

INCENTIVE SYSTEM FOR COMPANIES

BUSINESS INNOVATION

TERM OF ACCEPTANCE

Whereas:

a) Under the terms provided for in subparagraph c) of paragraph 1 of Article 27 of Decree-Law no. 137/2014, of 12 September, which established the governance model for the European Structural and Investment Funds (ESIF) for the 2014-2020 period, designated as Portugal 2020, the decision to approve the project incentive grant falls within the competence of the Steering Committee of the Managing Authority of the Alentejo Regional Operational Programme;

b) The formalisation of this decision occurs through the signature and submission of this acceptance term, in accordance with the provisions of Article 11 of the Specific Regulation for the Competitiveness and Internationalisation Domain (RECI), adopted by Ordinance no. 57-A/2015, of 27 February, as amended by Ordinance no. 181-B/2015, of 19 June, Rectification Declaration no. 30-B/2015, of 26 June, Ordinance no. 328-A/2015, of 2 October, Ordinance no. 211-A/2016, of 2 August, Ordinance no. 142/2017, of 20 April, Ordinance no. 360-A/2017, of 23 November, Ordinance no. 217/2018, of 19 July, and Ordinance no. 316/2018, of 10 December;

c) The duly signed acceptance term has the legal status of a written contract in accordance with the provisions of paragraph 2 of Article 11 of the RECI, in its current wording;

d) IAPMEI - Agency for Competitiveness and Innovation, I.P. is the Intermediate Body that monitors the investment implementation, under the terms of the delegation of powers carried out by the Steering Committee of the Managing Authority of the Alentejo Regional Operational Programme, pursuant to Articles 36 and 37 of Decree-Law no. 137/2014, of 12 September.

Following the application submitted to the Alentejo Regional Operational Programme, supported by the ERDF¹, under the terms of the call for applications no. 15/SI/2019, this acceptance term is entered into with **DIMPOMAR - ROCHAS PORTUGUESAS, LIMITADA**, Legal Entity no. 500959544, with registered office at Herdade da Vigária, 7160-062 BENCATEL, hereinafter referred to as **Beneficiary**, represented by Margarida Mascarenhas Cabral Bernardo de Sousa Ferreira de Lima, acting in the capacity of **Managing Partner** with powers for the act, which is governed by the following clauses:

CLAUSE 1
(Subject Matter)

1. The object of this acceptance term is the granting of a financial incentive for application in the execution, by the beneficiary, of investment project no. 046192 with a total eligible investment amount of 553,707.00 Euros (*five hundred and fifty-three thousand, seven hundred and seven euros*), under the terms in which it was approved and which is considered an integral part of this acceptance term.

¹ European Regional Development Fund

2. The execution period of this investment runs from 2019-09-01 to 2021-08-31.

CLAUSE 2
(Conditional favorable decision)

(Not applicable)

CLAUSE 3
(Incentive)

1. The total incentive to be assigned, as defined under the terms of the approval decision for the respective grant, takes the following form:
 - a) Non-reimbursable ERDF incentive in the amount of 152,269.43 Euros (one hundred and fifty-two thousand, two hundred and sixty-nine euros and forty-three cents);
 - b) Reimbursable ERDF incentive in the amount of 152,269.43 Euros (one hundred and fifty-two thousand, two hundred and sixty-nine euros and forty-three cents).
2. The ERDF incentive corresponds to the application of the average rate of 55.00% on the amount of expenses considered eligible, calculated under the terms established in Article 31 of the RECI, in its current wording.

CLAUSE 4
(Result Indicators)

The results to be achieved within the scope of the project, the object of this acceptance term, are as follows:

- a) Indicator I1 - Gross Value Added - GVA (post-project values): 3,119,273.92 Euros;
- b) Indicator I2 - Qualified Job Creation - QJC (post-project values): 8 Jobs;
- c) Indicator I3 - Turnover (post-project values): 7,148,718.11 Euros.

