Diligence checks; failure by an Applicant to provide this information will entitle PMI to reject its Application.

If PMI learns of circumstances requiring the rejection of an Application based on Due Diligence grounds PMI will reject that Application and inform the Applicant accordingly. If it learns of circumstances after awarding a Grant that would have required it to reject the applicable Application based on Due Diligence grounds had it discovered these circumstances before awarding the Grant, it will annul the award of the Grant and the Applicant will be required to repay any installments already paid.

In case an Application has a minor technical deficiency, for example, a minor arithmetical error in the Project Budget, PMI will ask the Applicant to rectify the deficiency within a time limit. If the Applicant does not rectify the deficiency in time, PMI may reject the Application.

PMI will check that:

- 1) Applicants are *bona fide* organizations that comply with the criteria in the “Who may apply” section above.
- 2) Applications and their proposed Projects comply with the criteria in the “Eligible Applications” section above.
- 3) Applications are in English, complete and meet the requirements described in the Application templates and these Application Terms and Funding Rules.

**Note:** Any required supporting documentation can be submitted in languages other than English.

*In case an Applicant is unable to provide certain*

*information requested in the Application or to comply with certain requirements of these Application Terms and Funding Rules due to its legal status as, and rules applicable to, a Government Agency, Government-controlled Organization or Public International Organization, it should contact the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com) and explain the reason for this inability. If satisfied with the explanation, PMI may waive this requirement.*

- 4) The proposed Project Budgets conform to the Funding Rules in Section 7 below.

**Note:** PMI may ask Applicants to provide the rationale for any budgeted costs or request modification of any budgeted costs that do not or may not meet the requirements of the Funding Rules in Section 7 below. If the Applicant fails to provide such rationale or make the requested modification, PMI may reject the Application.

- 5) Applicants’ financial and organizational capacities appear to allow them to implement the proposed Projects, and the Applicant is not the subject of a petition in bankruptcy or any other proceedings under bankruptcy, insolvency or similar laws and has not made an assignment for the benefit of its creditors.

**Note:** PMI reserves the right to ask Applicants for more information for its assessment, including additional business/professional references. In exceptional circumstances, PMI may also require the Applicant to obtain a performance bond or bank guarantee.

If at any time during or after the Grant Award Procedure, PMI learns of circumstances requiring the rejection of an Application based on these Due Diligence grounds, PMI will reject that Application and inform the Applicant accordingly.

In case the Application has a minor technical deficiency, for example, a minor arithmetical error in the Project Budget, PMI will ask the Applicant to rectify the deficiency within 3 working days. If the Applicant does not rectify the deficiency in time, PMI may reject the Application.

## 6. HOW PMI WILL USE THE INFORMATION RELATING TO THE APPLICATIONS

PMI will collect and process information in accordance with its PMI IMPACT Privacy Notice.

## 7. FUNDING RULES

### 7.1 Application of Funding Rules

Applicants must follow these Funding Rules when preparing their Project Budgets. Project Budgets should be prepared using the template that will be made available to public, private, or non-profit organizations, including non-governmental organizations, international organizations, associations, academic institutions and corporations invited to submit Application to PMI IMPACT in its Third Funding Round.

