



**Inside**  
Industry Association

# BY-LAWS of INSIDE Industry Association

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## PREAMBLE

- a. These are the By-Laws referred to as “set of rules” in Article 26 of the Articles of Association of INSIDE, as defined below, hereinafter the “**Articles of Association**”.
- b. In 2014 it has been discussed and decided by INSIDE, formerly known as ARTEMISIA, that the members of INSIDE wish to participate, together with (i) the association under French law, “**AENEAS**” and the association under German law, “**EPoSS**”, the Commission of the European Communities (the “**Commission**”) and Member States and possibly Associated Countries of the Union and other countries pursuing research and innovation policies or programmes in the technology fields referred to here below or (ii) legal entities that support directly or indirectly research and innovation in these technology fields in a Member State or Associated State of the Union in a joint undertaking to implement a joint technology initiative in the fields of micro- and nanoelectronics, embedded/cyber-physical and smart integrated systems and applications (the “**ECSEL JU**”), established under article 187 of the Treaty on the Functioning of the European Union on the basis of a regulation of the Council of the European Union with No.: 561/2014 (the “**ECSEL Council Regulation**”). In 2021 the same parties have decided that they wish to participate in the same way in the joint technology initiative (herein referred to as the “**KDT JU**”) in the same fields of technologies, established under article 187 of the Treaty on the Functioning of the European Union on the basis of a regulation of the Council of the European Union with No.: 2021/2085 (the “**Single Basic Act**” or “**SBA**”). In 2023 the SBA was amended with the regulation of the Council of the European Union with No.: 2023/1782 of 25 July 2023 (“the **Amendment**”) amending the SBA. In the Amendment the KDT JU was renamed into the “**Chips JU**”. In 2023 the same parties further continued their participation in the “**Chips JU**” in the same fields of technologies as the SBA, as well as the fields of technology (i) defined in the Council of the European Union with No.: 2023/1781 of 13 September 2023 (“**Chip Act**”), being measures for strengthening Europe’s semiconductor ecosystem, and (ii) of the Digital Europe Program established with the regulation of the Council of the European Union with No 2021/694.
- c. In the SBA the ECSEL JU is terminated after which only the KDT JU existed, which renamed into the “Chips JU”.
- d. WHEREAS the European Commission had formulated in the statutes of the ECSEL JU and of the KDT JU, and has imposed for the Chips JU, a financial commitment for the envisaged members of the ECSEL JU, KDT JU and the Chips JU respectively, to support the administrative costs of these joint undertakings and part of this contribution to the Administrative Costs, as defined below, is the financial commitment of INSIDE towards the only remaining joint undertaking, being the Chips JU, as further arranged between INSIDE, AENEAS and EPoSS.

## **ART. 1: DEFINITIONS**

1. All terms used with capital letters herein, and not defined in these By-Laws, shall have the meaning assigned to it in the English version of the Articles of Association, unless clearly intended otherwise. In addition, the following capitalized terms shall have the meanings set forth below:
  - 1.1 **“Administrative Costs”** shall mean the costs of the Chips JU necessary for the functioning of the Chips JU and included in the applicable approved annual budget plan of the Chips JU, excluding the funding of research, development, and innovation activities by the Chips JU.
  - 1.2 **“INSIDE”** shall mean the association under Dutch law with registered office at High Tech Campus 69, 5656 AG Eindhoven, The Netherlands.
  - 1.3 **“INSIDE activities”** shall mean all actions and activities carried out by INSIDE in view of and in accordance with the purpose of INSIDE as set out in Article 2 of the Articles of Association.
  - 1.4 **“Articles of Association”** shall mean the articles of association of INSIDE, as amended from time to time.
  - 1.5 **“Associated Company”** shall mean with respect to each of the Members any corporation or other legal entity that directly or indirectly Controls, is Controlled by, or is under common Control with, such Member, but only with respect to the period said Control continues.
  - 1.6 **“Chips JU”** shall have the meaning as attributed thereto in preamble b. of these By-laws.
  - 1.7 **“Contribution”** shall mean the contribution to be made by Members and Associates, respectively, to INSIDE as set by the General Assembly, and as further detailed in Article 2 of these By-Laws.
  - 1.8 **“(to) Control”** shall mean (to have) the power, whether or not actually exercised, to direct the management and affairs of another corporation or other legal entity, directly or indirectly, whether through the ownership of a majority of the issued and outstanding voting securities of such a corporation and/or legal entity, or through the right to appoint a majority of the members of the board of directors (or of a body corporate with equivalent powers to direct and manage such corporation and/or legal entity) of such

