

SPIRIT, SLOVENIAN PUBLIC AGENCY FOR ENTREPRENEURSHIP,
INTERNATIONALISATION, FOREIGN INVESTMENTS AND TECHNOLOGY

**CALL FOR PROPOSALS UNDER THE FDI INCENTIVE SCHEME – First Capital Entry into
the Republic of Slovenia 2016/2017 (TNI 16/17)**

GRANT SUBMISSION DOCUMENTS

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I. SCOPE OF THE CALL FOR PROPOSALS

Pursuant to the Public Finance Act (Official Gazette of the Republic of Slovenia, No. 11/2011-UPB4, 14/2013 corr., 101/2013, 55/2015 – ZfisP and 96/15 – ZIPRS1617), the Budget of the Republic of Slovenia for the year 2016 (Official Gazette of the Republic of Slovenia, No. 96/2015), the Budget of the Republic of Slovenia for the year 2017 (Official Gazette of the Republic of Slovenia, No. 96/15), the Republic of Slovenia Budget Implementation Act for 2016 and 2017 (Official Gazette of the Republic of Slovenia, No. 96/2015), the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No. 13/14 – official consolidated text and 10/15 – corr.), the Companies Act (Official Gazette of the Republic of Slovenia, No. 65/09 – official consolidated text, 33/11, 91/11, 32/12, 57/12, 44/13 – odl. US, 82/13 and 55/15), the Act Governing the Rescue and Restructuring Aid for Companies in Difficulty (Official Gazette of the Republic of Slovenia, No. 44/07 – official consolidated text, 51/11, 39/13 and 56/13), the Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, No. 69/11 – official consolidated text), the Rules on the Procedures of Implementing the Budget of the Republic of Slovenia (Official Gazette of the Republic of Slovenia, No. 50/2007, 61/2008, 99/2009-ZIPRS1011 and 3/2013), the Promotion of Foreign Direct Investment and Internationalisation of Enterprises Act (Official Gazette of the Republic of Slovenia, No. 107/2006-UPB1, 11/2011, 57/2012 and 17/2015), the Decree on financial incentives for foreign direct investment (Official Gazette of the Republic of Slovenia, No. 62/14), Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L 187/23, 26 June 2014), the Programme for Implementing Financial Incentives of the Ministry of Economic Development and Technology 2015-2020, adopted by the Ministry of Economic Development and Technology on 22 April 2015, the state aid scheme »Financial Incentives Foreign Direct Investment – Regional Aid« (scheme number: BE01-2399245-2014), the Work Programme and Financial Plan of SPIRIT Slovenia, Public Agency for 2016 and 2017, adopted by the Agency's Council at its 20th ordinary session held on 9 February 2016 approved by the Ministry of Economic Development and Technology on 23 February 2016, No. 302-2/2016/29, and the Grant Contract No. SPIRIT Slovenia – 2016-17-534310-TK on the implementation and financing of the Call for Proposals under the FDI Promotion Scheme – First Capital Entry into the Republic of Slovenia 2016/2017,

SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology hereby publishes

CALL FOR PROPOSALS UNDER THE FDI INCENTIVE SCHEME – First Capital Entry into the Republic of Slovenia 2016/2017 (TNI 16/17)

1. SUBJECT MATTER OF THE CALL FOR PROPOSALS

The subject matter of the Call for Proposals is the **award of incentive grants for initial investments (first capital entry) made by foreign investors within the territory of the Republic of Slovenia** made on the basis of applications submitted by legal person with a head office outside the territory of the Republic of Slovenia or natural person with permanent residence outside the territory of the Republic of Slovenia – non-residents (hereinafter referred to as: foreign investor).

The **first capital entry of a foreign investor** is considered to be the first setting up of a company in the Republic of Slovenia i.e. the first capital invested in a company registered in the Republic of Slovenia with the aim to have a durable shareholding in the company, to participate in management/governance of the company and supervision of the company, **not more than 18 months** (548 days) **prior to the application submission date** and in that period the company did not start the initial investment. Furthermore, the net turnover of the new company set up in the Republic of Slovenia in that period did not exceed 50,000.00 euros.

An **initial investment** shall mean an investment in tangible and/or intangible assets related to the setting-up of a new company or an investment in tangible and/or intangible assets at the acquisition of an existing company, provided that the investment brings diversification of the output of the existing company into new, additional products i.e. brings fundamental changes in the overall production process of the company acquired in the Republic of Slovenia active in the manufacturing sector, internationally marketable services or research and development activity.

In the 'c' area of the regional aid map of the Republic of Slovenia (i.e. "Zahodna Slovenija"), as set out in Annex VI, large enterprises may be eligible for grant funding only for **initial investments in favour of new economic activity**, which means that the new activity is not the same or a similar activity to the activity previously performed in the company.

The same or a similar economic activity means the economic activity that falls within the same class (identified by a four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities as set out in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

As an initial investment shall **not** be considered the purchase of a shareholding, capital injection/recapitalisation, the transfer of fixed assets from associated companies to the project company/grant beneficiary i.e. costs related to the acquisition or other investment expenditure related to the setting up of a company. Furthermore, **increasing the output of existing products** which the prospective grant beneficiary (hereinafter referred to as: project company/grant beneficiary) or his related legal persons in the Republic of Slovenia are already producing and an expansion of the volume of the services, i.e. the research and development activity already carried out by the prospective project company/grant beneficiary or his related legal persons in the Republic of Slovenia shall **not** be considered an initial investment

No grant funding **shall be provided** for investment projects in the following sectors of the economy:

1. aid granted in the primary agricultural production sector,
2. aid granted in the fishery and aquaculture sector, as covered by Regulation (EU) No 1379/2013 of the European Parliament and of the Council of 11 December 2013 on the common organisation of the markets in fishery and aquaculture products, amending Council Regulations (EC) No 1184/2006 and (EC) No 1224/2009 and repealing Council Regulation (EC) No 104/2000 (OJ L No. 354 of 28 December 2013, page 1),
3. aid granted in the sector of processing and marketing of agricultural products where the amount of the aid is fixed on the basis of the price or quantity of such products purchased

from primary producers or put on the market by the company concerned or where the aid is conditional on being partly or entirely passed on to primary producers,

4. aid to facilitate this closure of uncompetitive coal mines,
5. aid granted in favour of the steel sector,
6. aid that favours transport sector & Delayed infrastructure,
7. aid for the shipbuilding sector,
8. aid that favours undertakings in the synthetic fibres sector,
9. aid for energy generation and distribution and energy infrastructure,
10. aid for manufacturing of arms and ammunition.

No grant funding shall be awarded to projects proposing investment in wholesale and retail trade, construction, education and healthcare and social protection.

In addition, no grant will be awarded to the economic activities associated with exports directly connected with the exported quantities, with setting up and operating a distribution network or with other operating costs in relation to the exporting activity. Likewise, no grant will be awarded in the cases favouring the use of domestic goods over the use of imported goods.

No grant will be awarded to the enterprises in the procedure of paying back any amount paid incorrectly of state aid pursuant to the Commission Decision, declaring state aid granted unlawful and incompatible with the common market of the European Union.

Grant funding cannot be provided to a beneficiary which has closed down the same or a similar activity in the European Economic Area (EEA) in the two years preceding the application for regional aid for investments or which at the time of the application submission (the application submitted under the Call for Proposals) has concrete plans to close down such an activity within a period of up to two years after the initial investment in the concerned area for which grant is requested is completed.

No grant funding shall be awarded for initial investments where eligible costs exceed 50 million euros (large investment project).

Grant funding shall not be provided for initial investment whose value is below:

- 1 million euros in manufacturing sectors of the economy,
- 0.5 million euros in the service sector or in research and development activity.

2. PURPOSE OF THE CALL FOR PROPOSALS

The purpose of the Call for Proposals is **to attract foreign investors to make for the first time an investment within the territory of the Republic of Slovenia (first capital entry)** whose investment projects will:

- Provide for the creation of jobs i.e. workplaces (hereinafter referred to as: jobs) in particular and in the sectors of the economy with higher value added;

- Contribute towards the transfer of knowledge and technology and the co-operation between scientific and/or research establishments and institutions within the territory of the Republic of Slovenia and foreign investors;
- Contribute towards more balanced regional development;
- Contribute towards the increase in synergic effects of linking foreign investors with the Slovenian companies, mainly in the field of supplies for foreign investors and the exchange of knowledge and technologies.

No funding will be granted to the investment projects whose purpose is not compliant with the purpose of the Call for Proposals.

3. OBJECTIVES OF THE CALL FOR PROPOSALS

The objectives of the Call for Proposals are:

- To provide project assistance grants to at least seven (7) initial investments – first capital entries of foreign investors into the Republic of Slovenia, and
- To create at least 310 new jobs.

4. FOREIGN INVESTOR – GRANT APPLICANT

Applications from foreign investors are eligible provided that **foreign investors or their foreign associated companies have proven knowledge of and experience in the economic activity proposed in the investment project** which must be demonstrated in the grant application.

5. THE PROJECT COMPANY – GRANT BENEFICIARY

The investment projects for which a grant is requested **must be executed** in the project companies – **the companies receiving the aid/grant beneficiaries.**

The foreign investor must have within **15 days from the delivery of the notification of grant decision to the foreign investor's authorised representative**, i.e. prior to the signature of the grant contract entered into with SPIRIT Slovenia, Public Agency, properly constituted and registered company receiving the aid/project company that will be a contracting party to the grant contract (tripartite contract).

The project company/grant beneficiary shall be a **company, properly constituted and registered in the Republic of Slovenia** in which the foreign investor/applicant has i.e. will have a shareholding, **directly at least a 50% shareholding duly entered into the court register of the Republic of Slovenia i.e. into the shareholder register** maintained at Centralno klirinška depotna družba d.d. / Central Clearing and Depository Corporation Inc.

The foreign investor must maintain at least a 50% direct shareholding in the project company/grant beneficiary until **completion of the investment**, which means that The investment project for which a grant is requested **has been realised in terms of its scope and content** (it means that the investment has been executed according to the scope and content declared and that it can be verified

on site at field level) and **financially** (it means that the cash flow in the amount envisaged for the project is shown) (e.g. the buildings have been constructed, plant and machinery purchased, etc.), i.e. the works specified in the grant application have been completed and the amount of the investment stated in the application has been achieved. The investment must be completed within three years from signing the Grant Contract at the latest.

Until the **completion of the investment project for which a grant is requested**, which means in addition to completion of the investment and the creation of the new jobs declared in the application and in the grant contract arising from The investment project for which a grant is requested and the realisation of the net increase in the number of employees employed engaged in the project company/ grant beneficiary, the foreign investor must maintain at least a 10% direct shareholding in the project company/grant beneficiary.

6. LINKED ENTERPRISES

Relationships between enterprises shall be assessed in accordance with Annex I to Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty (OJ L No. 187 of 26 June 2014, page 1; hereinafter referred to as: Commission Regulation (EU) No 651/2014).

7. AUTHORISED REPRESENTATIVE

A foreign investor – grant applicant must designate his representative in the Republic of Slovenia authorised to receive on behalf of the foreign investor all deliveries from SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology (hereinafter referred to as: SPIRIT Slovenia, Public Agency) and the Ministry of Economic Development and Technology during the processing of the application submitted under *Javni razpis za sofinanciranje foreign neposrednih investments v years 2016 in 2017 – prvi kapitalski vstopi /Call for Proposals under the FDI Incentive Scheme – First Capital Entry into the Republic of Slovenia 2016/ 2017*. The foreign investor's authorised representative can be a natural person with permanent residence in the Republic of Slovenia or a legal person registered in the Republic of Slovenia.

8. TYPES OF INVESTMENTS AND BASIC GRANT AWARD CONDITIONS

Eligible applicants can compete for grant funding:

- With investment projects in **manufacturing** for which no later than within a period of three (3) years after the completion of the investment **at least 25 net new jobs** will be created. The minimum value of the pending investment that meets the criteria for the award of the grant under this Call for Proposals is **1 (one) million euros**;
- With investment projects in the service sector activities that are internationally marketable for which within a period of three (3) years after the completion of the investment i.e. in the case of investment projects in services where grant funding is awarded on the basis of costs in respect of the creation of new jobs, no later than within three (3) years of the signature of the Grant Contract **at least 10 net new jobs** will be created. A minimum value of the investment

for which grant funding is awarded is **0.5 million euros**. The following economic activities classified according to the Classification of Products by Activity – CPA 2008 shall be considered internationally marketable service activity:

- Shared Services Centres, CPA 69.2,
 - Data Centre, CPA 63.1,
 - High-Tech Repair Centres, CPA 62.0,
 - Logistics, CPA 52.10, 52.21, 52.22, 52.23 and 52.24,
- With investment projects in **research and development activity** for which no later than within three (3) years of the signature of the Grant Contract **at least five net new jobs will be created with the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes, i.e. First Cycle (Level 6/2)**. In the event that more than five new jobs will be created, **at least 80%** of all net new jobs must be with a lower education level: specialisation after higher educational programmes or high educational professional programmes, i.e. First Cycle (Level 6/2). The threshold for the investment project to qualify for the grant is **0.5 million euros**. An activity classified as a research and development activity is carried out by a company or a self-contained/spun-off organisational unit whose core activity is research and development in the field of technology. **The research project must fall completely within the activity industrial research and/or development of prototypes for commercial use**. The enterprises whose core activity is not research and development must run the research and development unit as a stand-alone unit in the organisational chart. The research and development tasks must be set out in the organisational chart and in the valid act regulating the classification of workplaces in the project company/grant beneficiary.