### 7.2 Funding and Budgeting

- a. All costs must be indicated in USD. Grants will be paid in USD by bank transfer. Currency exchange costs will be borne by the Applicant.
- b. All cost items must be budgeted to include all taxes (such as VAT) to be incurred on amounts to be spent by the Applicant in the implementation of the Project. Taxes on profits and taxes for which the Applicant is eligible for a tax refund, cannot be included in the Project Budget. If an Applicant is granted a national or international tax-exempt status, it should provide confirmation of such status and specify it in the Project Budget.
- c. PMI must be the only external funder of a Project, unless the Project is to be partially co-financed by the Applicant itself. External co-funding should not be proposed for a Project.
- d. It is understood that the Applicant will aim to implement the Project primarily by using Applicant Personnel. Therefore, no more than 50% of the Project Budget may be paid to Project Partners.
- e. All costs that are to be incurred in the implementation of the Project must (i) be shown in the Project Budget, (ii) be reasonable in amount, (iii) ensure good value for money, and (iv) be essential for the completion of the Project and would not be incurred in the absence of the Project. PMI reserves the right to ask Applicants to provide clarification regarding any costs in the Project Budget and/or request a revision of the Project Budget.
- f. All fees and prices paid for services or work performed or products bought must be at prevailing market rates in the same geographical location. In particular, services or work performed must be at prevailing market rates for services or work performed by persons with similar expertise, skills, training, tenure (in the case of academics, for example) and experience. Applicants must be ready to justify to PMI any prices/fees that appear to exceed the prevailing market rates.
- g. When selecting Project Routine Suppliers, Applicants must compare the capabilities and prices of different potential suppliers and select the supplier who can provide the best quality products or services at competitive prices. Applicants must comply with public procurement and tendering rules, if applicable.
- h. Costs unrelated to the implementation of the Project, such as debts and debt servicing charges, interest payments, fines, penalties, taxes on profits, taxes eligible for a tax refund, provisions for losses, recruitment and relocation costs, insurance premiums unrelated to the Project, work permits and costs of refurbishing or repairing premises or equipment, are ineligible and may not be budgeted.
- i. Apart from a Grant, PMI will not normally provide any support, such as data or technology, to Applicants.
- j. If the Applicant anticipates any support from PMI and/or a role for PMI and/or its Affiliate in the implementation of the Project, this should be discussed with PMI and/or its relevant PMI Affiliate and endorsed at the exploratory stage described in Section 3 above and made clear when submitting the Application.
- k. If a Project's successful implementation depends on the use of specific resources, such as confidential proprietary data, technology, personnel with specific expertise, or any materials or software protected by Intellectual Property Rights of a third party, the Applicant will, by submitting its Application, be deemed to confirm that it will be able to ensure availability of such resources if it is awarded a Grant. If obtaining such resources will incur costs, these must be included in the Project Budget in the category "Other Costs".



- l. Applicants may not budget generic equipment or materials, for example, cars, motorcycles, furniture, or computers. Equipment, technology or software may only be purchased with the Grant if required specifically for the implementation of the Project and not for any other purpose. In such case, the Applicant must explain in its Project Budget why such equipment or other items are required for the Project's implementation, provide prices for each item, briefly describe their individual characteristics (including their brand, producer, model, version, make and key functionalities) and indicate their prospective suppliers. Prices should include costs for proper installation, exploitation and maintenance of these items for the period of the Project, for example, costs to train Applicant Personnel in their use, etc.
  - m. If an Applicant is subject to public procurement and tendering rules in selecting Project Routine Suppliers of such equipment or other items the Applicant is not in a position to indicate a specific prospective supplier in their Applications and therefore should only describe individual characteristics of such equipment or other items.
  - n. The Project cannot propose reward payment schemes, such as success or pay-for-performance fees.
  - o. The costs of the Audit Firm will be assumed by PMI IMPACT.
- these must be taken into account when indicating their percentage of working time for the Project and their salary and other costs must be reduced pro rata. For example, if an employee has other job responsibilities, under no circumstances should the Project Budget represent that this employee will spend 100% of his or her working time on the Project.
- c. PMI IMPACT will not pay for the salary costs of existing personnel of Government Agencies and Public International Organizations. Thus, Government Agencies and Public International Organizations may not include Personnel Costs in their Project Budgets if existing personnel of these organizations will be responsible for the implementation of the Project. In contrast, however, if allowed by their applicable rules or regulations, Government Agencies and Public International Organizations may budget Personnel Costs of new temporary employees that they contract specifically for the Project, but only for the period of its implementation.
  - d. Government-controlled Organizations, such as public academic institutions, shall budget Personnel Costs in line with the rules applicable to them. If those Personnel Costs are different from the salaries of the applicable Personnel, the Applicant must be ready to demonstrate that these Personnel Costs are consistent with its rules.
  - e. Any *per diems* paid to Applicant Personnel during their travel as part of their salaries/wages, if applicable, must be based on the rules and rates applicable to the Applicant or must otherwise be reasonable.

### 7.3 The cost categories of the proposed Project Budget

#### I. Personnel Costs

- a. All costs of Applicant Personnel must be budgeted under this category of costs.
  - b. The calculation of Personnel Costs must be based on direct personnel costs (for example, gross salary, pension contributions, payroll taxes, other taxes and contributions required by national labor legislation, but excluding bonuses). If any Applicant Personnel also have job responsibilities unrelated to the Project,
- Salaries must be in line with the qualifications of the personnel concerned and applicable job market rates. If more than one employee in the same job category will work on the Project, costs should be indicated separately for each employee and each employee numbered in the Project Budget, for example, Project Assistant 1 and Project Assistant 2. Examples of the job categories are Project Leader, Project Manager(s), Project Assistant(s), Senior Specialist, Junior Specialist, etc.

g. During the implementation of their Projects, successful Applicants shall be responsible for ensuring that any part of the Grants used to fund salaries/wages (i) will be used only for the salaries/wages of persons who are working on the Project and (ii) will be in amounts that are reasonable compensation or reimbursement for the actual time and expenses associated with the work on the Projects. The Audit Firm will be required to inspect personnel costs and related Applicant's reports, information on the percentage of the working time spent by Applicant Personnel on the Project, employment agreements, pay slips, deliverables and, if deemed appropriate, may interview relevant personnel.