corporation and/or legal entity, by contract or otherwise. In the case of a corporation, (to have) the direct or indirect ownership of more than fifty per cent (50%) of its outstanding share capital shall in any case be deemed to confer (to) Control.

- 1.9** “**ECSEL JU**” shall have the meaning as attributed thereto in preamble b. of these By-laws.
- 1.10** “**ECSEL Council Regulation**” shall have the meaning attributed to it in preamble b. of these By-Laws.
- 1.11** “**Fixed Contribution**” shall mean the part of the Contribution to be paid by Members and Associates, as set by the General Assembly on the basis of Article 7 paragraph 2 of the Articles of Association as specified in clause 2.1 hereof.
- 1.12** “**General Assembly**” shall mean the general assembly of INSIDE.
- 1.13** “**Group**” shall mean a group of companies and/or other legal entities under the same common Control and the Controlling company or other legal entity.
- 1.14** “**In-Kind Contribution**” shall mean the Total Costs to be incurred by a JU Project Participant for executing a JU Project, as specified for that JU Project Participant in the relevant PAB decision, minus the funding received on such JU Project from the ECSEL JU or the KDT JU or Chips JU and the Participating States respectively to the ECSEL JU or to the KDT JU or Chips JU (as these Participating States are defined in respectively Article 2.1 (b) of the Annex to the ECSEL Council Regulation and Article 127.1 (a) of the SBA).
- 1.15** “**KDT JU**” shall have the meaning as attributed thereto in preamble b. of these By-laws.
- 1.16** “**JU Association**” shall mean any one of the three associations, INSIDE, ANEAS and EPoSS, as described in preamble b., and “**JU Associations**” shall mean two or all of them together, as the context determines.
- 1.17** “**JU Project**” shall mean a research, development and/or innovation project that is selected by the Chips JU, or in the past has been selected by the ECSEL JU and/or the KDT JU, upon a call for proposals.
- 1.18** “**ECSEL Project**” shall mean a JU Project selected by the ECEL JU.

- 1.19 **“KDT Project”** shall mean a JU Project selected by the KDT JU.
- 1.20 **“Chips Project”** shall mean a JU Project selected by the Chips JU.
- 1.21 **JU Project Participant** shall mean a participant in a JU Project, being party to a Project Agreement.
- 1.22 **“Maximum Possible Funding”** shall mean the total of the maximum of the funding that a JU Project Participant may receive from the JU and the national funding authorities in the context of a JU Project, as specified for such JU Project Participant in the relevant PAB Decision.
- 1.23 **“Member”, “Corporate-Member”, “Research organisations and non-Profit-Member”, “SME-Member”, “Extraordinary Member” and “Associate”** shall have the meaning, as defined in the Articles of Association. For the avoidance of any doubt, an Extraordinary Member is one of the four types of Members.
- 1.24 **“Non-Member”** shall mean each JU Project Participant that:
- (i) is not a Member of at least one of the JU Associations, and
  - (ii) is not an Associated Company of a Member.
- 1.25 **“PAB Decision”** shall mean the decision on funding of a JU Project by the Public Authority Board of the Chip JU or the ECSEL JU, as defined respectively in Article 135 of the SBA and Clause 10 of the Annex to the ECSEL Council Regulation.
- 1.26 **“President” and “Vice-President”** shall mean the president and any vice-president of INSIDE.
- 1.27 **“Project Agreement”** shall mean the agreement setting forth all or part of the terms and conditions that apply to a JU Project between all JU Project Participants, being referred to in Article 24.2 of the rules for the participation and dissemination in Horizon 2020 (EU/2013/1290) and in Article 38 of the Horizon Europe Council Regulation (EU/2021/695) as the “consortium agreement”.
- 1.28 **“Secretary”** shall mean the Vice-President of INSIDE that is secretary of INSIDE.
- 1.29 **“Secretary-General” and “Board”** have the meaning, as defined in the Articles of Association.