The minimum amount of the investment shall include only the net investment (excluding VAT) in **tangible assets** (service connections for a building and infrastructure for industrial land, purchase and construction of buildings complete with land on which the building stands and the modernisation/upgrade of buildings, purchase of new plant, machinery and equipment) **and/or Investments in intangible assets** (acquisition of patents, licences, know-how or other intellectual property/unpatented technical knowledge).

The applicant must provide **from own sources** and/or sources of the project company/grant beneficiary and a form which is free of any public support in the amount of at **least 25 per cent of the eligible costs**.

The **investment completion date** shall be the **completion of the works declared in the grant application** and at the same time **arriving at the value of the investment** in the proposed amount, which must be completed **no later than three years after** the date on which the grant contract is signed.

The creation of net new jobs means a **net increase in the number of employees** (hereinafter referred to as: net new jobs), directly employed in the project company/grant beneficiary, **compared with the average over the previous 12 months prior to the signature of the Grant Contract** taking into account pro rata full-time and part-time employees. Consequently, each job lost during the 12-month period has to be deducted from the total number of jobs created during the same period. The average number of employees in the previous 12-month period before the date of

signing the grant contract (existing employees) shall be determined by taking into account all persons that are employees at the grant beneficiary based on the employment contract.

Net new jobs must be created within three years from the date of the substantive and financial completion of the investment. Where jobs were created before the investment completion date, the investment completion date shall be considered as the date on which a workplace is filled. In the case of investment projects in services where grant funding is awarded on the basis of costs related to the creation of new jobs, and in the case of investment projects **in the research and development activity**, the project company/grant beneficiary must create net new jobs **within a period of three (3) years from the signature of the grant contract.**

The net new jobs created must be maintained in the region concerned for at least five (5) years (three years for small and medium-sized enterprises) after the whole investment has been completed and the net new jobs achieved.

Where employees **from linked companies** are seconded to work in the project company/grant beneficiary **shall not be considered** to be **creation of net new jobs** and neither a job increase **in linked companies** or **employment through agencies that supply temporary workforce on an individual contractual basis** can be considered as net new jobs created in the project company/grant beneficiary. The relationships between companies shall be determined in accordance with the terms and conditions laid down in Annex I to Commission Regulation (EU) No 651/2014.

No investment project shall qualify for grant funding if:

- an investment project with the same scope and purpose containing elements of State aid is already co-financed using other funds from the central government, local government or EU budget and the aggregate amount of funding received from that source exceeds the maximum amount of co-financing fixed by the State aid rules,
- the foreign investor or the project company/grant beneficiary has outstanding liabilities towards the Republic of Slovenia,
- the foreign investor or the project company/grant beneficiary is in collective insolvency proceedings or if in accordance with national legislation fulfils the criteria for being placed under such proceedings at the request of its creditors,
- in the case where the foreign investor is a limited liability company (other than an SME that has been in existence for less than three years) where more than half of its subscribed share capital has disappeared as a result of accumulated losses. This is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital. For purpose of this indent, "limited liability company" refers in particular to the type of company mentioned in Annex I of Directive 2013/34 EU of the European Parliament and of the Council (OJ L 182, 29 June 2013, p. 19) and "share capital" includes, where relevant, any share premium,
- the foreign investor is a company with at least some fully liable members for the company's debt (other than an SME that has been in existence for less than three years) and more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purpose of this indent, "the company with at least some fully liable members for the company's debt" primarily refers to the types of undertaking referred to in Annex II to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29 June 2013, page 19),

- the project company/grant beneficiary does not meet the capital adequacy requirements as set out in the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No. 13/14 – official consolidated text and 10/15 – corr.),
- the project company/grant beneficiary is in difficulty in accordance with the Community Guidelines on state aid for rescuing and restructuring firms in difficulty (UL C 244 as of 1 October 2004, p. 2) and the Act Governing Rescue and Restructuring Aid for Companies in Difficulty (Official Gazette of the Republic of Slovenia, No. 44/07 – official consolidated text, 51/11, 39/13 and 56/13). The small and medium-sized enterprises, which have been incorporated less than three years, shall not be considered as being in difficulty within the meaning of the aforementioned Guidelines, unless they meet the criteria for bankruptcy procedure in accordance with the regulations governing financial operations of companies,
- the foreign investor or the project company/grant beneficiary has received rescue aid and has not yet reimbursed the loan or terminated the guarantee, or has received restructuring aid and is still subject to a restructuring plan or
- in the case of a foreign investor or a project company that is not a small or a medium-sized enterprise, where, for the past two years:
 - the company's book debt to equity ratio has been greater than 7.5, and
 - the company's EBITDA interest coverage ratio has been below 1.0.

Cumulation of state aid instruments means that every State aid received is cumulated with any other State aid. Consequently, the purpose of the cumulation rule is to ensure that the intensity of State aid is not higher than the maximum aid allowed (aid ceiling). If the project company/grant beneficiary has already received funding from the budget of the national government, the local government or from the EU budget, i.e. if the aggregate amount of the funding received under State aid exceeds the ceiling of the State aid measure determined by the rules governing the area of State aid measures, or such funding has been granted, the grant contract shall be terminated and the Agency shall request repayment of all grant funding already paid, together with statutory interest on late payment covering the period between the date of payment and the date when the Agency receives full payment of the amount owed.

The foreign investor and after the tripartite grant contract is concluded also the project company/grant beneficiary must inform the Agency in writing during the period from the application submission until the time when all the obligations arising from the Call for Proposals, the Grant Submission Documents and the Grant Contract have been fulfilled, about any and all changes (e.g. substantive and financial changes to The investment project for which a grant is requested, address change, the initiation of bankruptcy proceedings, withdrawal/exit of the foreign investor, etc.) regarding either the investment project or the project company/grant beneficiary or the foreign investor as soon as changes occur.

9. ELIGIBLE COSTS

Grant funding is awarded to the following eligible costs:

- a) **Tangible investment costs** (investment in tangible fixed assets i.e. purchase and construction of buildings complete with land on which the buildings stands and modernisation/upgrade of buildings, site development works and municipal infrastructure, purchase of new plant, machinery and equipment. The purchase of land shall not exceed 25 per cent of the amount of eligible costs stated in the application. The purchase of land and the purchase of buildings shall be treated as eligible costs except in the cases where the purchase of land and the purchase of

buildings is concluded between the first-, second- or third-degree relatives or with a private individual who has been registered as a sole proprietor (s.p.) and his company or between shareholders of the company and the company.

Costs related to the lease of land and buildings may be taken into account as eligible costs for investments in tangible assets; however, in that case the lease contract must remain force for no less than for five years after the expected date of completion of the investment project for large enterprises and three years for small and medium-sized enterprises. When machinery and equipment are leased, only the lease costs may be taken into account as finance lease with the obligation to purchase the asset after the expiry of the contract. The lease must be arranged and executed in line with market conditions (at arm's length).

For aid granted for a fundamental change in the production process, the eligible costs must exceed the depreciation of the assets linked to the activity to be modernised in the course of the preceding three financial years.

For aid granted for a diversification of an existing establishment into new, additional products, the eligible costs must exceed by at least 200 per cent of the book value of the assets that are reused, as registered in the financial year preceding the start of works.

If eligible costs include the purchase of land or facilities, the following must be attached to the application submitted under the Call for Proposals:

- Extract from the land register, not older than 1 month, or cadastral data on the intended location, on the basis of which the evaluation committee can obtain data from the official register, and
- Letter of Intent or preliminary contract shall not be a binding offer or financial commitment of an investor or the project company/grant beneficiary.

In the case of the evaluation of eligible costs with regard to real estate purchase substantially derogates from the official appraisal of the Surveying and Mapping Authority of the Republic of Slovenia, the committee may request a judicial appraisal from the applicant that must be carried out by a certified appraiser and cannot be older than one year on the date of application submitted under the Call for Proposals.

The fixed assets that are subject to co-financing must remain the project company/grant beneficiary until the end of the investment period or until the end of the depreciation period. Fixed assets that are subject to co-financing can be sold before the time limit on the understanding that the project company acquires other comparable capital assets that represent modern technology for the same purpose. The project company/grant beneficiary must obtain prior authorisation from the Agency.

- b) **Intangible investment costs** (investment intangible assets i.e. acquisition of patents, licences, know-how or other intellectual property/unpatented technical knowledge) may amount to a maximum of 30% of the eligible costs of the total investment). Investments in intangible assets must be used exclusively in the project company/grant beneficiary. Intangible assets eligible for the calculation of investment costs must be amortisable. They must be purchased under market conditions from third parties unrelated to the buyer. They must be included in the fixed assets of the company receiving the aid and must remain associated with the project for which the aid is awarded for at least five (5) years after the completion of the investment project in

the case of a large enterprise and for at least three (3) years after the completion of the investment project in the case of a small and medium-sized enterprise.

- c) The costs arising from **job creation** as a direct result of the investment project calculated over a period of two years and actually paid by the project company/grant beneficiary (i.e. gross wage costs before tax and compulsory contributions for social security).

Claiming the costs incurred for the purchase of tangible and intangible assets as the eligible project costs is possible for all types of projects, whereas **claiming the costs arising from job creation as the eligible costs is possible only for projects in the service sector and projects in research and development activity** and in that case the applicant must already specify in the application which type of costs will be claimed as eligible for the project grant, since to claim a combination of costs for investments in tangible and intangible assets and costs arising from job creation shall not be considered eligible.

The purchase of fixed assets that are included in the eligible costs of the proposed project must be based on the principles of sound financial management, efficiency and effectiveness, provision of competitiveness among applicants, transparency, equal treatment of applicants and proportionality.

The following costs **shall not be included in eligible costs:**

- VAT costs and compensation for changing land use and other taxes (save for utility contribution considered as eligible cost),
- costs for the purchase of passenger cars, trucks and multi-purpose vehicles.

10. SUBSTANTIALLY RESPONSIVE PROPOSALS

A grant application shall be considered to be **formally responsive** provided that it comprises all forms and mandatory appendices completed in accordance with the Guide for Applicants set out in the Grant Submission Documents.

11. AMENDMENTS AND/OR SUPPLEMENTS TO THE PROPOSAL

Where **a grant application is found to be formally incomplete**, acting in accordance with the provisions of the Rules on procedures for implementing the budget of the Republic of Slovenia, the evaluation committee will inform this applicant through his authorised representative in the Republic of Slovenia within eight (8) days following the proposals opening date to amend the grant application within eight (8) days of receiving the invitation to supplement the application. **Formally incomplete proposals** not supplemented by the applicant through his legal representative in the Republic of Slovenia within eight (8) days, **will be rejected by adopting a decision to that effect.**

At any time during the period from the opening of applications until the selection of the applicant, the evaluation committee in charge of the tender procedure may inform this applicant through his legal representative in the Republic of Slovenia **to clarify information from the application** and/or **to invite him to submit evidence** showing that all the information provided in the statements made in the application for which no official records are kept by public authorities is accurate, sincere and complete. The applicant invited through his legal representative in the Republic of Slovenia to provide clarifications, i.e. to submit evidence, must comply within a period of five (5) days of the receipt of such invitation. Insofar as the applicant should fail to provide clarification,

i.e. submit evidence through his legal representative in the Republic of Slovenia within the stipulated period, the evaluation committee will make a decision on the basis of the documentation made available.

During the period from the opening of application until the signing of the grant contract with the project company and the foreign investor, the evaluation committee may **carry out an on-site examination of the existing situation at the potential project company/grant beneficiary / at the location at which the execution of the investment project will take place.**

The content of the project description (Form 8) shall not be the subject matter of an amendment of the proposal. The applications with the form left blank shall be rejected.