CLAUSE 5
(Payments)

1. The incentive payments shall be made by the paying entity, via bank transfer to the beneficiary's current account with the following IBAN [confidential information].
2. All receipts and payments regarding the execution of the co-financed project must be made through the beneficiary's bank account.
3. The terms of payments proceed in accordance with the provisions of Article 13 of the RECI, in its current wording, and Article 25 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October, and also by the procedural standard contained in Dispatch no. 10172-A/2015, of 10 September, as amended by

Dispatch no. 15057-A/2015, of 17 December, and Dispatch no. 12618-A/2016, of 19 October.

4. Payment may be suspended whenever any of the grounds provided for in paragraph 10 of Article 25 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October, are verified.

CLAUSE 6
(Repayable Incentive)

1. The reimbursable incentive is granted for a total term of eight years, counted from the first day of the month following that of the first incentive payment, or on the first day of the seventh month after the date of this acceptance term, whichever occurs first, with a grace period of two years.
2. The reimbursable incentive is granted without payment of interest or any other charges, being reimbursed on a half-yearly basis, in equal and successive amounts, with the first instalment falling due six months after the end of the grace period, as defined in the preceding paragraph.
3. The reimbursement of the incentive is made by bank transfer, with the beneficiary being obliged to instruct its bank to transfer the amounts due to the account to be indicated by the paying entity.
4. The beneficiary may make early reimbursements without any charges.

CLAUSE 7
(Final Granting of the Non-Repayable Incentive)

1. The evaluation of the results generated by the project implementation is carried out in two stages:
 - a) At the financial closure, with the submission of data on the physical and financial completion of the project, in which the achievement of the objectives and conditions underlying the project approval is assessed;
 - b) In the target year, which corresponds to the second full financial year, or third in the case of tourism sector projects, after the year of physical and financial completion, through verification of compliance with results associated with positive externalities generated in the economy, including output and result indicators, to assess the fulfillment of conditions for the definitive assignment of the non-reimbursable incentive.
2. The implementation of the evaluation referred to in the subparagraphs of the preceding paragraph takes place under the terms and conditions provided for in Annex D of the RECI, in its current wording.

CLAUSE 8
(Beneficiaries' Obligations)

1. In accordance with the provisions of Articles 24 and 25 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October, and Articles 12 and 35 both of the RECI in its current wording, the beneficiary undertakes to:
 - a) Execute the project under the approved terms and conditions;
 - b) Allow access to the project implementation sites and to those where the elements and documents necessary for the monitoring and control of the approved project are located;
 - c) Retain the documents relating to the project implementation, in the form of original documents or certified copies, on digital media, when legally admissible, or on paper, for a period of three years from the date of closure or acceptance by the European Commission of the closure declaration of the OP, depending on the phase in which the project closure was included, or for the period fixed in the applicable national legislation or in specific legislation on State aid, if these set a longer period;
 - d) Proceed with the publicity of the support, in accordance with the provisions of the applicable European and national legislation, as well as under the terms set out in the guide for the dissemination of communication rules, namely the Project Factsheet;
 - e) Maintain the legal conditions necessary for the exercise of the activity;
 - f) Repay unduly received amounts and comply with the applied administrative sanctions;
 - g) Maintain its tax and social security situation regularised before the tax administration, social security, and the incentive paying entity, respectively;
 - h) Have an organised accounting system, in accordance with legal requirements;
 - i) Possess a project-related file, preferably on digital media, with all related documentation duly organised, including the support of an accounting system for all transactions referring to the project;
 - j) Respect the principles of transparency, competition, and good management of public funds, so as to prevent situations likely to constitute a conflict of interest, namely in the relationships established between beneficiaries and their suppliers or service providers;
 - k) Provide, within the established deadlines, the elements requested by the entities with competencies for monitoring, result evaluation, control, and auditing, and participate in inquiry processes related thereto;
 - l) Communicate relevant changes or occurrences that jeopardise the assumptions regarding the project approval;
 - m) Not assign to other purposes, lease, alienate, or in any other way encumber the goods and services acquired within the scope of the supported project, without prior authorisation from the Managing Authority, during the term of the incentive grant contract;
 - n) When applicable, comply with public procurement regulations regarding the execution of projects;
 - o) Priorly communicate any change of bank account to the Managing Authority;