- 1.30** “**Single Basic Act**” and “**SBA**” shall have the meaning attributed to it in preamble b. of these By-Laws.
- 1.31** “**Total Costs**” shall mean the total costs to be incurred by a JU Project Participant for executing a JU Project, as far as eligible for funding by the JU and/or the national funding authorities.
- 1.32** “**Variable Contribution**” shall mean Variable ECSEL Contribution or Variable KDT Contribution, or Variable Chips Contribution, or as the case may be, two or all of them.
- 1.33** “**Variable ECSEL Contribution**” shall mean the part of the Contribution set by the General Assembly on the basis of Article 7 paragraph 3 of the Articles of Association and as specified for ECSEL Projects in clause 2.2 (a), regardless of whether or not modified upon a proposal from the Board.
- 1.34** “**Variable KDT Contribution**” shall mean the part of the Contribution set by the General Assembly on the basis of Article 7 paragraph 3 of the Articles of Association and as specified for KDT Projects in clause 2.2 (b), regardless of whether or not modified upon a proposal from the Board.
- 1.35** “**Variable Chips Contribution**” shall mean the part of the Contribution set by the General Assembly on the basis of Article 7 paragraph 3 of the Articles of Association and as specified for Chips Projects in clause 2.2 (c), regardless of whether or not modified upon a proposal from the Board.

## **ART. 2: CONTRIBUTION**

Each Member pays a Contribution to the Association. Such Contribution, together with other income of the Association, must always be sufficient to serve as sustainable coverage of the costs of the INSIDE activities and INSIDE’s obligations to contribute to the Administrative Costs of the JU, as referred to in preamble d. of these By-Laws and must be in accordance with the annual budget of the Association, as determined and approved by the Board and the General Assembly.

If a proposal by the Board to the General Assembly regarding Contribution is in accordance with the provisions of this Article 2, in the General Assembly the Members may only vote in favour of such proposal.

- 2.1** Fixed Contribution: The Members and Associates (except extraordinary Members) pay on dates to be set by the Board or General Assembly, an annual Fixed Contribution. The Fixed Contribution is set as follows:

- (i) 10,000 euros for Corporate Members, not falling in the category as defined under subclause (ii) below;
- (ii) 5,000 euros for Corporate Members with a worldwide turnover of the Group to which they belong of less than 500 Million euros in the preceding financial year; and
- (iii) 1,000 euros for SME-Members, Research organisations and Non-Profit- Members and Associates; and
- (iv) Extraordinary Members do not pay any Fixed Contribution.

The Fixed Contribution may be amended from time to time by the General Assembly upon the proposal of the Board.