12. EVALUATION CRITERIA

An evaluation of all formally responsive proposals that comply with all mandatory terms and conditions and are in accordance with the purpose of the Call for Proposals will be carried out by the evaluation committee appointed by the director of SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology, on the basis of the following **criteria**:

	Award criteria	Number of points
1.	The foreign investor's position in the market and the foreign investor's research, development and innovation activity	27
2.	Share of local suppliers in the investment projects in the manufacturing sectors of the economy / Level of education of persons employed on the investment project in the service sector activities that are internationally marketable i.e. in research and development activity	9
3.	Technology transfer to other Slovenian companies can be agreed and the investment project can have a beneficial effect on productivity of other local companies	9
4.	Long-term integration of the investment project with the Slovenian environment	5
5.	Technological intensity of final product/service of the investment project	15
6.	Effects of the investment project on human capital	10
7.	Envisaged gross value added per employee in the project company/grant beneficiary	5
8.	Impact on the environment of investment projects in manufacturing / Revenue from sales of services generated outside Slovenia within the framework of the investment projects internationally marketable services, and markets on which the services are marketed/ Results of the implementation of industrial research and/or development of prototypes for commercial use and impact of the investment project on waste	15

9.	Development effects the investment project will have on economically less developed (less favoured) and impact on unemployment	5
	TOTAL	100

The Agency will co-finance the investment projects of those foreign investors whose grant proposals will achieve in the evaluation procedure a threshold of **at least 60 points subject to the availability of budget funds**. A detailed description of the criteria and the procedure for the award of the financial incentive grant is shown in point III of the Grant Submission Documents.

13. GRANT AMOUNT

The total amount of grants in 2017 is 4,640,000 euros. The grant amount may change in the event that the amount of the government budget is changed.

In case any corrections of the budget allocated to funding obligations arising from this Call for Proposals are made by virtue of any legislative act or regulation affect availability of funds, or the legislative framework for granting funding is altered, the Agency reserves the right to repeal the Call prior to issuing notifications of grant decision.

In case of corrections of the government budget or if the Agency's programme of work that have a direct bearing on this Call for Proposals, the funds available within the framework of this Call may be reduced, payment schedule modified or the Call for proposals and notifications of grant decisions annulled.

The amount of the grant will be fixed on the basis of the criteria, the number of net new jobs created, the value of the investment (the eligible costs for investments in tangible and intangible assets) and within the framework of available funds allocated to grant funding in the amount of up to 2 million euros.

Funding will be granted for investment projects proposed by foreign investor whose grant applications have scored the minimum number of merit points in the evaluation procedure necessary to qualify for grant funding up to the available amount of grant funding (total 4,640,000.00 euros) in the order of precedence taking into account the number of points scored by the project top-down and disbursed to the project companies/grant beneficiaries on the basis of the payment request submitted in the amount of the eligible costs declared.

In accordance with the Decree on the regional aid map for 2014-2020 (the list of municipalities in Annex VI), grant funding awarded to investments in the 'a' area of the regional aid map of the Republic of Slovenia (i.e. "Vzhodna Slovenija") may amount to a maximum of 25% of the eligible costs (maximum regional aid intensity) **for large enterprises**, in the case of **medium-sized enterprises** the amount of the awarded grant shall not exceed **35%**, in the case of **small enterprises** regional aid intensity shall not exceed **45%** of the eligible costs incurred for an individual project. Grant funding awarded in the 'c' area of the regional aid map of the Republic of Slovenia (i.e. "Zahodna Slovenija") may amount to a maximum of 15% until 31 December 2017 of the eligible costs for large enterprises, in the case of **medium-sized enterprises** the amount of the awarded grant shall not exceed **25%**; in the case of **small enterprises** regional aid intensity shall not exceed **35% of the eligible costs incurred for an individual project**.

For the purpose of determining **the size of the project company**, the criteria laid down in Annex I to Commission Regulation (EU) No 651/2014) shall apply.

Should it be established after the completion of the evaluation procedure **that the total amount of the expected co-financing** of the eligible costs incurred under the investment project that have reached the co-financing threshold **are in excess of the allocated grant funding**, the funding shall be distributed on the basis of the achieved points (score) so that investment projects with a higher score shall come first.

In the case that **several investment projects have scored the same number of points**, the project that envisage a higher number of new jobs to be created shall come first; should those projects have the same number of jobs to be created, the investment project with a higher number of points scored in the evaluation phase for the criterion number (5) Technological intensity of final product/service of the investment project shall score more points.

Where the amount of the grant to be awarded to the investment project based on its score is in excess of the funding available, the Agency shall not enter into a grant contract with the project company/grant beneficiary and the foreign investor, unless the foreign investor has agreed that the project company receiving the grant is awarded grant funds in the amount lower than the amount it should have received based on the achieved score without modifications to the scope of the investment project – project description in Form 8 (elements related to employment, budget, timeframe and all other elements of the investment project).

14. CONDITION OF NECESSITY

A grant may be awarded for the investment project, provided that the applicant has submitted a grant application before the start of The investment project for which a grant is requested. The moment when the construction works relating to the investment project start or the first legally binding commitment to order equipment or any other commitment has been made that makes the investment irreversible, if it takes place before the start of construction works shall be considered to be the start of the project implementation. The purchase land and preparatory works such as obtaining permits and conducting feasibility studies shall not be considered as if the work on the investment project has started.

15. BUDGET PERIOD FOR SPENDING FUNDS AWARDED

The project company/grant beneficiary must issue a request for payment of eligible costs at the latest on 23 October 2017. In order to be eligible for funding, costs stated in the payment request shall be the costs incurred during a period from the grant application submission date until the payment request submission date and were also paid until the payment request submission date (payments made to be evidenced by invoices and bank statements proving that payments have been made), and by considering the maximum regional aid intensities (15%, 25%, 35% i.e. 45%). The amount stated in the request for payment must not exceed the amount laid down in the notification of grant decision.

The project company/grant beneficiary must also **enclose with the payment request an unconditional bank guarantee issued by an investment-grade bank with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank with its registered office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractually obligations payable on the Agency's first demand in writing, with the period of validity until the date being **three years and three months after the date of the signature of the Grant Contract**, and in the full amount of the demand, with which the bank undertakes to pay a specified sum of money if contractual obligations have not been duly fulfilled. **The wording of the bank guarantee must be identical to the wording of the sample guarantee** on pages 92 and 93 of the Grant Submission Documents.

Since for the calculation of the approved **amount of the grant funding** the amount of the investment, i.e. the sum of all **eligible costs to be incurred in a period from the date of the application submission until the date of the completion of the investment; i.e. within three (3) years after signing the Grant Contract**, is taken into consideration, the project companies/grant beneficiaries must also present at the completion of the investment documentary evidence (invoices and bank statements as proof that payments have been made), with which they declare the sum of eligible costs incurred for the proposed investment.

16. SUBMISSION OF PROPOSALS AND DEADLINES

The Call for Proposals is open **until 27 March 2017 i.e. until the grant funding provided from the government budget has not been exhausted**. The application must be delivered to the following address: SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology, Verovškova ulica 60, 1000 Ljubljana, **in a sealed envelope** with the text: **»Ne odpiraj – prijava na javni razpis - spodbujanje TNI 2016 and 2017 - Prvi kapitalski vstopi/ Do not open – Application under the Call for Proposals 2016/2017«** and with **the full address of the foreign investor and the address of his authorised representative**. Applicants must submit the filled in application on paper in original and written completely in the Slovenian language or in the English language, in accordance with the instructions and the forms provided in the Grant Submission Documents. Where originals of the requested documents are not drawn up either in the Slovenian or in the English language, certified translators into the Slovenian or into the English language must be enclosed.

All information contained in the applications opened by the evaluation committee will be treated as public, with the exception of those expressly designated as a trade secret by the foreign investor. Only a piece of information, i.e. part of the application may be designated as a trade secret. No trade secret obligation may apply to the information/data which are in the public domain on the basis of the first indent of the third paragraph of Article 6 of the Public Information Access Act, such as information from the submitted applications which reflect and indicate compliance with the requirements and criteria, the information with effect on the classification of an application based on the criteria used, etc.

Applications submitted under this Call by the same applicant with the same investment project for which grant funds have been requested in another application currently subject of an appeal procedure, shall be rejected as inadmissible. Such applicants may submit their applications referring to the same investment project once the appeal procedure has been decided as *res judicata*.

17. OPENING OF APPLICATIONS

Opening of applications will not be open to public due to the fact that a high number of applications is expected. Opening of applications is scheduled to take place on the following working day after the deadline for receiving applications starting at 9:00 CET in the Agency's head office.

Only those applications, which have been delivered at the Agency's head office, Verovškova ulica 60, 1000 Ljubljana, will be opened, regardless of the manner of delivery, on **day designated as the final date for the receipt of grant applications** in specifically **no later than 12:00 (noon) CET**.

The closing date for the delivery of applications in 2016:

- for the first opening of applications: 22 August 2016 at 12:00 (noon) CET,

The closing dates for the delivery of applications in 2017:

- for the second opening of applications: 30 January 2017 at 12:00 (noon) CET,
- for the second opening of applications: 27 March 2017 at 12:00 (noon) CET.

The evaluation committee will not take into consideration **applications not properly marked** (it is not clearly shown that it is an application submitted in response to the Call for Applications or to which public tender it refers) and such applications will be returned to senders.

Applications that arrive after the deadline fixed for the submission of applications will be included in the following opening of applications. Applications that arrive after the last deadline for the submission of applications in 2017 shall be rejected as late applications by virtue of the decision passed.

18. NOTIFICATION OF AWARD, I.E. OF NO-AWARD OF GRANT FUNDING

On the basis of the evaluation carried out by the evaluation committee, foreign investors will be notified through their authorised representative in the Republic of Slovenia of the results of the Call for Applications in a **notice of award, i.e. of no award of the grant** within 60 days of the opening of applications. The results of the bidding will be published on the Agency's website.

An appeal shall be possible against a notification within 15 days from the receipt of the notification. The appellant must precisely define the reasons for which he is filing a complaint. The subject of the complaint cannot include the set criteria for the applications. The Ministry of Economic Development and Technology shall decide how to deal with the appeal. The appeal filed does not suspend the signature of contracts with foreign investors and the project companies who were allocated the right to grant funding.

In the case that after issuing the notification on grant decision it is determined that the application does not fulfil all the conditions and requirements laid down in the Call for Proposals and the Grant Submission Documents and that the application is not compliant with the subject matter, purpose and objective of the Call for Proposals, the Agency may decide not to sign the Grant Contract and to annul the decision to award funding.

The foreign investors who will receive the notification of grant decision through their authorised representative will have to register a project company/grant beneficiary within 15 days of the

delivery of the notification of grant decision through the authorised representative of the foreign investor, i.e. before signing the Grant Contract with SPIRIT Slovenia, Public Agency, which will also be a contracting party (**tripartite contract**), and the foreign investor and the project company/grant beneficiary will have to sign the contract with SPIRIT Slovenia, Public Agency, and namely within 15 days after receiving the invitation to sign the Grant Contract from the Agency, otherwise it will be deemed that they have withdrawn from signing of the Grant Contract.

After issuing the decision to award grant funding for investment projects, the Agency may request the investment documents prepared and approved by the applicant and the project company/grant beneficiary in accordance with the provisions laid down in the Decree on uniform methodology for preparation and elaboration of documents concerning public finance (Official Gazette of the Republic of Slovenia, No. 60/06 and 54/10).

19. GRANT SUBMISSION DOCUMENTS

The Grant Submission Documents drawn up in the Slovenian and the English languages can be obtained at the **head office** of SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology, Verovškova ulica 60, Ljubljana, every working day between 9:00 and 10:00 CET or can be downloaded from the following **websites**: www.spiritslovenia.si and www.investslovenia.si. The Grant Submission Documents can also be sent by electronic mail on the basis of a request sent by the company to the electronic mail address: fdi@spiritslovenia.si. For the Grant Submission Documents to be sent by electronic mail, prospective applicants should send a request no later than five (5) days before the deadline for the submission of grant applications.

The legally binding versions of the Call for Proposals and the Grant Submission Documents are those drawn up in the Slovenian language. All communication and correspondence in relation to the Call for proposals shall be in the Slovenian language.

20. ADDITIONAL INFORMATION

Any additional information in relation to the preparation of applications and clarifications of the Grant Submission Documents will be provided to applicants on the basis of a request made in writing and sent to the electronic mail address: fdi@spiritslovenia.si (Subject: Javni razpis - spodbujanje TNI 2016 in 2017 – prvi kapitalski vstopi/ Call for Proposals – first capital entry under FDI scheme or 2016/2017), and specifically no later than eight (8) days before the deadline for the submission of applications. All questions of prospective applicants and the answers given by the granting authority for this Call for Proposals will be published no later than six (6) days before the deadline for the delivery of applications published on the website www.spiritslovenia.si. All answers and clarifications provided by the granting authority under this Call for Proposals shall be an integral part of the Grant Submission Documents.

Further information can be obtained at the telephone: +386 1 5309806 from the contact person Dr Zoran Stamatovski. Requests for further clarifications can also be sent via electronic mail to the electronic mail address: fdi@spiritslovenia.si.

