

General terms and conditions of Tempo funding

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1 Scope of application and publicity of the funding decision

Tekes has granted this de minimis aid (hereinafter referred to as funding) on the basis of the state's annual budget, Act on Discretionary Government Transfers (Valtionavustuslaki 688/2001), Government Regulation on Research, Development and Innovation Operations (1444/2014) section 1 (4), and Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (OJ L352 24 December 2013, p. 1).

The funding granted is de minimis aid in accordance with regulation (EU) No 1407/2013 of the European Commission. The total amount of minor (de minimis) aid for one business enterprise must not exceed EUR 200,000 for the current and two previous tax years of the period concerned. On the Group level, the parent company and subsidiaries are regarded as one enterprise in accordance with European Commission regulation 2 article 2, and the aid given to these is calculated together. In calculating aid, all aid obtained from the various authorities (for example, the municipalities, regional councils and authorities under the jurisdiction of the Ministries, such as Finnvera Oyj, Centres for Economic Development, Transport and the Environment (ELY Centres) and Tekes) to which the authority has granted aid in accordance with the de minimis terms shall be taken into account.

The recipient shall be responsible for the accumulation of de minimis aid.

These terms and conditions are issued under section 11 (4) of the Act on Discretionary Government Transfers (688/2001).

The following funding-related information will be public: the recipient's name, business ID, size, sector, region, form of financing, granting date, the amount of funding granted and the amount paid.

When the recipient disseminates information about the project or its results, it is required to reveal that the project has received funding from Tekes.

Under the Act on the Client Information System of Enterprise Services (1039/2010), the Ministry of Employment and the Economy, Finnvera, Tekes, ELY Centres and TE Offices may exchange client information relating to a recipient.

Tekes may also require information from other authorities and co-funders (such as the Finnish Tax Administration, municipalities, banks, capital investors, Sitra and the Foundation for Finnish Inventions) for the purposes of payment and supervision of funding. Tekes may, notwithstanding confidentiality provisions relating to business and trade secrets, contact these authorities and co-funders in order to obtain or disclose information associated with the recipient and this project. By accepting the funding decision, the recipient agrees to this exchange of information.

The recipient must submit their annual accounts, including attachments, to the Finnish Trade Register as required by law.

2 Monitoring of costs

The recipient must arrange its accounting so as to facilitate the itemisation of costs incurred from the project for outsourced services, and the verification of their connection with accounting.

Hourly monitoring of working time used for the project is not required, but the recipient must be able to identify the people who worked for the project and the wages and salaries subject to withholding tax paid to them, if necessary.

3 Eligible costs

3.1 Principles

Eligible costs include costs in accordance with the project plan, which have

- arisen from the project during the duration of the project
- been entered in the accounts of the recipient
- been paid by the time of submitting the final report.

An expense based on an order placed before the beginning of a project phase cannot be allocated to the project except when the order is associated with an option to annul it, linked to the launching of the project.

The de minimis regulation prohibits funding targeted at activities related to export, such as operational activities directly related to the amount of exports and other export-related activities. All funding for the establishment of a distribution network as well as related activities, such as warehouses, outlets and logistics centres and other distribution-related direct investments and operations, is also prohibited. However, eligible costs may also include costs such as distribution agreement negotiations and selection of distribution partners.

Tekes approves purchased services from group companies, but not from other associated companies. Companies are associated with each other if at least 20 per cent of the other company's

entire share capital or corresponding shareholders' equity is directly or indirectly owned or controlled by the other company. Tekes may consider companies as associated companies if one of the companies can exercise a dominant influence over the other company or otherwise influence purchasing by the other company. Such a situation may arise, for example, through board membership, the responsible persons, family members or acting as an employee and/or funder.

In connection with the final report, the accountable leader assures that the funding has been used to implement measures in accordance with the project plan, and that the funding has not been used for export activities, establishing a distribution network, or activities in other Member States or third countries. The accountable leader also assures that the funding has not been used to purchase services from associated companies other than group companies.

3.2 Procurement procedures

If the recipient is a public procurement unit or the company has received funding from Tekes or other public funding that covers more than 50 % of the procurement, the recipient must comply with the Act on Public Contracts. The procurement must be subject to tendering as a public contract when its total value, exclusive of VAT, exceeds the national threshold value set in the law. If competitive tendering in accordance with the law has not been carried out, funding for procurement for companies may be 50 per cent at maximum.

If a public procurement unit has made a procurement in violation of the procurement provisions, the procurement price is not an eligible project cost.

The recipient must prove that competitive bidding has taken place by attaching a copy of the contract notice published in HILMA (hankintailmoitukset.fi) to the cost statement or by providing justification for applying the direct award procedure.

