

INCENTIVE SYSTEM FOR COMPANIES

SME INTERNATIONALISATION

TERM OF ACCEPTANCE

Whereas:

a) Under the terms of 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 Centro 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) The Agency for Investment and Foreign Trade of Portugal, E.P.E. (AICEP) 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 Centro Regional Operational Programme, pursuant to Articles 36 and 37 of Decree-Law no. 137/2014, of 12 September.

Following the application submitted to the Centro Regional Operational Programme, supported by the ERDF¹, under the terms of the call for applications no. 27/SI/2018, this acceptance term is entered into with LSI STONE, LDA, Legal Entity no. 504372262, with registered office at Cabeço do Roxo, Estrada Nacional nº 1, Km 104, 2480-093 PEDREIRAS, hereinafter referred to as **Beneficiary**, represented by Regina Maria Rosa Vitório, acting in the capacity of **Manager** 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. 041471 with a total eligible investment amount of 816,936.40 Euros (*eight hundred and sixteen thousand, nine hundred and thirty-six euros and forty cents*), 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 2018-10-09 to 2020-10-08.

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 258,803.75 Euros (two hundred and fifty-eight thousand, eight hundred and three euros and seventy-five cents).
2. The ERDF incentive corresponds to the application of the average rate of 31.68% on the amount of expenses considered eligible, calculated under the terms established in point 11 of the Call for Applications.

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) Export intensity in the post-project period: 98.51%.

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)

(Not applicable)

CLAUSE 7
(Exemption from Repayment)

(Not applicable)

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 54 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) Priorly communicate any change of bank account to the Managing Authority;
 - o) When applicable, maintain in the company the jobs supported within the scope of the project, for three years from the project completion date, and the contracted technical staff may be replaced, provided they are replaced by others with at least equivalent qualifications;
 - p) Further undertakes to comply with the following specific obligations:
 - i) The jobs to be created within the scope of the project and subject to support must remain in the company for 3 years after the project completion date;
 - ii) The eligibility of expenses with consultancy (doc. 105) is subject to the presentation of a detailed report of the activities developed in each of the target markets, with details of the contacts established and results achieved/expected in terms of turnover, and in the case of markets already operated by the company, the new/potential clients approached must also be identified;
 - iii) As the respective breakdown was not presented, the eligibility of expenses referring to the workshops (docs. 34, 35, 36, 37, 38, 39, and 40) is subject to them effectively corresponding to eligible costs.
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 56 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 beneficiary's contractual position may only take place for duly justified reasons and after authorisation from the Managing Authority of the Centro 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 56 in conjunction with subparagraph a) of Article 57, 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 the Agency for Investment and Foreign Trade of Portugal, E.P.E. (AICEP) or by the Managing Authority of the Centro 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 Centro 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 Centro Regional Operational Programme;
 - d) Failure to submit the execution forms and payment requests in a timely manner, unless the delay is accepted by the Agency for Investment and Foreign Trade of Portugal, E.P.E. (AICEP);

- 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.
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NOTARIAL ACKNOWLEDGEMENT²

(Article 38 of Decree-Law 76-A/2006, of 29-03 and Ordinance 657-B/2006, of 29-06)

I hereby acknowledge the signature of Regina Maria Rosa Vitório, [confidential information regarding residence and marital status], in the attached document which is the **BUSINESS INCENTIVE SYSTEM – SME INTERNATIONALISATION – ACCEPTANCE TERM**, in the capacity of representative with powers for the act of the Commercial Society named **LSI STONE, LDA**, with registered office at Cabeço do Roxo, Estrada Nacional nº 1, Km 104, parish of Pedreiras, municipality of Porto de Mós, registered at the Commercial Registry Office of Porto de Mós under the single registration and tax identification number 504.372.262, with a share capital of €1,350,000.00, made by herself before me, whose identity I verified by the exhibition of Citizen Card [confidential information], issued by the Portuguese Republic.

I verified her capacity and powers for this act by consulting the permanent certificate at www.portaldaempresa.pt with access code 5376-3005-8361, valid until 18 September 2021. I verified through online consultation the existence of the Central Register of Beneficial Owners.

Porto de Mós, 27 August 2020
The Solicitor,
JOÃO PAULO VIEIRA MENDES

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