## **2.2 Variable Contribution for ECSEL, KDT and Chips JU Projects:**

- (a) **For ECSEL Projects:** The Members and Associates each pay an annual Variable ECSEL Contribution according to the following provisions:
  - (i) The Variable ECSEL Contribution payable per Member and Associate in any financial year is a percentage of a Member's or Associate's, and its Associated Companies' Maximum Possible Funding in ECSEL Projects in the relevant financial year. This percentage is to be established by the General Assembly for each financial year for the ECSEL Projects.
  - (ii) In case the grant agreement for any ECSEL Project contains information with respect to the Maximum Possible Funding from the JU that is different from the corresponding information in the PAB decision, then the information in the grant agreement will be leading in determining the Variable ECSEL Contribution for the Member or Associate involved.
  - (iii) The Variable ECSEL Contribution for ECSEL Projects shall be charged per financial year and is payable on the dates as to be set by the Board or General Assembly.
  - (iv) In view of article 6.2 of these By-Laws, the amount of the Variable ECSEL Contribution, once invoiced, shall be regarded as not disputed, if such amount is not disputed in writing by the Member or Associate within five months after the date of the relevant invoice, without prejudice, however, to article 2.2 (d).
  - (v) Unless already decided by the General Assembly, the Board may determine that Members and Associates shall pay an advance in respect of the Variable ECSEL Contribution due for a financial year. The advance payable by a specific Member or Associate, respectively, in a financial year is based on the assumption that accrual of the Total Cost of a JU Project Participant is incurred on a more or less linear time basis throughout the duration of the ECSEL Project. The Board may determine that such advance is payable in instalments and the Board determines



the dates on which such advance, or instalments, as the case may be, is/are due and payable.

**(b) For KDT Projects:** The Members and Associates each pay an annual Variable KDT Contribution according to the following provisions:

- (i)** The Variable KDT Contribution payable per Member and Associate in any financial year is a percentage of a Member's or Associate's, and its Associated Companies' Maximum Possible Funding in KDT Projects in the relevant financial year. This percentage is to be established by the General Assembly for each financial year for the KDT Projects.
- (ii)** In case the grant agreement for any KDT Project contains information with respect to the Maximum Possible Funding from the JU that is different from the corresponding information in the PAB decision, then the information in the grant agreement will be leading in determining the Variable KDT Contribution for the Member or Associate involved.
- (iii)** The Variable KDT Contribution for a KDT Project shall be charged in three equal instalments over three consecutive years, for the first time in the year immediately after the year in which the pertaining KDT Project has started.
- (iv)** In view of article 6.2 of these By-Laws, the amount of the Variable KDT Contribution, once invoiced, shall be regarded as not disputed, if such amount is not disputed in writing by the Member within five months after the date of the relevant invoice, without prejudice, however, to article 2.2 (d).
- (v)** Unless already decided by the General Assembly, the Board may determine that Members and Associates shall pay an advance in respect of the Variable KDT Contribution due for a financial year. The advance payable by a specific Member or Associate, respectively, in a financial year is based on the assumption that accrual of the Total Cost of a JU Project Participant is incurred on a more or less linear time basis throughout the duration of the KDT Project. The Board may determine that such advance is payable in instalments and the Board determines the dates on which such advance, or instalments, as the case may be, is/are due and payable.

**(c) For Chips Projects:** The Members and Associates each pay an annual Variable Chips Contribution according to the following provisions:

- (i)** The Variable Chips Contribution payable per Member and Associate in any financial year is a percentage of a Member's or Associate's, and its Associated Companies' Maximum Possible Funding in Chips Projects in the relevant financial year. This percentage is to be established by the General Assembly for each financial year for the Chips Projects.