Mag. Gorazd Mihelič

Director

II. DEFINITIONS

- **The first capital entry** of a foreign investor is considered to be the first setting up of a company in the Republic of Slovenia i.e. the first capital invested in a company registered in the Republic of Slovenia with the aim to have a durable shareholding in the company, to participate in management/governance of the company and supervision of the company, **not more than 18 months (548 days) prior to the application submission date** and in that period the company did not start the initial investment. Furthermore, the net turnover of the new company set up in the Republic of Slovenia in that period did not exceed 50,000.00 euros.
- The project company/grant beneficiary is **a company registered in the Republic of Slovenia** in which the foreign investor who has submitted the application has i.e. will have **directly no less than a 50% shareholding** that must be **entered into the court register of the Republic of Slovenia i.e. in the shareholder register** maintained Centralna klirinška depotna družba d.d. / Central Clearing and Depository Corporation Inc. For the purpose of this Call for Proposals the project company/grant beneficiary must be registered within a maximum of 15 days after receiving the notification of grant decision delivered to the foreign investor via his authorised representative in the Republic of Slovenia.
- **Investment project** means investments in tangible and intangible assets and in new net jobs in the project company/grant beneficiary.
- **Initial investment** means an investment in tangible and/or intangible assets related to the setting-up of a new company or an investment in tangible and/or intangible assets when an existing company is acquired, provided that the investment brings diversification of the output into new, additional products, i.e. it brings fundamental changes in the overall production process in the acquired company in the Republic of Slovenia in the manufacturing sectors of the economy, internationally marketable services, or research and development activity.
- **Authorised representative for deliveries** can be a natural person with permanent residence in the Republic of Slovenia or a legal person with head office in the Republic of Slovenia. The foreign investor shall appoint this person for receiving in the Republic of Slovenia on behalf of the foreign investor all deliveries sent by SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology (hereinafter referred to as: SPIRIT Slovenia, Public Agency) and the Ministry of Economic Development and Technology in the procedure for the evaluation of the grant application received under the Call for Proposals under the FDI Incentive Scheme - First Capital Entry into the Republic of Slovenia 2016/2017 .
- **Completion of the investment** occurs when the foreign investor and the grant beneficiary have substantially and **financially** realised the eligible costs for which a grant is requested (e.g. the building is constructed, plant and machinery purchased, etc...). It means that the works stated in the grant application have been completed and the investment has been made in the amount stated in the application. It must be achieved within three years of the contract signing.
- **Substantive realisation** of an investment means that the investment has been executed according to the scope and content declared and that it can be verified on site at field level.
- **Financial realisation** of an investment means that the cash flow declared is in line with the amount envisaged for the investment.

- Completed **investment project** means that in addition to the completion of the investment, the foreign investor and the grant beneficiary have also realised the net increase in the number of employees and employment on the project envisaged in the grant application.
- **Initial investment in favour of new economic activity** is an investment in tangible assets and/or intangible assets relating to the setting up of a new establishment or the diversification of the activity of an establishment, under the condition that the new activity is not the same or a similar activity to the activity previously performed in the establishment.
- **The same or similar economic activity** means the economic activity that falls within the same class (identified by a four-digit numerical code) of the NACE Rev. 2 statistical classification of economic activities as set out in Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.
- **Steel sector** means all activities related to the production of one or more of the following products:
 - Manufacture of pig iron and of ferro-alloys:
Pig iron for steelmaking, foundry and other pig iron, spiegeleisen and high-carbon ferro-manganese, not including other ferro-alloys;
 - crude and semi-finished products of iron, ordinary steel or special steel:
liquid/molten steel whether or not cast into ingots, including ingots for forging semi-finished products: bloomes, billets and slabs; sheet bars and tinplate bars; hot-rolled wide coils, with the exception of production of liquid steel for castings from small and medium-sized foundries;
 - hot finished products of iron, ordinary steel or special steel:
rails, sleepers, fishplates and soleplates, joists, heavy sections of 80 mm and over, partition sheet piling, bars and sections of less than 80 mm and flats of less than 150 mm, wire rod, tube rounds and squares, hot-rolled hoop (including tube strip), hot-rolled sheet (coated or uncoated), plates and sheets of 3 mm thickness and over, universal plates of 150 mm and over, with the exception of wire and wire products, bright bars and iron castings;
 - cold finished products:
tinplate, terneplate, blackplate, galvanised sheets, other coated sheets, cold-rolled sheets, electrical sheets and strips for tinplate, cold-rolled plate, in coil and in strip;
 - tubes:
all seamless steel tubes, welded steel tubes with the diameter of over 406.4 mm.
- **Synthetic fibres sector** means:
 - extrusion/texturisation of all generic types of fibre and yarn based on polyester, polyamide, acrylic or polypropylene, irrespective of their end uses; or
 - polymerisation (including polycondensation) where it is integrated with extrusion in terms of the machinery used; or
 - any ancillary process linked to the contemporaneous installation of extrusion/texturisation capacity by the prospective beneficiary or other company in the group to which it and which, in the specific business activity concerned, is normally integrated with such capacity in terms of the machinery used.
- **Transport sector** means the transport of passengers by aircraft, maritime transport, road or rail transport and by inland waterways or freight transport services for hire or reward; the

transport sector defined more precisely means the following activities in terms of NACE Rev. 2:

- NACE 49: Land transport and transport via pipelines, excluding NACE 49.32 Taxi operation, 49.42 Removal services, 49.5 Transport via pipeline;
- NACE 50: Water transport;
- NACE 51: Air transport, excluding NACE 51.22 Space transport.

III. PROPOSAL ADMISSIBILITY CHECKLIST

To be eligible for a grant, the proposals/applications submitted under the Call for Proposals must comply with the following **conditions**:

- the applicant shall be a legal person with the registered office outside the Republic of Slovenia or a natural person with permanent residence outside the Republic of Slovenia (hereinafter referred to as: **foreign investor**),
- it is the foreign investor's **first capital entry** and it is **initial investment**,
- the foreign investor or his affiliated companies abroad must have **experience** from the area of The investment project for which a grant is requested,
- The investment project for which a grant is requested does not fall within the area of any of economic activities listed under point 1. *Subject matter of the Call for Proposals*, and namely from the seventh paragraph to the last paragraph,
- the foreign investor must have his duly appointed **authorised representative for deliveries** in the Republic of Slovenia,
- the investment project shall not start before submitting an application for the award of grant funding (**Condition of Necessity**),
- admissible proposals refer to:
- investment projects in the **manufacturing** sectors of the economy, the value of which must be as a **minimum 1 million euros** and the net increase in the number of employees must **at least 25** new jobs,
- investment projects in the service sector activities that are internationally marketable, the value of which must be as a minimum **0.5 million euros** and the net increase in the number of employees must be **at least 10** new jobs.
- investment projects in **research and development activity**, the value of which must be as a **minimum 0.5 million euros** and the net increase in the number of employees must be **at least 5** new jobs **with the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes, i.e. First Bologna cycle (Level 6/2)**. Where more than 5 net new jobs will be created, at least 80% of those net new jobs must be for the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes, i.e. First Cycle (Level 6/2). The proposed research project must completely fall within the category of **industrial research** and/or **development of prototypes for commercial use**. The research and development tasks must be shown in organisational scheme and in a valid act on jobs systematisation at the project company/grant beneficiary (**mandatory attachment**),
- the applicant must provide a financial contribution of **at least 25% of the eligible costs** of material and immaterial investments through **its own resources and/or the resources of the project company/grant beneficiary**, in a form which is free of any public support,
- it is not a case in which grant funding is not awarded as set out in point (8) *Types of investments and basic conditions for awarding grant funding* in any indent on pages 8 and 9.

In the case that the grant application does not contain **any information** demonstrating that a particular requirement is complied with, it shall be deemed that the application **does not fulfil that particular condition** and it will be rejected **by passing a decision to that effect**. Furthermore, all proposals **not in conformity with the purpose** of the Call for Proposals **shall be rejected**.

IV. DETAILED DESCRIPTION OF THE CRITERIA AND THE PROCEDURE FOR THE AWARD OF GRANT FUNDING

All formally responsive proposals/applications that at the same time comply with the terms and conditions for the award of grant funding and comply with the purpose of the Call for Proposals will be evaluated by the members of the committee in accordance with the evaluation criteria set out below:

	Award criteria	Number of points
1.	The foreign investor's position in the market and the foreign investor's research, development and innovation activity	27
2.	Share of local suppliers in the investment projects in the manufacturing sectors of the economy / Level of education of persons employed on the investment project in the service sector activities that are internationally marketable i.e. in research and development activity	9
3.	Technology transfer to other Slovenian companies can be agreed and the investment project can have a beneficial effect on productivity of other local companies	9
4.	Long-term integration of the investment project with the Slovenian environment	5
5.	Technological intensity of final product/service of the investment project	15
6.	Effects of the investment project on human capital	10
7.	Envisaged gross value added per employee in the project company/grant beneficiary	5
8.	Impact on the environment of investment projects in manufacturing / Earnings from sales of services generated outside Slovenia within the framework of the investment projects internationally marketable services, and markets on which the services are marketed/ Results of the implementation of industrial research and/or development of prototypes for commercial use and impact of the investment project on waste	15
9.	Development effects the investment project will have on economically less developed (less favoured) and impact on unemployment	5
	TOTAL	100

1. THE FOREIGN INVESTOR'S POSITION IN THE MARKET AND THE FOREIGN INVESTOR'S RESEARCH, DEVELOPMENT AND INNOVATION ACTIVITY (maximum score: 27)

The number of points scored is proportional to the foreign investor's reputation, i.e. his owner's reputation (listings on international stock exchanges, leading position in the sector...) and proportional to the nature and scope of investment projects successfully executed by the foreign investor, i.e. by his owner/parent undertaking, and innovation activity performed by the foreign investor.

a) *The market uptake of the foreign investor i.e. his owner in terms of investment projects successfully executed until now (maximum score: 15).*

The foreign investor is a multinational corporation (its shares are listed on the most important stock exchanges such as New York, London, Frankfurt, Tokyo, Zürich, etc.), i.e. the corporation is among the leading corporations in its sector on a global scale and the corporation's terms of reference include investment projects of a similar nature and scope already executed abroad.	15 points
The foreign investor is an enterprise with international market uptake and its terms of reference include investment projects of a similar nature and scope already executed abroad.	13 points
The foreign investor is a corporation with international market uptake without experience gained on the execution of investment projects of a similar nature and scope abroad.	10 points
The foreign investor has domestic market uptake and has already successfully executed investment projects of a similar nature and scope abroad.	7 points
The foreign investor has domestic market uptake and has already successfully executed investment projects of a similar nature and scope.	4 points
The foreign investor is not well-known in the domestic market but he has already executed investment projects of a similar nature and scope abroad.	3 points
The foreign investor has no domestic market uptake, but has already executed investment projects of a similar nature and scope in the domestic market.	2 points
The foreign investor is still unknown in the sector of the economy in which it operates and has not executed any significant investment projects so far.	1 point

b) *The foreign investor's research, development and innovation activity (maximum score: 12). The foreign investor's R, D & I activity arising from statutory obligations to pursue an economic activity shall not be considered as co-operation with scientific and research institutions.*

In-house team of researchers (the foreign investor has full-time staff for R, D & I)	Da	2 points
	Ne	0 points
The share of expenditure allocated by the foreign investor to R, D & I activity as percentage of turnover/sales (according to the most recent balance sheet and income statement)	0-5%	0 points
	5.1-10%	2 points
	more than 10%	4 points
The number of published or awarded international patents	0	0 points
	1-2	1 point
	3-4	2 points
The number of internationally recognised certificates	0	0 points
	1-2	1 point
	3-4	2 points
Most evidence not more than 5 years old	Yes	2 points
	No	0 points

2. SHARE OF LOCAL SUPPLIERS IN THE INVESTMENT PROJECTS IN THE MANUFACTURING SECTORS OF THE ECONOMY(A) / LEVEL OF EDUCATION OF PERSONS EMPLOYED ON THE INVESTMENT PROJECT IN THE SERVICE SECTOR ACTIVITIES THAT ARE INTERNATIONALLY MARKETABLE OR (B) IN RESEARCH AND DEVELOPMENT ACTIVITY (C) (maximum score: 9)

A) Share of local suppliers in the investment projects in THE MANUFACTURING SECTORS OF THE ECONOMY (maximum score: 9)

The score achieved is proportional to the envisaged share of local suppliers (excluding operating costs) in the investment project. The costs of investments in tangible (material) and intangible (immaterial) assets that are part of the eligible costs of the proposed project shall not be considered for the purpose of determining the share of local suppliers and also operating costs shall be excluded (water supply, power supply, etc.). The declared share must be achieved no later than upon the completion of the investment project and must also be maintained for the investment maintenance period.

Local suppliers will have over 90% share.	9 points
Local suppliers will have over 70 and up to and including 90% share.	7 points
Local suppliers will have over 50 and up to and including 70% share.	5 points
Local suppliers will have over 30 and up to and including 50% share.	3 points
Local suppliers will have over 10 and up to and including 30% share.	2 points
Local suppliers will have a maximum 10% share.	1 point

B) Level of education of persons employed on the investment project in the internationally marketable service (maximum score: 9)

The score achieved is proportional to the level of education of the persons employed on the investment project. The maximum number of points (9) shall be scored by the investment project that will mostly engage (more than 90%) persons with a minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2), one (1) point will be awarded to the investment project that will mostly hire persons (at least 90%) with level of education below level 5. These percentages must be achieved no later than at completion of the investment project and must be maintained also for the duration of the period in which the jobs created must be maintained.