4 Other public funding

The cost statement must specify all other public funding granted for the project by the state, municipalities and other public entities or bodies or foundations governed by public law. Funding granted by the European Union must also be reported.

The total funding that the project receives from Tekes and other public funding may not exceed the 75 per cent of the approved cost estimate. If necessary, Tekes will reduce its own contribution to ensure that the maximum amount is not exceeded.

5 Reporting and payment of funding

The first funding instalment can be paid in advance. Tekes will pay the rest of the funding based on an approved final report.

The accountable project leader reports the realisation of the project through the Tekes Online Service. Tekes assesses the requirements for the payment of funding based on the report. Funding will not be paid, if the goals have not been reached and work in accordance with the plan has not been done in the project.

The recipient does not need to report the actual costs of the project. Tekes has the right to request information and documents required for monitoring the project. Such information may include, for example, names of the people working on the project, the wages and salaries subject to withholding tax paid to them, copies of receipts of purchase invoices, invoice itemisations and the selection criteria for purchased services.

The funding will be deposited into the bank account indicated by the recipient in the approval of the funding decision. The approval notification must be signed by a person authorised to sign for the organisation.

Entitlement to the granted funding or part of it will lapse if the recipient does not submit the requested reports or further information by the due date specified in the funding decision or separately notified by Tekes. Tekes will recover any funding already provided, with interest.

6 Reporting after the completion of the project

Tekes will continue to evaluate the impact of the projects after their completion. If necessary, the recipient must report on project results for five years after the completion of the project.

The recipient must, on request, provide details on the realisation of the plans and forecasts that it presented during the processing of the application and the implementation of the project. Tekes may request a report on how the business targeted in the project has developed.

Tekes must have the opportunity to check the recipient's annual accounts and auditor's reports from the Finnish Patent and Registration Office database for five accounting periods following the completion of the project. Tekes has the right to commission an analysis of the recipient's annual accounts from another public funder.

7 Changes in the project

The recipient must apply for approval from Tekes in advance if the project deviates from the original plan in any of the following respects:

- significant changes to the project plan
- changes to the schedule
- changing the reporting date
- changing the accountable project leader
- changes to bank details.

The recipient must notify Tekes immediately of any other significant changes in the project, such as changes to key project personnel resources.

The application for an amendment can be submitted on the project change template available on the Tekes website.

8 Project transfer, IPR, approving corporate reorganisation

As a rule, a funding decision may not be transferred to a third party.

The recipient must ensure that the ownership and intellectual property rights of the results of the project belong to the recipient, either based on legislation or a separate agreement. If the recipient uses intellectual property rights owned by a third party (including employees and owners) in the project, the recipient must ensure that it has sufficient rights to use these intellectual property rights for the research and development as well as the business activities in accordance with the project plan.

The recipient must notify Tekes in advance if, during the project or within five years of payment of the final funding instalment, it

1. sells, gives as security or otherwise assigns business or any part thereof generated in the project
2. sells, gives as security or otherwise assigns intellectual property rights or other rights generated in the project
3. moves its business activities abroad, or
4. undertakes other significant business changes or reorganisation activities (including merger, division, significant changes in ownership, and significant personnel cutbacks that are directed at operations funded by Tekes).

Prior consent of Tekes is required for the measures referred to in this section that are carried out outside the European internal market or that may undermine the realisation of the targeted project impacts. No approval is needed if licensing is an integral part of the business originally targeted as part of the project.

Tekes may give its approval if the targeted project impacts can, for the most part, be achieved in spite of the changes.

Tekes has the right to claw back any funding under section 12 of these general terms and conditions if the recipient violates the provisions of said section.

9 Monitoring by the authorities

The recipient must provide Tekes with correct and adequate information to enable Tekes to monitor adherence to the terms and conditions of the funding decision and the implementation of the project.

Tekes, the National Audit Office, the European Commission and the European Court of Auditors have the right to audit the finances and operations of the recipient as required for the payment of the funding and supervision of its use.

The audits can be performed by other authorities or auditors authorised by Tekes. An external expert may, at Tekes's request, assist in the performance of the audit.

Right of inspection is in effect for a period of ten years from payment of the project's last instalment. Project documents and other materials necessary for monitoring and auditing must be stored for a period of five years after the payment of the last project-funding instalment.

The recipient should assist with the inspection and provide the needed information for the inspector without compensation.

The auditor has the right to seize any material subject to audit, if auditing so requires. A written record must be drawn up of any seizure of materials during an audit. The record must state the purpose of seizing the material and what has been seized. The seized material must be returned without delay when it is no longer needed for the audit.