- p) When applicable, proceed with the reimbursement of the reimbursable incentive under the terms provided for in the approved reimbursement plan;
 - q) Maintain the highly qualified jobs created, for a period of five years in the case of non-SMEs, or three years in the case of SMEs, from the date of hiring, and may not, during the term of the incentive grant contract, reduce the total number of workers in the service of the company;
 - r) Maintain the supported productive investment, as well as the geographical location defined in the project, attached to the respective activity for at least three years for SME Productive Innovation and Entrepreneurship, and five years for Non-SME Productive Innovation, after the completion of the investment;
 - s) Not relocate the activity regarding the supported productive investment outside the European Union for ten years after the final payment to the beneficiary for Non-SME Productive Innovation;
 - t) Further undertakes to comply with the following specific obligations:
 - i) The eligibility of expenses provided for in the investment plan is subject to the verification that their acquisition is made at market conditions from supplier entities with the capacity for that purpose and from third parties not related to the purchaser.
2. With the signature of this acceptance term, the members of the board of directors, management, or administration and other persons exercising management or administration functions become subsidiarily liable for the fulfilment of the obligations referred to in this Clause.

CLAUSE 9 (Project Amendments)

1. Project amendments must comply with the provisions of paragraphs 7 and 8 of Article 20 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October.
2. In addition to the provisions of the preceding paragraph, provided it is duly justified, the approved execution period may also be subject to amendment, in accordance with the provisions of Article 37 of the RECI in its current wording, which determines the reduction of the incentive, under the terms of paragraph 2 of the thirteenth clause.

CLAUSE 10 (Monitoring and Control)

1. Without prejudice to other monitoring and control mechanisms that may be adopted, the beneficiary accepts the monitoring and control to verify the proper execution of the project and compliance with the objectives and obligations resulting from this acceptance term to be carried out by the entities with competence for this purpose.
2. The beneficiary undertakes to provide in a timely manner all appropriate documents and elements that allow for administrative and on-site verifications, including access to

project implementation sites for project verification purposes, which are necessary to prove that the investment was made and that the objectives were achieved under the terms of this acceptance term.

CLAUSE 11
(Assignment of Contractual Position)

The assignment of the contractual position of the beneficiary may only take place for duly justified reasons and after authorisation from the Managing Authority of the Alentejo Regional Operational Programme.

CLAUSE 12
(Recovery of Incentives)

1. Amounts unduly received by the beneficiary, namely due to non-compliance with legal or contractual obligations, the occurrence of any irregularity, as well as the non-existence or loss of any requirement for granting the incentive, constitute a debt and shall be recovered under the terms provided for in Article 26 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October.
2. Subsidiary liability for the repayment of the amounts, provided for in subparagraph f) of paragraph 1 of the eighth clause, lies with the members of the board of directors, management, or administration and other persons exercising management or administration functions, in office at the date of the facts that determine it.

CLAUSE 13
(Reduction of the Incentive)

1. Under the terms of Article 15 of the RECI in its current wording, the incentive may be reduced based on the provisions of paragraph 2 of Article 23 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October, namely due to:
 - a) Partial non-compliance with the beneficiary's obligations, including the contracted results;
 - b) Failure to justify the expenditure, except within the scope of simplified cost financing, or the charging of values higher than those legally permitted and approved or non-eligible values;
 - c) Charging expenses not related to the project execution or not justified through invoices, or equivalent fiscally accepted documents, as well as expenses not recorded in the accounts;
 - d) Non-compliance with information and publicity rules, with the reduction being determined based on the seriousness of the non-compliance;
 - e) Disregard for the provisions of European and national legislation, namely in terms of public procurement, when applicable, in which case a reduction proportional to the

seriousness of the non-compliance should be applied, namely in the table of financial corrections approved by the European Commission;

f) When applicable, the failure to consider revenue originating from the project.