More than 90% of persons employed on the project will have the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2).	9 points
More than 50% of persons employed on the project will have the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2).	7 points
At least 30% of persons employed on the project will have the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2).	5 points

At least 50% of persons employed on the project will have at least the completed level of education 5.	3 points
At least 30% of persons employed on the project will have at least the completed level of education 5.	2 points
A maximum 10% of persons employed on the project will have at least the completed level of education 5.	1 point

C) Level of education of persons employed on the investment project in research and development activity (maximum score: 9)

The score achieved is proportional to the level of education of the persons employed on the investment project. The maximum number of points (9) is awarded to the investment project where at least 60% of persons employed on the project will have a minimum completed level of education: specialisation upon completing professional study programmes, Master's degree in science or doctoral degree (level 8/1), one (1) point is awarded to the investment project where at least 80% of persons employed on the project will have the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2). These percentages must be achieved no later than at completion of the investment project and must be maintained also for the duration of the period in which the jobs created must be maintained.

At least 60% of persons employed on the project will have the minimum completed level of education: specialisation upon completing professional study programmes, Master's degree in science or doctoral degree (level 8/1).	9 points
At least 20% of persons employed on the project will have the minimum completed level of education: specialisation upon completing professional study programmes, Master's degree in science or doctoral degree (level 8/1).	7 points
At least 80% of persons employed on the project will have the minimum completed level of education: academic study programme or specialisation upon completing professional study programmes i.e. Master's professional degree – Second Bologna cycle (level 7).	5 points
At least 60% of persons employed on the project will have the minimum completed level of education: academic study programme or specialisation upon completing professional study programmes i.e. Master's professional degree – Second Bologna cycle (level 7).	3 points
At least 40% of persons employed on the project will have the minimum completed level of education: academic study programme or specialisation upon completing professional study programmes i.e. Master's professional degree – Second Bologna cycle (level 7).	2 points
At least 80% of persons employed on the project will have the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle (level 6/2).	1 point

3. TECHNOLOGY TRANSFER TO OTHER SLOVENIAN COMPANIES CAN BE AGREED AND THE INVESTMENT PROJECT CAN HAVE A BENEFICIAL EFFECT ON PRODUCTIVITY OF OTHER LOCAL COMPANIES (maximum score: 9)

In the evaluation of applications, account shall be taken primarily of possible horizontal and vertical »spillover« effects and the possibility for a transfer of technology (knowledge spillover).

The score achieved is proportional to the possibility for a transfer of technology to other Slovenian companies and with a positive effect of the investment project on productivity of local companies. The maximum number of points (9) is awarded to the investment project where transfer of technology to other Slovenian companies is possible and it will significantly contribute to an increase in productivity of other local companies. One (1) point is awarded to the investment project where transfer of technology to other Slovenian companies is not possible and it will not have an effect on higher productivity of other companies that operate in the same sector of the economy. An increase in sales does not mean an increase in productivity.

The nature of the investment project is such that it enables transfer of technology to other Slovenian companies and will significantly contribute to an increase in productivity of other companies.	9 points
The nature of the investment project is such that it enables partial transfer of technology to other Slovenian companies and will significantly contribute to increase in productivity of other companies.	7 points
The nature of the investment project is such that it enables partial transfer of technology to other Slovenian companies and will to a lesser extent contribute to increase in productivity of other companies.	5 points
The nature of the investment project is such that does not enable transfer of technology to other Slovenian companies, a will to a lesser extent contribute to increase in productivity of other companies.	3 points
The nature of the investment project is such that does not enable transfer of technology to other Slovenian companies and will not have effect on an increase in productivity of other companies.	1 point

4. LONG-TERM INTEGRATION OF THE INVESTMENT PROJECT IN THE SLOVENIAN ENVIRONMENT (maximum score: 5)

The number of points scored is inversely proportional to the possibility to relocation of this investment project at low costs and with minimum difficulty from the Republic of Slovenia to another country. The maximum number of points (5) is awarded to the investment project of such nature and scope that would make the activity transfer from the Republic of Slovenia highly unlikely and connected with very high costs. One (1) point is awarded to the investment project where the economic activity could be transferred from the Republic of Slovenia at low costs. In the evaluation of applications, particular attention is paid to the type of investment in fixed assets/capital expenditure (purchase, financial leasing with the obligation to purchase the asset after the expiry of the Grant Contract), costs of transportation equipment, value of manufacturing facilities, the investor's investments in human resources, etc. in relation to the total value of the investment project and the amount of grant funding.

The nature of the investment project is such that it is practically impossible to relocate plant, machinery and equipment from the Republic of Slovenia (the purchase of land, building constructed for a specific purpose, expensive equipment, high costs for transporting equipment, etc.), since such relocation would be very expensive for the company and it would be time consuming to hire and train highly qualified workforce in some other country.	5 points
The nature of the investment project is such that to transfer plant, machinery and equipment from the Republic of Slovenia would be feasible (to purchase land, construct a prefabricated building, <u>expensive equipment, high costs for transporting equipment, etc.</u>), but it would be rather expensive and lengthy process for the company made even more time consuming by having to replace already trained staff.	4 points
The nature of the investment project is such that to transfer plant, machinery and equipment from the Republic of Slovenia would be feasible (land purchase or financial leasing with the obligation to purchase the asset at lease expiry and prefabricated buildings, mean value of equipment, etc.), but it would be rather expensive and lengthy for the company made even more time consuming by having to replace already trained staff.	3 points
The nature of the investment project is such that plant, machinery and equipment could be transferred from the Republic of Slovenia at relatively low costs (long-term leasing of buildings and/or equipment, etc.), and workforce could be trained fast elsewhere given the nature of operations performed.	2 points
The nature of the investment project is such that plant, machinery and equipment could be transferred from the Republic of Slovenia fast and at very low costs (leasing premises, equipment lease or rental, workforce professional qualifications at a lower level...) and workforce can be trained fast elsewhere.	1 point

5. TECHNOLOGICAL INTENSITY OF FINAL PRODUCT/SERVICE OF THE INVESTMENT PROJECT (maximum score: 15)

Technological intensity of final product/service of the investment project is evaluated in accordance with SITC (Rev. 4) and NACE (rev. 2) classification (maximum score: 15).

The results of the investment project will predominately be high-technology products under SITC/NACE classification (certain products for aerospace and space technique, computers (parts and accessories), office machines, electronics and telecommunications, pharmacy, chemistry, scientific instruments, electrical machinery and non-electrical counterparts), i.e. high-tech knowledge intensive services: services of scientific research and development, telecommunications, computer programming, consulting, etc., informatics, ...).	15 points
The results of the investment project will predominately be medium-high technology products i.e. knowledge intensive services.	10 points

The results of the investment project will predominately be medium low-technology products, i.e. low knowledge intensive services.	5 points
The results of the investment project will predominately be low-technology products.	1 point

6. EFFECTS OF THE INVESTMENT PROJECT ON HUMAN CAPITAL (maximum score: 10)

The number of points scored is proportional to the possibility of the transfer of relevant knowledge and skills to other companies in the Republic of Slovenia. The maximum number of points (10) is awarded to the investment project that envisages occupational education and training for the majority (more than 50%) of employees who will in turn obtain relevant knowledge and skills that could be used also in other enterprises that operate in that sector/industry. One (1) point will be awarded to the investment project, which does not envisage occupational education and training of employees.

The investment project envisages occupational education/training for the majority of employees, while education/training costs are mostly dedicated to the obtaining of transferable knowledge that could be used in other companies in the same sector of the economy.	10 points
The investment project envisages occupational education/training only for one part of employees, while education/training costs are mostly dedicated to the obtaining of transferable knowledge that could be used in other companies in the same sector of the economy.	7 points
The investment project envisages occupational education/training for the majority of employees, while education/training costs are mostly dedicated to the obtaining non-transferable knowledge regarded as being company specific.	5 points
The investment project envisages occupational education/training only for part of the employees, while education/training costs are mostly dedicated to the obtaining non-transferable knowledge regarded as being company specific.	3 points
The investment project does not envisage occupational education and training for the employees.	1 point

7. ENVISAGED GROSS VALUE ADDED PER EMPLOYEE IN THE PROJECT COMPANY/GRANT BENEFICIARY (maximum score: 5)

Consideration will be given to the envisaged gross value added per employee engaged in the project company/grant beneficiary upon the completion of the investment project in relation to the average headcount in Slovenian companies according to the latest available data (index 100) released by Statistični urad RS/Statistical Office of the Republic of Slovenia (http://pxweb.stat.si/pxweb/Dialog/varval.asp?ma=1420804S&ti=&path=../Database/Ekonomske/14_poslovni_subjekti/07_14208_admin_viri/&lang=2) with the main economic activity classified in the same three-digit numerical code under the NACE classification (Rev. 2, 2008) i.e. SKD classification 2008, V2 (maximum score: 5).

Envisaged gross value added per employee working in the project company/grant beneficiary will have index 176 or more with regard to average gross value added according to the latest available data in other Slovenian companies, whose main economic activity is classified in the same three-digit numerical code category under the NACE/SKD classification.	5 points
Envisaged gross value added per employee working in the project company/grant beneficiary will have index 151-175 with regard to average gross value added according to the latest available data in other Slovenian companies, whose main economic activity is classified in the same three-digit numerical code category under NACE/SKD classification.	4 points
Envisaged gross value added per employee in the project company/grant beneficiary will have index 126-150 with regard to average gross value added according to the latest available data in other Slovenian companies, whose main economic activity is classified in the same three-digit code category under NACE/SKD classification.	3 points
Envisaged gross value added per employee in the project company/grant beneficiary will have index 101-125 with regard to average gross value added according to the latest available data in other Slovenian companies, whose main economic activity is classified in the same three-digit code category under NACE/SKD classification.	2 points
Envisaged gross value added per employee in the project company/grant beneficiary will be below or equal to average gross value added in other Slovenian companies (index 100), whose main economic activity is classified in the same three-digit code category under the NACE/SKD classification.	1 point

8. IMPACT ON THE ENVIRONMENT OF THE INVESTMENT PROJECTS IN MANUFACTURING (A) / EARNINGS FROM SALES OF SERVICES GENERATED OUTSIDE SLOVENIA WITHIN THE FRAMEWORK OF THE INVESTMENT PROJECTS INTERNATIONALLY MARKETABLE SERVICES, AND MARKETS ON WHICH THE SERVICES ARE MARKETING(B) / RESULTS OF THE IMPLEMENTATION OF INDUSTRIAL RESEARCH AND/OR DEVELOPMENT OF PROTOTYPES FOR COMMERCIAL USE AND IMPACT OF THE INVESTMENT PROJECT ON WASTE (C) (maximum score: 15)

A) Impact on the environment of the investment projects in the manufacturing sectors of the economy(maximum score: 15)

The number of points scored is inversely proportional to the impact made by manufacturing the products on the natural resources and the fact that these products are environment-friendly or not friendly to the environment and the level of the environmental load. The maximum points scored (15) shall be awarded to the investment project, which does not exploit natural resources and where the products are recyclable and where a consequence of operations is only municipal waste. One (1) point shall be awarded to the investment project that envisages intensive use of natural resources, the products cannot be recycled and where generation of hazardous waste is envisaged.

a) Utilisation of natural resources envisaged under the investment project and whether the products are environment-friendly or not (maximum score: 8)

Manufacture of the products, which will be the final result of the investment project, does not affect significantly the natural resources and these products can be recycled.	8 points
Manufacture of the products, which will be the final result of the investment project, does not affect significantly the natural resources and these products cannot be recycled.	6 points
Manufacture of the products, which will be the final result of the investment project, taps into the natural resources; however, it does not threaten their rarity and regeneration, i.e. reproduction capacity and these products can be recycled.	4 points
Manufacture of the products, which will be the final result of the investment project, taps into the natural resources; however, it does not threaten their rarity and regeneration, i.e. reproduction capacity and these products cannot be recycled.	2 points
The investment project envisages highly intensive use of the natural resources, which will significantly decrease the level of their renewability and these products cannot be recycled.	1 point

b) Effect of product manufacturing on waste produced (maximum score: 7)

Manufacture of the products will not have as its consequence generation of hazardous waste or special waste but municipal waste only.	7 points
Manufacture of the products will have as its consequence in addition to municipal waste also a smaller quantity of hazardous waste or special waste; however, the investment documentation shows that the investor will provide for adequate storage and disposal of such waste.	5 points
In addition to municipal waste, manufacture of the products will have as its consequence also hazardous waste or special waste; however, the investment documentation shows that the investor will provide for adequate storage and disposal of such waste.	3 points
Manufacture of the products is expected to have as its consequence hazardous waste or special waste, which left unprocessed are known to have harmful effects on the environment due to their characteristics.	0 points