- (ii) In case the grant agreement for any Chips Project contains information with respect to the Maximum Possible Funding from the JU that is different from the corresponding information in the PAB decision, then the information in the grant agreement will be leading in determining the Variable Chips Contribution for the Member or Associate involved.
  - (iii) The Variable Chips Contribution for a Chips Project shall be charged in three equal instalments over three consecutive years, for the first time in the year immediately after the year in which the pertaining Chips Project has started.
  - (iv) In view of article 6.2 of these By-Laws, the amount of the Variable Chips Contribution, once invoiced, shall be regarded as not disputed, if such amount is not disputed in writing by the Member within five months after the date of the relevant invoice, without prejudice, however, to article 2.2 (d).
  - (v) Unless already decided by the General Assembly, the Board may determine that Members and Associates shall pay an advance in respect of the Variable Chips Contribution due for a financial year. The advance payable by a specific Member or Associate, respectively, in a financial year is based on the assumption that accrual of the Total Cost of a JU Project Participant is incurred on a more or less linear time basis throughout the duration of the Chips Project. The Board may determine that such advance is payable in instalments and the Board determines the dates on which such advance, or instalments, as the case may be, is/are due and payable.
- (d) Upon request of a Member or Associate, as soon as reasonably possible after the finalisation of a JU Project, on the basis of information from the JU and the national funding authorities, provided by the Member or Associate concerned, INSIDE shall compute the difference between the actual Variable Contribution due by each such Member and Associate and the advances paid by such Member or Associate in respect of such JU Project and notify each such Member and Associate in writing whether such difference is more than 10 %. If the advances paid by a Member or Associate in respect of a JU Project are more than 10 % less than the actual Variable Contribution that is due, such Member or Associate shall pay such difference to INSIDE within 60 days after receipt of such notification. If the advances paid by a Member or Associate in respect of the relevant JU Project are more than 10 % over the actual Variable Contribution that is due, INSIDE shall pay such difference to such Member or Associate, respectively, within 60 days of dispatch of such notification.

### **2.3 Cost Breakdown, Reporting of In-Kind Contribution and Maximum Possible Funding:**

- (a) Each Member reports in writing to INSIDE,

- (i) within one month after the start of each JU Project the Maximum Possible Funding for such Member and its Associated Companies in such JU Project, and
  - (ii) before 31 January of each financial year, the audited In-Kind Contribution of such Member and of its Associated Companies in the previous financial year according to (i) the usual cost accounting practices of the Member concerned, or (ii) the applicable accounting standards of the country where the Member concerned or any of its Affiliated Companies is established, or (iii) the applicable International Accounting Standards / International Financial Reporting Standards, applicable to such Member or to any of its Affiliated Companies.
- (b) In case such reporting on Maximum Possible Funding or In-Kind Contribution is not received by INSIDE, or not in a timely manner, INSIDE will use the information from the relevant PAB decision and grant agreement to determine the Variable Contribution, which, however, will have no effect on the reporting obligations of the Members and Associate as set out herein.

#### **2.4** Survival of Obligations:

**(a)** The Obligations regarding ECSEL Projects:

- (iii) to pay Variable ECSEL Contribution,
- (iv) to pay Variable ECSEL Contribution for Non-Contributing Non-Members as laid down in Article 3; and
- (v) to report, if applicable, in accordance with Article 2.3, the Maximum Possible Funding and the In-Kind Contribution in respect of JU Projects for which a Member, or any of its Associated Companies, has entered into a Project Agreement during the period in which it was a Member or Associate, as the case may be,

shall survive the termination of such membership or associateship, as if such termination did not take place.

**(b)** The Obligations regarding KDT Projects:

- (i) to pay Variable KDT Contribution and
- (ii) to report, if applicable, in accordance with Article 2.3 the Maximum Possible Funding and the In-Kind Contribution in respect of JU Projects for which a Member, or any of its Associated Companies, has entered into a Project Agreement during the period in which it was a Member or Associate, as the case may be,

shall survive the termination of such membership or associateship, as if such termination did not take place.

(c) The Obligations regarding Chips Projects:

- (i) to pay Variable Chips Contribution and
- (ii) to report, if applicable, in accordance with Article 2.3 the Maximum Possible Funding and the In-Kind Contribution in respect of JU Projects for which a Member, or any of its Associated Companies, has entered into a Project Agreement during the period in which it was a Member or Associate, as the case may be,

shall survive the termination of such membership or associateship, as if such termination did not take place.