2. Also, the amendment to the project execution period, referred to in paragraph 2 of the ninth clause, constitutes grounds for incentive reduction, under the terms fixed in subparagraph b) of paragraph 1 of Article 37 in conjunction with subparagraph a) of Article 38, both of the RECI in its current wording.
3. The non-application of the incentive reduction provided for in the preceding paragraph may occur provided it is duly authorised by IAPMEI - Agency for Competitiveness and Innovation, I.P. or by the Managing Authority of the Alentejo Regional Operational Programme, and when based on force majeure reasons that imply an unrecoverable delay in the project development and whose occurrence is duly proven by the beneficiary up to 30 days after its verification.

CLAUSE 14 (Unilateral Termination)

1. Under the terms of Article 15 of the RECI, in its current wording, and paragraph 3 of Article 23 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October, the acceptance term, which assumes the legal status of a contract, may be terminated by the Managing Authority of the Alentejo Regional Operational Programme when one of the causes provided for in the preceding clause is definitively verified or when one of the following situations, attributable to the beneficiary, occurs:
 - a) Non-compliance with the essential objectives set out in the application;
 - b) Lack of full execution of the application under the terms in which it was approved;
 - c) The existence of changes to the determining elements of the approval decision that jeopardise the project's merit or its financial reasonableness, except when expressly authorised by the Managing Authority of the Alentejo Regional Operational Programme;
 - d) Failure to submit the execution forms and payment requests in a timely manner, unless the delay is accepted by IAPMEI - Agency for Competitiveness and Innovation, I.P.;
 - e) Unauthorised interruption of the project for a period exceeding 90 business days;
 - f) Duplication of expense charging, under the terms defined in subparagraph f) of paragraph 3 of Article 23 of Decree-Law no. 159/2014, of 27 October, as amended by Decree-Law no. 215/2015, of 6 October;
 - g) Provision of false declarations regarding its situation, the project implementation, or incurred costs, which substantially affect the justification of the incentive received or to be received;
 - h) Refusal to submit to control and auditing;

- i) Non-existence or lack of regularisation of organisational deficiencies in the project-related process and the failure to send requested elements within the deadlines fixed for that purpose;
 - j) Loss of any of the requirements for granting the incentive.
2. Failure to have started the project execution within a maximum period of six months after the communication of the financing decision also constitutes grounds for termination.

CLAUSE 15
(Contract Costs)

- 1. The beneficiary is responsible for any and all expenses and charges, namely of a fiscal nature, resulting from the entering into, compliance with, or execution of this acceptance term.
- 2. All extrajudicial expenses incurred by the Intermediate Body or the Managing Authority arising from the execution of this acceptance term are also for the beneficiary's account.

CLAUSE 16
(Term of the Contract)

- 1. This acceptance term enters into force on the date of its submission and provided it is duly signed.
- 2. The term of validity of this acceptance term occurs with the full fulfilment of all positive and negative obligations emerging therefrom.

NOTARIAL ACKNOWLEDGEMENT²

(Act no. 52/2020)

Acknowledgement with Special Mentions, by Similarity

I hereby acknowledge the signature made in the attached document "**Business Incentive System – Business Innovation – Acceptance Term**", by comparison with the signature affixed to the Identification document, of: Margarida Mascarenhas Cabral Bernardo de Sousa Ferreira de Lima, whose identity I verified by the public form of Citizen Card no. [confidential information], issued by the Portuguese Republic, in the capacity of **Manager** and with powers for the act, representing the Company "**Dimpomar – Rochas Portuguesas, Limitada**", with registered office at Herdade da Vigária, Vila Viçosa, Legal Entity no. 500959544, as verified by consultation of the SIRCOM database at 3:15 PM and 15 minutes.

Civil/Property/Commercial Registry Office of Vila Viçosa, 2020-02-10 3:18 PM
Registry Official, Maria José Bilro Guégués da Silva

² Note: For certification purposes and signatures, reference should be made to the original version /Portuguese official document.