B) Earnings from sales outside Slovenia for services of investment projects in INTERNATIONALLY MARKETABLE SERVICE, and markets on which those services are sold (B) (maximum score: 15)

The score achieved is proportional to earnings generated from sales of the service of the investment project designed for buyers/customers/users on markets outside the Republic of Slovenia and the number of markets on which the service will be sold. The maximum number of points (15) is awarded to the investment project generating more than 90% of earnings from sales outside the Republic of Slovenia and its services will be sold on four or more markets, one (1) point will be awarded to the investment project generating up to 30% earnings from sales outside the Republic of Slovenia and its services will be sold only on one foreign market.

a) Scope of services to be provided to buyers/clients/users in markets outside the Republic of Slovenia (12 points)

The service will generate more than 90% in earnings from sales outside the Republic of Slovenia.	12 points
The service will generate more than 80% up to and including 90% in earnings from sales outside the Republic of Slovenia.	10 points
The service will generate more than 70% up to and including 80% in earnings from sales outside the Republic of Slovenia.	8 points
The service will generate more than 60% up to and including 70% in earnings from sales outside the Republic of Slovenia.	6 points
The service will generate more than 50% up to and including 60% in earnings from sales outside the Republic of Slovenia.	4 points
The service will generate more than 30% up to and including 50% in earnings from sales outside the Republic of Slovenia.	2 points
The service will generate up to 30% in earnings from sales outside the Republic of Slovenia.	1 point
The service will generate up to 10% in earnings from sales outside the Republic of Slovenia.	0 points

b) The number of countries in which the project company/grant beneficiary has buyers/customers/users (3 points)

The service will be mostly sold on four or more foreign markets (countries)	3 points
The service will be sold on two or three foreign markets (countries)	2 points
The service will be sold on one foreign market (country) only	1 point

C) Results of conducting industrial research and effect of DEVELOPMENT and RESEARCH ACTIVITY on waste produced (maximum score: 15)

The maximum number of points (15) is awarded to the investment project in development and research activity that will perform predominately industrial research with the objective to develop new products or prototypes for commercial use for already known client, i.e. user and which will not have as its consequence hazardous waste but municipal waste only. One (1) points shall be awarded to the investment project in the research and development activity that will carry out systemic research or perform critical investigation/testing with the aim to acquire new knowledge, while being mostly oriented to a practical goal or purpose; however, it is necessary to identify end user of this knowledge and which envisaged generation of hazardous waste, which left unprocessed, is known to have harmful effect on the environment due to its characteristics.

a) The application of the findings made on the basis of the investment project (maximum score: 8)

The investment project in the research and development activity will perform predominately industrial research, which means systemic research or performance of critical investigation/testing in order to acquire new knowledge for the development of new products, procedures or services or when making significant improvements of the existing products, procedures or services for a client, i.e. a user already known.	8 points
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The investment project in the research and development activity will predominately develop prototypes for commercial use for an already known client, i.e. a user, and these prototypes are also final/end market product and their production is too expensive for the research to be used only for the purpose of presenting and evaluating their merits.	6 points
The investment project in the research and development activity will carry out predominately industrial research, which means systemic research or the performance of critical investigation/testing for the purpose of acquiring new knowledge for the development of new products, procedures or services or for making significant improvements of the existing products, procedures or services, however, it is necessary to find end users of this knowledge.	4 points
The investment project in the development and research activity will predominately develop prototypes for commercial use, however, it is necessary to find end users of this knowledge and the prototypes are necessarily final/end market product and their production is too expensive to use it only for the purpose of presenting and valuating their merits.	2 points
The investment project in the research and development activity will systematically carry out research or perform critical investigation/testing with the aim to acquire new knowledge, and it is oriented predominately to a practical goal or purpose, however, it is necessary to find end users of this knowledge.	1 point

b) Effect research and development activity of the investment project on waste produced (maximum score: 7)

The investment project will not produce hazardous waste or special waste, but only municipal waste.	7 points
The investment project will produce in addition to municipal waste also a smaller quantity of hazardous waste or special waste; however, the investment documentation shows that the investor will make arrangements for appropriate storing and disposal of such waste.	5 points
The investment project will produce as its consequence in addition to municipal waste hazardous waste or special waste; however, the investment documentation shows that the investor will make arrangements for appropriate storing and disposal of such waste.	3 points
The investment project envisages that hazardous waste or special waste will be produced, which if left unprocessed, is known to have harmful effects on the environment due to its characteristics.	0 points

9. EFFECTS ON ECONOMICALLY LESS DEVELOPED (LESS FAVOURED) SLOVENIAN REGIONS AND IMPACT ON UNEMPLOYMENT (maximum score: 5)

The number of points scored is inversely proportional to the level of development of the region in accordance with the Rules on the Classification of Developing Regions by the Degree of Development for the Programme Period 2014-2020 (Official Gazette of the Republic of Slovenia, No. 34/2014). For municipality classification see Annex 1). Maximum score: 5.

The score is related to the index assigned to the region where development is under threat (less favoured regions):

Assisted areas (Pokolpje; Pomurje; Maribor with wider surroundings; areas of municipalities: Hrastnik, Radeče and Trbovlje) and border assisted areas	5 points
Koroška, Podravska, Primorsko-notranjska, Zasavska (index over 120 and below 140) – excluding assisted areas	4 points
Goriška, Posavska (index over 100 and below 120) – excluding assisted areas	3 points
Obalno-kraška, Savinjska (index over 80 and below 100) – excluding assisted areas	2 points
Osrednjeslovenska, Gorenjska; Jugovzhodna Slovenija (index below 80) – excluding assisted areas	1 point

GRANT AWARD

In accordance with the Decree on the regional aid map for 2014-2020 (the map and the list of municipalities in Annex VI), grant funding awarded to investments in the 'a' area of the regional aid map of the Republic of Slovenia (i.e. Vzhodna Slovenija) may amount to a maximum of 25% of the eligible costs (maximum regional aid intensity) for large enterprises, in the case of medium-sized enterprises the amount of the awarded grant shall not exceed 35%, in the case of small enterprises 45% of the eligible costs incurred for an individual project. Grant funding awarded in the 'c' area of the regional aid map of the Republic of Slovenia (i.e. Zahodna Slovenija) may amount to a maximum of 15% until 31 December 2017 of the eligible costs for large enterprises, in the case of medium-sized enterprises the amount of the awarded grant shall not exceed 25%; in the case of small enterprises regional aid intensity shall not exceed 35% of the eligible costs incurred for an individual project.

The method used to calculate this amount to be awarded is composed of **two pillars** as described below:

1. **The first pillar** is the product of the number of new jobs stated in the investment project and the amount of the grant for an individual newly created job (please see the tables on pages 36 and 37), and depends on the number of the points scored and the type of the investment project: investment in the manufacturing sector of the economy, in internationally marketable services or in research and development activity.
2. **The second pillar is the amount of** grant funding as a percentage of the investment (capital expenditure), i.e. of the amount of the eligible costs (excluding VAT) incurred under the investment (investment tangible and intangible eligible costs), that depends on the number of the points scored (please see the table below).

• 60 – up to and including 64 points	• 5% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
• over 64 – up to and including 69 points	• 6% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
• over 69 – up to and including 74 points	• 7% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
• over 74 – up to and including 79 points	• 8% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
• over 79 – up to and including 84 points	• 9% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
• over 84 – up to and including 89 points	• 10% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)

<ul style="list-style-type: none"> • over 89 – up to and including 94 points 	<ul style="list-style-type: none"> • 11% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)
<ul style="list-style-type: none"> • over 94 – up to and including 100 points 	<ul style="list-style-type: none"> • 12% of the eligible investment costs (eligible costs for investments in material/tangible and immaterial/intangible assets)

The sum of both scores is the amount of the financial incentive grant and in the 'a' area in the case of a **large enterprises** must not exceed **25%** of eligible costs under the project, in the case of a **medium-sized enterprises** must not exceed **35%** of eligible costs under the project, in the case of a **small enterprise** must not exceed **45%** of eligible costs under the project. In the 'c' area the sum of both scores **for a large enterprise** must not exceed 15% of the eligible project costs, in the case of a **medium-sized enterprises** must not exceed **25%** of eligible project costs, in the case of a **small enterprise**, it must not exceed **35%** of the eligible project costs. In the case that maximum aid level/aid intensity is exceeded, the amount of the grant shall be the amount of the maximum aid level/aid intensity.

The threshold – the minimum number of points for the award of the financial incentive grant is 60 points.

1. INVESTMENT PROJECT IN THE MANUFACTURING SECTORS OF THE ECONOMY:

<ul style="list-style-type: none"> • 60 – up to 64 points 	<ul style="list-style-type: none"> • 3,500 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 64 – up to 69 points 	<ul style="list-style-type: none"> • 4,100 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 69 – up to 74 points 	<ul style="list-style-type: none"> • 5,000 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 74 – up to 79 points 	<ul style="list-style-type: none"> • 5,900 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 79 – up to 84 points 	<ul style="list-style-type: none"> • 6,800 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 84 – up to 89 points 	<ul style="list-style-type: none"> • 7,700 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 89 – up to 94 points 	<ul style="list-style-type: none"> • 8,900 euros for created jobs/new employment
<ul style="list-style-type: none"> • more than 94 – up to 100 points 	<ul style="list-style-type: none"> • 10,100 euros for created jobs/new employment

2. INVESTMENT PROJECT V INTERNATIONALLY TRADED SERVICES:

• 60 – up to 64 points	• 3,900 euros for jobs created/new employment
• more than 64 – up to 69 points	• 5,200 euros for jobs created/new employment
• more than 69 – up to 74 points	• 6,500 euros for jobs created/new employment
• more than 74 – up to 79 points	• 7,800 euros for jobs created/new employment
• more than 79 – up to 84 points	• 9,100 euros for jobs created/new employment
• more than 84 – up to 89 points	• 10,400 euros for jobs created/new employment
• more than 89 – up to 94 points	• 11,700 euros for jobs created/new employment
• more than 94 – up to 100 points	• 14,300 euros for jobs created/new employment

3. INVESTMENT PROJECT IN THE RESEARCH AND DEVELOPMENT ACTIVITY:

• 60 – up to 64 points	• 10,500 euros for newly created jobs
• more than 64 – up to 69 points	• 12,600 euros for newly created jobs
• more than 69 – up to 74 points	• 14,700 euros for jobs created/new employment
• more than 74 – up to 79 points	• 16,800 euros for jobs created/new employment
• more than 79 – up to 84 points	• 19,600 euros for jobs created/new employment
• more than 84 – up to 89 points	• 22,400 euros for jobs created/new employment
• more than 89 – up to 94 points	• 25,200 euros for jobs created/new employment
• more than 94 – up to 100 points	• 28,000 euros for newly created jobs

Form 1

1. FOREIGN INVESTOR'S GRANT APPLICATION FORM

Foreign investor (official name in full and full official address):

.....

.....

.....

I, the undersigned duly authorised to represent the applicant, hereby apply for a grant on the terms laid down in the *Call for Proposals under the FDI Incentive Scheme– First Capital Entry into the Republic of Slovenia 2016/2017* with a view to executing the following investment project:

(title of the investment project for which a grant is requested)

.....

.....

Done at _____ on _____

Signature of authorised person

2. DECLARATION BY THE FOREIGN INVESTOR – APPLICANT

Foreign investor

Foreign investor's authorised person.....

The undersigned hereby declare that we agree and accept all terms and conditions laid down in the Call for Proposals and in the Grant Submission Documents.