The auditor has, to the extent required by the audit, the right to enter the premises managed or used by the recipient. This applies to the business, storage and other similar premises used for practising a profession or a business, as well as other areas relevant to the granting of the funding

and the supervision of its use. Audits may not be carried out in premises covered by domestic peace.

10 Discontinuation of payments

Tekes may order the temporary interruption of the payment of funding on the following grounds:

1. Tekes has reasons to suspect that the recipient is not providing Tekes with correct or adequate information or the information that has been requested or uses the funding in a manner that is in violation of the funding decision.
2. The grounds on which the funding was granted have essentially changed. Such changes include situations where
 - a. the recipient deviates from the project plan without the written agreement of Tekes
 - b. there is a substantial deterioration in the recipient's financial position in relation to the anticipated trend
 - c. the company loses its entire equity
 - d. the company initiates reorganisation proceedings
 - e. the company accumulates tax debts
 - f. the company has failed to observe the repayment obligations of the loans granted by Tekes
3. The payment of funding must be interrupted under European Union legislation.

If the grounds for the interruption are not corrected within the time specified in the decision to interrupt funding, Tekes has the right to discontinue the payment of funding and to claw back the funding already paid in whole or in part.

11 Repayment of funding

The recipient must, without delay, repay any funding or part thereof received through error, in excess or manifestly without cause. Amounts of less than ten euros need not be repaid. The recipient must contact Tekes before the repayment of funding.

12 Claw-back of funding

12.1 Statutory claw-back

Tekes will order the discontinuation of the payment of funding and the claw-back of the funding already paid if the recipient has

1. failed to repay funding or part thereof that must be repaid under section 11 of these general terms and conditions
2. used the funding for a purpose essentially different from that for which it was granted
3. provided false or misleading information about a matter that has been essential to the granting of the funding, its amount or terms and conditions
4. otherwise fundamentally violated the provisions concerning the use of the funding in a manner comparable to paragraphs 1-3.

12.2 Discretionary claw-back

Tekes has the right to order the discontinuation of the payment of funding and the claw-back of funding or part thereof already paid if

1. false or misleading information has been provided for the purpose of payment of funding or supervision thereof, information has been concealed, the provision of information has been refused or the information requested by Tekes has not been provided by the specified date
2. the funding has not been used in compliance with the funding decision
3. the recipient has refused to assist in the project audit
4. the recipient has terminated the project for which the funding was granted, reduced or altered it substantially or transferred it to another party
5. the recipient has been subjected to recovery proceedings, placed into liquidation or bankruptcy, or made subject to reorganisation proceedings
6. the claw-back of funding is required under European Union legislation
7. the recipient otherwise acts in a manner comparable to the matters in this section.

12.3 Interest

The recipient must pay interest on the amount to be repaid or clawed back.

The interest is applied from the date on which the funding was paid. It is calculated as an annual interest to which three percentage points are added. The annual interest is determined in accordance with section 3(2) of the Interest Act (633/1982).

12.4 Penalty interest

If the recipient has not paid the amount to be repaid by the due date set by Tekes, an annual penalty interest must be paid on the amount.

For the period after the due date, the penalty interest is determined in accordance with the interest rate referred to in section 4(1) of the Interest Act (633/1982).

12.5 Moderation of grant claw-back

Tekes may decide to waive a part of the grant to be repaid or clawed back, or any interest or penalty interest on it, if repayment in full is unreasonable in light of the financial standing and circumstances of the recipient, in relation to the type of assets acquired with the grant or the procedure on which the claw-back is based, or because of a change in circumstances.

For an extremely weighty reason, Tekes may decide to totally waive the sum to be repaid or clawed back, or the interest or penalty interest on it.

12.6 Claw-back time limit

The funding and interest or penalty interest on it will not be clawed back if ten years have elapsed from payment of the final funding instalment for the project.

13 Tekes' right of offsetting

The grant to be repaid or clawed back and the interest on it may be deducted from the other grants paid to the recipient.

14 Misuse

If, during the course of the project, there is reason to suspect that the recipient or a person acting on the recipient's behalf has committed a criminal offence under the Criminal Code (19 December 1889), with Tekes as the injured party, Tekes will take the required action in the matter.

15 Order of application

In the event of a conflict between the funding decision and its appendices, the following order of application will apply:

- | | |
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| 1) funding decision and its special terms and conditions | 5) funding application and its appendices, and |
| 2) general terms and conditions | 6) other documents relevant to making the funding decision. |
| 3) cost estimate | |
| 4) project plan | |

Disclaimer

This English translation of these general terms and conditions is provided for guidance only. Tekes shall not guarantee the accuracy of the translated text. For interpretation purposes, the Finnish-language version shall apply.