### **ART. 3: COOPERATION IN JU PROJECTS WITH NON-MEMBERS**

- 3.1** Each Member shall use reasonable efforts to promote Association values to convince Non-Members participating in the same JU Project as such Member under any KDT and Chips JU call, to become a Member, whether as an Extraordinary Member or otherwise.
- 3.2** For ECSEL Projects, each of the Corporate Members is obliged, for the benefit of INSIDE and of the other Members, that if it enters into a Project Agreement with a JU Project Participant that is not a Member or Associate (a “Non-Contributing Non-Member”), to (1) (1) pay an amount to INSIDE that is equal to its and its Associated Companies’ Maximum Possible Funding in the ECSEL Project concerned divided by the total Maximum Possible Funding in that ECSEL Project of all Corporate Members in that ECSEL Project, times the Variable ECSEL Contribution to INSIDE that such Non-Contributing Non-Member would have had to pay in accordance with article 2.2 if it had been a Member or Associate, it being understood that such payment obligation of the Corporate Member is never more than 50% of the Variable ECSEL Contribution that the Corporate Member itself and its Associated Companies together are due to pay to INSIDE in relation to such ECSEL Project.

For the avoidance of any doubt, the Corporate Members participating in a KDT Project or Chips Project have no obligation to pay Variable Contribution for Non-Contributing Non-Members participating in such KDT Project or Chips Project.

### **ART. 4: PCA AND INTELLECTUAL PROPERTY**

INSIDE has developed a Model Project Cooperation Agreement (“MPCA”) that fully complies with the rules for participation and dissemination in Horizon EUROPE and contains additional clauses as deemed useful by INSIDE for its Members. Each Member may or may not use this MPCA when entering into a KDT Project or Chips Project with other JU Project Participants,

it being understood that any arrangement regarding intellectual property in a Project Agreement may not be less beneficial for access rights receiving JU Project Participants than the provisions of the rules for participation and dissemination in Horizon Europe.

## **ART. 5: TAKING PART IN JU PROJECTS**

Each Member shall use reasonable endeavours to take part in JU Projects from time to time, subject, however, to its own sole assessment at its sole discretion, to such Member's legitimate business interest.

## **ART. 6: DISPUTES**

- 6.1** Any dispute of whatever nature between INSIDE on the one hand and one or more Members or Associates on the other hand, in respect of or arising out of the Articles of Association or these By-Laws, shall be settled amicably. If such a settlement fails, the dispute shall be settled in accordance with the ADR Rules of the International Chamber of Commerce ("ICC"), and, if this does not result in a settlement of the dispute within a period of two months following the filing of a request for ADR pursuant to the said Rules, it shall, unless the parties involved in the dispute jointly agree differently, be finally settled by arbitration in accordance with the Rules of Arbitration of the ICC by three (3) arbitrators, in which case the chairman shall be of juridical education, or such lower number of arbitrators as the parties to the dispute may agree upon in writing, appointed in accordance with said Rules. Such arbitration shall be held in The Hague and shall be conducted in the English language.
- 6.2** However, without prejudice to the previous paragraph, in case of collection of Fixed Contributions and/or Variable Contributions the competent courts of The Hague, The Netherlands shall always be competent to decide on the matter. In case the amount is not disputed, collection can also be effected through the European payment order procedure in accordance with the European Regulation regarding the European Payment Order procedure (EU/2006/1896).

## **ART. 7: LAW AND LANGUAGE**

These By-Laws shall be governed and construed in accordance with the laws of the Netherlands, without giving effect to its conflict of laws provisions. They are written in the English language. In any case of a conflict between the English version and any translation into other languages, these By-Laws in English shall prevail.

## **ART. 8: AMENDMENTS**

These By-Laws may be amended from time to time in accordance with the Articles of Association.

## **ART. 9: CONFLICTING PROVISIONS**

In the event of a conflict or incompatibility of any of the provisions of these By-Laws with the provisions of the Articles of Association, the latter shall always prevail.

## **ART. 10: EFFECTIVE DATE**

These Bylaws entered into force in their present form on 20/03/2024.