## II. Administrative/Overhead Costs

- a. Administrative/Overhead Costs are **recurring costs related to the Project**, such as office rent, phone costs, costs for bookkeeping and financial transactions, electricity/heating, maintenance, office consumables and other similar costs that are necessary to the continued functioning of the Applicant and implementation of the Project, but cannot be immediately associated with the work product or deliverables under the Project and are **unrelated to a specific Project activity**.
- b. Administrative/Overhead Costs shall be budgeted by Applicants using a flat percentage of its total Personnel Costs, but normally not more than 12%. Applicants are not required to provide a breakdown of how they have calculated the percentage they have used for this element of the Project Budget, but PMI may require them to justify this percentage. For some Projects, such as those whose objective is to purchase equipment, it may not be justifiable to charge any amount for Administrative/Overhead Costs. Applicants that are required by their internal regulations to apply a different rate for Administrative/Overhead Costs must contact the PMI IMPACT project office at [impact@pmi.com](mailto:impact@pmi.com), share with PMI a copy of such regulations and discuss with PMI an exception to the 12% limit.

c. Administrative/Overhead Costs must not be included in any other cost categories and no additional administrative/overhead costs will be reimbursed.

## III. Other Costs

If applicable, Other Costs can include:

- a. Costs of Project Partners and Project Routine Suppliers. The costs of a Project Partner should be based on a fee quote of that Project Partner. Before including Project Partners in their Applications, Applicants are required to ensure that those Project Partners have expressed their firm commitment to participate in the Project.
- b. Entertainment costs, i.e., costs for travel, lodging, meals and hospitality, which must be reasonable and customary in the geographical location where the entertainment takes place, strictly required for the implementation of the Project and therefore not excessive and lavish. Travelling should be normally made in economy class or its equivalent. The country or countries where travel costs will be incurred should be indicated in the Project Budget.
- c. Other costs directly related to a specific Project activity, for example, purchases of equipment or software specifically required for the Project, costs of event venues and other expenses required for organizing events (conferences, seminars, etc.), design, etc.
- d. Translation costs. Applicants should budget for any applicable translation costs. Please note that Applicants' progress and final reports and other Project deliverables must be in English. Where Project deliverables will be circulated principally in a country where the local language is not English, the deliverables may be also in that local language provided Applicants arrange for their high quality translation into English.

## 7.4 Expenditure Reviews

The Audit Firm shall be responsible for (i) inspecting the Project's expenditures and conducting agreed-upon procedures on the Applicant's financial and accounting records and any documents or records relating to the Project's implementation, and (ii) preparing reports of its factual findings for submission to PMI.

In particular, the scope of such expenditure reviews shall include:

- inspecting information on 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);
- procedures to inspect if the Grant is being or has been spent exclusively on the Project and that expenditures conform to (i) information in grantee's reports, and (ii) the Grant Agreement, these Application Terms and Funding Rules, and the Application; and
- procedures to inspect if selected expenditures relate to the Grant Agreement and the Project and to compare the expenditures with the scope of the Grant Agreement and the Project.

If a Project lasts less than 12 months, the Audit Firm will prepare one report, within approximately 30 days after completion of the Project.

If a Project lasts more than 12 months, two reports are required, the first within approximately 30 days after the first 8-12 months of the Project and the second within approximately 30 days after completion of the Project.

On a case-by-case basis, PMI may require the Audit Firm to provide additional reports during the Project's implementation.

The Applicant must cooperate at all times with the Audit Firm and give it access to all financial and accounting records and documents and records referred to in 7.4 above.

## 7.5 Project Phases and Grant Installments

Applicants must prepare an implementation plan of its Project, split into phases, and propose the amount of each Grant installment corresponding

to each Project phase's costs. With the exception of the first installment the payment of Grant installments by PMI will be conditioned upon the completion by Applicants of a Project phase, submission of deliverables, progress reports, and review and approval of the progress report by PMI. Installments will be paid subject to (i) the submission and approval of reports and other deliverables at agreed intervals, and compliance with (ii) the other terms and conditions of the Grant Agreements.