The undersigned declares under the penalties of criminal and civil liability for wilfully making any false statements herein:

- all the information provided in this grant application is accurate, sincere and complete;
- that all copies attached to the grant application are true copies of the original documents;
- it is the first time the applicant/foreign investor is investing in the Republic of Slovenia – first capital entry (in accordance with the definition set out in point 1 of the Call for Proposals);
- the company has no unsettled obligations to the Republic of Slovenia;
- the company is not subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors;
- the company (in the case of a limited liability company) (other than an SME that has been in existence for less than three years) is not an undertaking in difficulty where more than half of its subscribed share capital has disappeared as a result of accumulated losses (this is the case when deduction of accumulated losses from reserves (and all other elements generally considered as part of the own funds of the company) leads to a negative cumulative amount that exceeds half of the subscribed share capital). "Limited liability company" refers in particular to the type of undertaking defined in Annex I to Directive 2013/34/EU of the European Parliament and of the Council (OJ L 182, 29 June 2013, page 19), and »share capital« includes, where relevant, any share premium;
- the company (in the case of an undertaking with at least some fully liable members for the undertaking's debt (other than an SME that has been in existence for less than three years) is not an undertaking in difficulty where more than half of its capital as shown in the company accounts has disappeared as a result of accumulated losses. For the purpose of this indent, "the company with at least some fully liable members for the company's debt" primarily refers to the types of undertaking referred to in Annex II to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (OJ L 182, 29 June 2013, page 19);
- the subject matter of the production for which a grant is requested does not refer to 'agricultural products' listed in Annex I of the Treaty, products intended to imitate or substitute milk and milk products, and products falling under CN codes 4502, 4503 and 4504 (cork products), the fisheries and aquaculture sector, coal sector, steel sector, transport sector and related infrastructure, shipbuilding sector, synthetic fibres sector, energy generation and distribution and energy infrastructure, manufacturing of arms and ammunition;
- the subject matter of the production for which a grant is requested is not processing and marketing of agricultural products where the amount of aid is fixed on the basis of the price or

quantity of such products purchased from primary producers or put on the market by the company concerned or where aid is conditional on being partly or entirely passed on to primary producers;

- the subject matter of the internationally marketable service for which a grant is requested is not wholesale or retail trade, construction, education and healthcare and social protection;
- we are not an undertaking which is subject to an outstanding recovery order following a Commission decision declaring an aid illegal and incompatible with the internal market;
- we did not closed down the same or similar activity in the European Economic Area (EEA) two years preceding the date of applying for aid or at the moment of aid application we have no intention to close down such an activity in the concerned region within a period of two years after the investment for which a grant is requested is completed;
- the company has not received rescue aid for undertakings in difficulty, i.e. it has received rescue aid:
 - but it has already reimbursed the loan or terminated the guarantee, or
 - it is not subject to a restructuring plan;
- in the case of a foreign investor or a project company that is a large enterprise, where, for the past two years:
 - the company's book debt to equity ratio has been greater than 7.5, and
 - the company's EBITDA interest coverage ratio has been below 1.0;
- we acknowledge that within 15 days of the delivery of the notification of grant decision to our authorised representative we must set up or become a shareholder of the project company/grant beneficiary and have a direct shareholding of at least 50%, which must be duly entered into the court register of the Republic of Slovenia, i.e. into the shareholder register maintained at Centralna klirinška depotna družba d.d./Central Clearing and Depository Corporation Inc. We must maintain at least a 50% direct shareholding in the project company/grant beneficiary until completion of the investment. Until the completion of the investment project, we must maintain at least a 10% direct shareholding in the project company/grant beneficiary;
- we acknowledge the application of the condition of necessity, which stipulates that the applicant must submit an application for the award of grant funding before the start of the investment project;
- we acknowledge that the project company/grant beneficiary must **enclose with the request for payment an unconditional bank guarantee issued by an investment-grade bank with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank having its head office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractually obligations payable on the Agency's first written demand for payment, with the period of validity until the date being **three years and three months after the date of signature of the Grant Contract**, and in the full amount of the demand, with which the bank undertakes to pay a specified sum of money if contractual obligations have not been duly fulfilled.

Done at _____ on _____

Signature of authorised person

3. INFORMATION ON THE TYPE OF INVESTMENT PROJECT

Type of the investment project	Mark the appropriate box	Four-digit code category (group) according to CPA classification 2008	Short justification for the classification of the investment project in manufacturing sector/ internationally marketable services/ R & D activity
1) Investment project in the manufacturing sector of the economy	<input type="checkbox"/>		
2) Investment project in the service sector activities that are internationally marketable	<input type="checkbox"/>		
3) Investment project in research and development activity*	<input type="checkbox"/>		

* A research and development project in its entirety must be in:

- **industrial research** means the planned research or critical investigation aimed at the acquisition of new knowledge and skills for developing new products, processes or services or for bringing about a significant improvement in existing products, processes or services, and/or
- **development of prototypes for commercial use** where the prototype is necessarily the final commercial product and which is too expensive to produce for it to be used only for demonstration and validation purposes.

Attached to the final report on the net new employment created the project company/grant beneficiary must also submit for an investment project in research and development activity the organisation chart and the job classification act in force.

If the duly registered main economic activity of the project company/grant beneficiary that will execute the investment project in research and development activity for which a grant is requested will not be 'Research and development' (according to the statistical classification of products by activity CPA 2008, code of category M72.1), the company must set up and run the research and development unit as a separate organisational unit. In that case, the applicant must submit a declaration in writing (Form 9) saying that the research and development unit will be set-up and run as a separate organisational unit in the project company/grant beneficiary. Research and development tasks must be shown in the organisational scheme and in the jobs systematisation/classification act in force at the project company/grant beneficiary.

4. GENERAL INFORMATION ON THE FOREIGN INVESTOR

1.	Official name in full						
2.	Date of constitution and registration						
3.	Economic activity						
4.	Full account number and bank name						
5.	Full official address						
6.	Telephone						
7.	Fax						
8.	Electronic mail address						
9.	Website						
10.	Director						
11.	Contact person						
12.	Position of the contact person in company						
13.	Annual turnover X**-2 in euros						
14.	Annual turnover X-1 in euros						
15.	Number of employees X-2						
16.	Number of employees X-1						
17.	Planned number of employees in X						
18.	Average number of employees by area in X-1	Management	Administration	Production	Services	R&D	Other
19.	Company size (small, medium-sized, large enterprise)*						

* In accordance with Annex I to Commission Regulation (EU) No 651/2014

** X is current year i.e. application submission year

SUPPORTING DOCUMENTS TO BE ATTACHED TO THE GRANT APPLICATION:

1. **An authenticated copy of entry into (extract from) a court or other official register** of legal entities in which the foreign investor is registered (such a register is kept in the foreign investor's home country), ie authenticated certificated by a competent authority in the country of incorporation/registration; **the document shall not be older than one month** (after the date of the submission of the grant application) and the translations into **the Slovenian** or into **the English language** certified by a court interpreter.

2. Foreign investor's financial statements: **balance sheet and income statement (P&L)** for the financial years **X-2** and **X-1**, i.e. for two preceding financial years, **stamped and signed** by the foreign investor's authorised and **translated into the Slovenian or into the English language** by a court interpreter; the translation must also be stamped and signed by the authorised person of the foreign investor.

5. FOREIGN INVESTOR'S OPERATING RESULTS

5.1. Brief corporate history

5.2. Ownership (current ownership structure with shareholdings; overview of changes in the ownership structure)

5.3. Operations

- economic activity
- number of employees/staff headcount
- description of the most important products and the service
- operating results (for the last three financial years)
- business network: main customers, supplier companies, markets (countries), trademarks, etc.
- shareholdings in companies together with organisational charts
- listings on stock exchanges
- research and development: the company has its in-house research team (full-time experts for research and development),; the share of R&D expenditure in total sales earnings allocated by the company to research and development activity (according to the company's balance sheet and income statement)
- published and awarded international patents, internationally recognised certificates (attach documentary evidence)
- co-operation with scientific research institutions complete with supporting documents (co-operation based on legal obligation for the pursuit of business does not represent co-operation with scientific research institutions)
- terms of reference and a specific description of projects of similar nature and scope already completed in home country and abroad
- other.

5.4. DEMONSTRATING EXPERIENCE in relation to the area of the investment project for which a grant is requested; providing accurate information and descriptions of the projects already executed in the home country/abroad in the area of the investment project for which a grant is requested and submitting supporting documents to prove proper execution of those projects.

5.5. VISION, STRATEGIC ORIENTATION AND BUSINESS PLANS AND OBJECTIVES of the enterprise for the forthcoming period of three to six years in relation to the investment project in the Republic of Slovenia

5.6. FOREIGN INVESTOR'S MOST IMPORTANT PRODUCTS/SERVICES

	Most important products/services	Share in total sales in 2015 (i.e. in 2016) in % *	Share in total exports in 2015 (i.e. in 2016) in % *
1.			
2.			
3.			
4.			
5.			

* The companies applying for grant funding in 2016 shall provide figures for 2015; the companies applying in 2017 shall provide figures for 2016, if available.

5.7. SALES (IN EUROS) AND FOREIGN INVESTOR'S MAIN MARKETS

		2014 i.e. 2015*	2015 i.e. 2016*	2016 i.e. 2017* (as budgeted)	2017 i.e. 2018* (as budgeted)
A	Sale volume				
B	Export volume				
	Export market 1: _____				
	Export market 2: _____				
	Export market 3: _____				
	Other markets: _____				

* The companies applying for grant funding in 2016 shall provide figures for 2014-2017; the companies applying in 2017 shall provide figures for 2015-2018 if available at the time of application submission.

6. FOREIGN INVESTOR'S POWER OF ATTORNEY

(filling in this form is mandatory)

Foreign investor

Foreign investor's authorised
person.....

I/We, the undersigned, hereby authorise the following

a) Legal person:

Company full name

Represented by

Full address of the company registered office:
.....

b) natural person:

First name and surname

Full address of permanent residence:
.....

To receive on our behalf deliveries from the Agency and the Ministry of Economic Development and Technology and to perform all acts in the course of the procedure for the evaluation of applications submitted under the Call for Proposals under the FDI Incentive Scheme– First Capital Entry into the Republic of Slovenia 2016/2017, published by SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology.

Done at _____ on

Signature of the Signature of
authorised person: (the applicant):

7. PROJECT TEAM

7.1. PROJECT TEAM MEMBERS

First name and surname	Current employer's official name	Area of work/expertise	Area of responsibility within the project

7.2. PROJECT MANAGER

First name and surname:	
Current employer's official name:	
Area of work/expertise:	
Professional qualification and position/title:	
Area of responsibility within the project:	

APPENDIX: Curriculum Vitae of the project manager with a description of professional experience

8. INVESTMENT PROJECT DESCRIPTION

Please specify and explain all items of the project description since NO amendments to this form shall be allowed!

8.1. SUBJECT MATTER AND OBJECTIVES OF THE INVESTMENT FOR WHICH A GRANT IS REQUESTED

8.1.1. Subject matter of the investment project with a detailed description of initial investments

8.1.2. Tangible deliverables of the investment project

8.1.3. Finished products/services of the investment project i.e. results of conducting industrial research

- A detailed description of individual finished products/ services arising from the investment project i.e. resultants of conducting industrial research
- Envisaged market realisation i.e. sale:
 - 1) The description of the envisaged results of industrial research (known buyers i.e. users)
 - 2) A table with finished products/services produced/provided on the basis of the investment project upon investment completion:

	Final product/ services the investment project	Share in total sales _____ (in %)	Share in total sales _____ (in %)	Share in total sales _____ (in %)
1.				
2.				
3.				
4.				
5.				

8.1.4. Please specify the technological process applied in the investment project

8.1.5. Development of products/services under the investment project

- Strategy of the development of the products/services, i.e. the strategy of the R & D unit development

- Investment in technology and equipment for the R & D unit specified by type and quantity together with the price and time schedules.

8.1.6. Location/site of the investment project and within the location boundaries the position of the facility (with a drawing of the facility)

The investment project will be executed in the municipality of _____.

An extract from the land register not older than 1 month or cadastral data on the planned location on the basis of which the evaluation committee can obtain data from the official register, must be enclosed with the grant application.

8.1.7. Employment in relation to the investment project

- The description of the educational structure / qualification profile of net new jobs upon the completion of the investment project

Completed level of education	% of persons employed
Less than Level V	
Completion of Level V	
Completion of Level at least 6/2	
Completion of Level at least 7	
Completion of at least Level 7/1	
Completion of at least Level 8	

- Table: Number of new persons employed on the investment project

The creation of NET NEW JOBS under the INVESTMENT PROJECT for which a grant is requested for each year separately for the following six years after the signature of the Grant Contract:

	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019*	2019 i.e. 2020*	2020 i.e. 2021*	2021 i.e. 2022*	Total
Management							
Administration							
Production							
Services							
Research and development							
Other							

Total							
--------------	--	--	--	--	--	--	--

* The companies applying for grant funding in 2016 shall provide figures for 2016-2021; the companies applying in 2017 shall provide figures for 2017-2022.

The foreign investor and the project company/grant beneficiary will include a commitment in the grant contract **that the project company/grant beneficiary undertakes to create within three years after the date of completion of the investment** i.e. in the case of the investment project in services where grant funding will be awarded on the basis of costs of job creation/new employment, and in the case of the investment project in research and development activity, **net new jobs within three (3) years from the signature of the grant contract adding up to _____ net new jobs** arising from the investment project for which a grant is requested.

The creation of net new jobs means a **net increase in the number of employees** directly employed in the project company/grant beneficiary, **compared with the average over the previous 12 months prior to the signature of the Grant Contract** where for the staff headcount, full-time jobs and part-time jobs are counted as annual work units or fractions of AWU. Any job lost should be deducted from the created number of jobs during that period. Net new jobs must be created within a period of three years after the date of completion of the investment i.e. in the case of the investment project in services, where grant funding will be awarded on the basis of the costs of job creation/new employment, and in the case of investment projects in research and development activity, no later than within three (3) years from the signature of the grant contract. Each job created through the investment project shall be maintained in the region concerned for a period of at least five (5) years from the date that post was first filled or three (3) years in the case of small and medium-sized enterprises. Where jobs were created/staff hired before the investment completion date, the period during which those jobs shall be maintained shall be calculated from the day of completion of the investment onward.