Each phase must not last more than 6 months. Thus, for example, for a Project scheduled to last 18 months, there must be at least 3 Project phases. The duration of each phase should be indicated in the Application in months, without reference to any specific calendar dates, for example, phase 1 – 6 months.

PMI reserves the right to amend proposals concerning the Project Budget, Project Implementation Plan, including timing of Project phases, dates for submission of reports and other deliverables.

## 7.6 Bank Account

Each successful Applicant shall open and maintain in its name a separate bank account or sub account, for the receipt and expenditure of the Grant installments in the country where the Applicant is registered, and the Applicant may not use this account for any other purposes (the "Project Account"). Bank fees associated with the opening or maintenance of such bank account, and bank transaction taxes shall be borne by the Applicant.

PMI will pay Grant installments in USD by a bank transfer to the Applicant's Project Account.

If, due to applicable restrictions, an Applicant cannot open and maintain a separate bank account or sub account for its Project, it should contact the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com) and explain the reason for this inability.

## 7.7 Grant Agreements

The Grant Agreements will specify the detailed conditions of the Grants. [Key Terms of PMI IMPACT Grant Agreement](#) can be found on the PMI IMPACT website.

## 8. CONFIRMATIONS, AUTHORIZATIONS AND AGREEMENTS BY APPLICANTS

### By submitting an Application, each Applicant

#### (1) confirms that:

- it has read and understood, and accepts and agrees to these Application Terms and Funding Rules and, if the Application is successful, the [Key Terms of PMI IMPACT Grant Agreement](#);
- the information contained in and attached to the Application, is complete, current and accurate and does not contain any false or misleading information or documentation;
- it shall bear all costs associated with the preparation and submission of the Application and that neither PMI nor the Expert Council shall be responsible for those costs, regardless of the conduct or outcome of the Grant award procedure;
- it complies and will continue to comply during the implementation of the Project with all laws and regulations applicable to it and the Application, including any laws and regulations on the award of a Grant to Government Agencies or restricting the funding of certain activities by tobacco companies;
- it 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;

**Note:** PMI and its affiliates are required to comply with laws that regulates the export, re-export transfer, use and access to certain types of products, technologies and technical data for reasons of foreign, regional and national security considerations. PMI will conduct checks to ensure that the Applicant or any supplier of products, technologies and technical data to the Applicant is not subject to export controls regulations that would prohibit or restrict any proposed transactions.

- it is duly authorized and entitled to submit this Application and that the person whose signature appears below is duly authorized to sign these Application and Funding Rules on behalf of the Applicant.
- in case it is a Government Agency, Government-controlled Organization, or a Public International Organization, it is eligible to receive private funding and complies and will continue to comply with its internal rules and regulations applicable to it and to the Application;
- neither it nor anyone involved in the implementation of the Project has any actual, potential or apparent Conflict of Interest with respect to the Application, participating in the Grant Award Procedure or implementing the Project / **OR** it has already disclosed any situation that may constitute a Conflict of Interest with respect to the Application, participating in the Grant Award Procedure or implementing the Project, via [impact@pmi.com](mailto:impact@pmi.com).

**Note:** The Applicant must disclose to PMI any actual, potential or apparent Conflict of Interest with respect to the submission of its Application and potentially the implementation of the Project, by sending an e-mail, describing such Conflict of Interest, to the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com).

*Conflicts of Interest may in some cases be resolved and the Application still selected.*

*Some situations that constitute a Conflict of Interest may not be obvious. If an Applicant has any questions about whether a Conflict of Interest may exist, it should contact the PMI IMPACT project office at [impact@pmi.com](mailto:impact@pmi.com).*

- the Application does not conflict with PMI policies, for example, those relating to anti-corruption, and anti-money laundering;

- it, its senior executives, the Project Leader and any Project Partners are not listed on any applicable Sanctions lists or subject to any applicable country level Sanctions;

**Note:** *PMI and its affiliates are required to comply with the regulations that impose Sanctions against certain countries, organizations and persons. PMI will conduct Sanctions checks to ensure that the Applicant and the persons/entities mentioned above are not subject to U.S., E.U. or United Kingdom Sanctions, and any other applicable Sanctions in effect.*

- it, its senior executives, the Project Leader and any third parties involved in the Project, including Project Partners, have not been or 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 its integrity;

**Note:** *On a case-by-case basis, PMI may also conduct checks to verify that the Applicant's senior executives, the Project Leader and any third parties involved in the Project, including Project Partners, have not been or 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.*

- it is not the subject of a petition in bankruptcy or any other proceedings under bankruptcy, insolvency or similar laws and has not made an assignment for the benefit of its creditors;
- it will notify PMI immediately via [impact@pmi.com](mailto:impact@pmi.com) of any material changes to the information it has submitted in the Application, and any actual, potential or apparent Conflict of Interest of which it becomes aware during the Grant award procedure, to enable PMI to review and consider possible means of avoiding the Conflict of Interest;
- the information contained in the Application does not infringe any Intellectual Property Rights of any third party;
- in relation to any persons to whom personal data contained in the Application relates (such persons may include Applicant Personnel, Project Partners, Project Routine Suppliers and Applicant's business/professional reference providers) it has notified them of PMI's processing data relating to them (including collecting publicly available data, sharing, processing, making public, and transferring abroad) all as described in the PMI IMPACT Privacy Notice, and has obtained their consent to the transfer abroad;
- it has not attempted to influence an Expert concerning its Application and is aware that if it contacts any Expert concerning the Application to influence the Expert, PMI may reject the Application and if this is discovered after signature of its Grant Agreement, that PMI may terminate the Agreement;
- the Project Partners that the Applicant proposes to engage for the Project are not and will not be Government Officials, Government Agencies, Government-controlled Organizations or Public International Organizations, with the exception of public academic institutions or their employees.

**Note:** *The Applicant is expected to implement the Project by using its Applicant Personnel and/or Project Routine Suppliers. The Applicant may also engage Project Partners. Project Partners must not be Government Officials, Government Agencies, Government-controlled Organizations or Public International Organizations, with the exception of public academic institutions or their employees.*

*PMI reserves the right to request more information about each proposed Project Partner and in exceptional cases to request the Applicant to replace a Project Partner. If the potential use of a Project Partner that is a Government Agency, Government-controlled Organization or Public International Organization is critical for the Project's success and is dictated by certain unique circumstances, the Applicant should contact the project office of PMI IMPACT at [impact@pmi.com](mailto:impact@pmi.com) and explain this.*

*Exceptionally, PMI may waive this requirement upon conducting necessary legal checks and obtaining internal approvals.*

- the Project Partners or Project Routine Suppliers that the Applicant proposes to engage are authorized to receive private funding for their tasks in the implementation of the Project and comply and will continue to comply with all regulations and internal rules applicable to them.
- it is aware that PMI may reject the Application if it fails the Due Diligence checks described in Section 5 above or if it is found that it has failed to comply with any of these confirmations or that any confirmation is not true.

**(2) authorizes:**

- PMI to transfer abroad the information it has collected and processed in accordance with its PMI IMPACT Privacy Notice.
- PMI to disclose the identity of the Applicant and a short summary of its Project, if selected for the award of a Grant, in the PMI IMPACT website, public reports and news releases.
- PMI to disclose information about the progress of the Project during and after its implementation by the Applicant in the PMI IMPACT website, public reports and news releases.

**(3) agrees that:**

- applying for a Grant may result in, but shall not entitle the Applicant to, the award of a Grant and that the Application may be rejected;
- PMI IMPACT shall have no obligation to award a Grant to the Applicant until a Grant Agreement has been signed by it and PMI; its participation in the PMI IMPACT Grant Award Procedure is voluntary, and that it can withdraw from it any time until a Grant Agreement has been signed by it and PMI;
- it will not make any claim against PMI, its affiliates and/or the Expert Council and its members in relation to any rejection of the Application, and it will indemnify and hold harmless PMI, its affiliates, its and their employees, the Expert Council and its members from and against any and all such claims and claims made by any third parties;
- the Expert Council and its members and PMI will not be obliged to and will not provide a justification for any rejection of the Application, which may not be appealed or litigated;
- the Application, the deliberations and decisions of the Expert Council and PMI, and the entire Grant award procedure are governed by Swiss law;
- it will cooperate at all times with the Audit Firm and give it access to its books and records to enable the Audit Firm to perform agreed-upon procedures in relation to its Project in line with Section 7.4 of these Application Terms and Funding Rules;
- the courts of Lausanne, Switzerland are the exclusive jurisdiction for any disputes; and
- judicial review of the entire Grant award procedure as well as the decisions of the Expert Council and PMI made during this procedure is excluded.

**Applicant** (provide name of Applicant)

The person whose signature appears below must be authorized to certify, authorize and agree the above on behalf of the Applicant.

**Signature:**

**Name** (provide name of the authorized signatory)

**Title** (provide title of the signatory)

**Date**



3<sup>RD</sup> FUNDING ROUND

APPLICATION  
TERMS &  
FUNDING  
RULES