Where employees from linked companies are seconded to work in the project company/grant beneficiary shall not be considered to be creation of net new jobs and neither a job increase in linked companies or employment through agencies that supply temporary workforce on an individual contractual basis can be considered as net new jobs created in the project company/grant beneficiary. The relationships between companies shall be determined in accordance with the terms and conditions laid down Commission Regulation (EU) No 651/2014.

8.1.8. Training costs

Estimation of training costs for the persons employed on the investment project over the following 6 years:

	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019*	2019 i.e. 2020*	2020 i.e. 2021*	2021 i.e. 2022*	Total
Management							
Administration							
Production							
Services							
Research and development							

Other							
-------	--	--	--	--	--	--	--

* The companies applying for grant funding in 2016 shall provide figures for 2016-2021; the companies applying in 2017 shall provide figures for 2017-2022.

Please state and specify all types of education/training related to the investment project for each group of employees (management, Administration, production, services, R & D, other):

8.1.9. Gross value added per employee envisaged under the project

Please state the foreseen gross value added per employee (GVA/E) upon the completion of the investment project (calculated by dividing the sum of gross value added divided by the total number of employees):

$$GVA/E = \frac{\sum GVA}{\sum \text{Number of employees}} = \text{_____ EUR}$$

Gross value added per employee = Gross profit from operations (AOP126) - Cost of materials, goods and services (AOP128) - Other operating expenses (AOP148)

The number of employees is the sum of the average number of employees on the basis of hours worked in the accounting period (AOP188).

8.1.10. Time schedule for the investment

- A detailed presentation of the activities envisaged to be carried out in the context of the investment project until the completion of the investment (within three years after the date of signature of the Grant Contract)

Economic activity and its description	Time schedule for implementation	Results of the economic activity
1.		
2.		
3.		
4.		
5.		
6.		

Envisaged date for the completion of the investment*: _____

* The **date of the completion of the investment** means the completion of the works on the investment project declared in the grant application and at the same time achieving the value of the investment in the amount stated in the grant application and in no case it may occur within three years after the date of signature of the Grant Contract.

8.1.11. Objectives of the investment project

Envisaged realistic objectives until the completion of the investment project, which means the completion of the investment part and creation of net new jobs.

Envisaged realistic objectives until the completion of the investment project	Elaborate on the envisaged objectives
Economic	
Marketing	
Development, technological process	
Human resources	

8.1.12. Effect of the investment project on the environment

- Please provide a general evaluation of the following:
- The impact of the investment project on the exploitation of the natural resources (water, air, mineral raw materials, flora and fauna)?
- Does the investment project require substantial quantities of natural resources, even though it does not pose a threat to their rarity and regeneration and reproduction capacities?
- Does the investment project envisage intensive use of natural resources and, as a consequence, a significant reduction of their renewability?
- Does the activity to be carried out in the context of the investment project cause emissions that exceed the limit value of matter and energy into water, air, soil and the limit values of emissions?
- Does the activity carried out under the investment project envisage generation of hazardous waste and how such waste will be stored, i.e. dumped?
- Can the products be recycled, i.e. state whether the products are environment-friendly?

8.2. ANALYSIS OF THE INVESTMENT PROJECT (the analysis refers only to the investment project and not to the foreign investor or the project company/grant beneficiary)

8.2.1. Markets on which finished products/services/research work are sold

- The target markets for selling finished (end) products and/or services in the context of the investment project (in the Republic of Slovenia and in the countries to which these products/services are exported) complete with data regarding the size of the market (in the Republic of Slovenia and in the countries to which these products/services are exported).
- The table below contains sales figures for finished (end) products and/or services in the context of the investment project for every export market.

ASSESSMENT OF SALES OF FINISHED PRODUCTS/SERVICES/RESEARCH IN THE CONTEXT OF THE INVESTMENT PROJECT AND MAIN MARKETS

	In EUR thousand	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019*	2019 i.e. 2020*	2020 i.e. 2021*
A	Sale volume					
B	Export volume					
	Export market 1: _____					
	Export market 2: _____					
	Export market 3: _____					
	Export market 4: _____					
	Export market 5: _____					
	Other markets					

* The companies applying for grant funding in 2016 shall provide figures for 2016-2020; the companies applying in 2017 shall provide figures for 2017-2021.

- Target customers (any already concluded contracts, letters of intent signed, etc.):
- Suppliers: in the case that suppliers for projects in the manufacturing sectors of the economy and their shares are not specified, the evaluation commission will award to the project under Award Criterion (2): Share of local suppliers as a maximum 1 point. The declared share must be achieved no later than upon completion of the investment project and must be maintained throughout the period for which the investment shall be maintained.
- Assessment of market potential for future growth:

8.2.2. Evaluating competition

- The existing competitors for finished products/ services provided within the framework of the investment project in the Republic of Slovenia and abroad:
- Advantages /weaknesses of the finished products/ services provided within the framework of the investment project in comparison with competitive products/services:
- Assessment of purchase power of customers and suppliers (an estimate of the share of Slovenian customers and suppliers is mandatory):
- Assessment of the possibility for technology transfer to other Slovenian enterprises and assessment of effect the investment project for which a grant is requested on productivity of other companies in the same sector of the economy (horizontal and vertical):

8.2.3. Investment project marketing strategy

- Pricing strategy:
- Position on the market:
- Distribution channels:
- Advertising:

8.2.4. SWOT analysis for the investment project:

8.3. FINANCIAL PART OF THE INVESTMENT

8.3.1. FINANCIAL STRUCTURE OF THE INVESTMENT

(Net value investment (value in euros excluding VAT) to be achieved upon completion of the investment, i.e. within three years after the date of signing the grant contract)

Please specify the value of the investment by individual group of fixed assets (by year in euros excluding VAT):

Assets	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019* (if investment is still work- in-progress)	2019 i.e. 2020* (if investment is still work- in-progress)	Total in euros excluding VAT	Total in euros with VAT
Investments in tangible assets/assets consisting of land, buildings and plant, machinery and equipment in euros						
Utilities/service connections and infrastructure facilities for the land parcel						
Construction/purchase/leasing of buildings with land directly under the building i.e. modernisation of buildings						
Purchase or lease of new plant, machinery & equipment						
Other equipment						
Total in euros						
Investments intangible assets/assets that do not have a physical or financial embodiment in euros						
Acquisition of patents, licences, know-how or other intellectual property/unpatented technical knowledge						
TOTAL investments in tangible and intangible assets in euros						

* The companies applying for grant funding in 2016 shall provide figures for 2016-2019; the companies applying in 2017 shall provide figures for 2017-2020.

Envisaged date for completion of the investment*: _____

* The **date of completion of the investment** shall mean completion of works declared in the grant application executed within the framework of the investment project and simultaneous achieving the value of the investment in the amount stated in the grant application where both shall be delivered within three years after the date of signing the grant contract at the latest.

8.3.2. ELIGIBLE INVESTMENT COSTS AND BUDGETED GRANT FUNDING

The project company/grant beneficiary must issue a request for payment of grant funds no later than on 23 October 2017. The request for payment shall refer to the eligible costs incurred in a period from the application submission date to the payment request submission date insofar as those costs were also paid by the payment request submission date (invoices and documentary evidence to prove that those invoices were actually paid shall be presented), and subject to being in line with maximum permissible regional aid intensities (15%, 25%, 35% i.e. 45%). The amount stated in the request for payment must not exceed the amount stated in the decision to award grant.

The project company/grant beneficiary must also **enclose with the request for payment an unconditional bank guarantee issued by an investment-grade bank with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank having its head office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractually obligations payable on the Agency's first written demand for payment, with the period of validity until the date being **three years and three months after the date of signature of the Grant Contract**, and in the full amount of the demand, with which the bank undertakes to pay a specified sum of money if contractual obligations have not been duly fulfilled. **The wording of the bank guarantee must be identical to the wording of the sample guarantee** on pages 92 and 93 of the Grant Submission Documents.

Since the calculation of the **amount of grant funding** is made by taking into consideration the value of the investment, i.e. the amount of **all eligible costs** which will be **incurred in a period after the application submission date to the investment completion date, i.e. within three (3) years after signing the grant contract**, the project companies/grant beneficiaries must also present at the completion of the investment documentary evidence (invoices and account statements as proof that payments have been made), with which they declare the sum of eligible costs incurred for the investment for which a grant is requested.

Please state realistic eligible costs for the investment for which a grant is requested:

Type of eligible investment cost	Value in euros excluding VAT
Eligible material costs (investment in assets relating to land, buildings and plant/machinery)	
A. Utilities/service connections and infrastructure for the land parcel:	
1.	
2.	
Total A	
B. Construction/purchase/leasing of buildings with land directly under the building i.e. modernisation of buildings :	
1.	
2.	
Total B	
C. Purchase/leasing ** of new plant, machinery and equipment :	
1.	
2.	

Total C	
Eligible immaterial costs (investment in assets entailed by the transfer of technology through the acquisition of patent rights, licences, know-how or unpatented technical knowledge)	
D. The acquisition of patents/licences/know-how/unpatented technical knowledge***	
1.	
2.	
Total D	
TOTAL ELIGIBLE COSTS: material (investment in tangible assets) and immaterial (investment in intangible assets) eligible costs A+B+C+D in euros	
Costs of job creation/new employment****	
E. Gross wages and STATUTORY CONTRIBUTIONS for social security (paid by the company) for new direct employment on the project	
1.	
2.	
Total E	

* In order to be eligible for funding, the cost of buying land shall be for the portion of the whole parcel on which the buildings are constructed, i.e. will be constructed. The portion of land eligible for co-financing shall be determined on the basis of the documentation for construction and/or extract from the land register and the actual use of that land. In the case that the value of land under the building cannot be determined on the basis of the sales contract, the project company/grant beneficiary must submit a valuation of that land duly certified by a court-appointed valuer from which the value of the land lying under the building can be determined.

In addition, the purchase of land may account for a maximum of 25% of the eligible costs for which a grant is requested. The purchase of land and the purchase of buildings shall not be taken into consideration as eligible costs in those cases in which transactions are made between the first-, second- and third-degree relatives or from a private individual who has been registered as a sole proprietor (s.p.) and his company or between the shareholders of the company and the company.

**In order to be eligible for funding, costs related to the lease of plant and machinery must take the form of financial leasing and must contain the obligation for the beneficiary of the grant to purchase the asset upon expiry of the term of the lease. The transaction shall take place under market conditions.

*** The acquisition of patents/licences/know-how/unpatented technical knowledge may account for a maximum of 30% of the eligible costs for which grant is requested.

**** To be eligible for funding, project costs related to tangible intangible assets can be claimed for all types of projects, whereas to claim **costs of job creation/new employment as eligible costs can be considered only for projects where investment is made in internationally marketable services and for projects in research and development activity**, provided that the foreign investor has specified in the application which type of costs will be notified as eligible for co-financing.

We will notify as eligible costs (circle as appropriate):

- a) **Costs of investments in tangible/material and intangible/immaterial assets**
- b) **Costs of job creation**

8.3.3. DETAILED DESCRIPTION OF EACH ITEM OF ELIGIBLE COSTS BY TYPE OF COST:

All eligible costs must be explained.

8.3.4. SOURCES OF FINANCING FOR THE INVESTMENT FOR WHICH A GRANT IS REQUESTED

Sources of financing in euros (excluding VAT)	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019* (if investment is still in progress)	2019 i.e. 2020* (if investment is still in progress)	Total
Equity capital (foreign)					
Equity capital (domestic)					
Budgeted grant funds (maximum intensity 15/25/35% i.e. 25/35/45% of eligible costs)					
Bank loans (specify budgeted rate of interest)					
Company loans (specify budgeted rate of interest)					
Bonds (specify budgeted rate of interest)					
Other sources of financing (specify type of financial instrument and interest rate)					
TOTAL in euros (excluding VAT)					

* The companies applying for grant funding in 2016 shall provide figures for 2016-2019; the companies applying in 2017 shall provide figures for 2017-2020.

The applicant must provide a financial contribution of **at least 25% of the eligible costs** of material and immaterial investments through **its own resources and/or the resources of the project company/grant beneficiary**, in a form which is free of any public support.

8.3.5. FORWARD-LOOKING FINANCIAL STATEMENTS OF THE PROJECT COMPANY/GRANT BENEFICIARY FOR THE FIRST 5 YEARS WITH FINANCIAL JUSTIFICATION

- With no investment:
- With investment:
- Financial justification:

8.3.6. EXTERNAL EFFECTS OF THE INVESTMENT PROJECT ON THE REPUBLIC OF SLOVENIA

Make an assessment based on a cost-benefit analysis of potential external effects of the investment project on the Republic of Slovenia:

in million euros	2016 i.e. 2017*	2017 i.e. 2018*	2018 i.e. 2019*	2019 i.e. 2020*	2020 i.e. 2021*	TOTAL
PERSONNEL COSTS						
Sum of net wages/salaries						
Sum of STATUTORY CONTRIBUTIONS for pension and disability insurance and health insurance						
Sum of personal income tax paid						
CORPORATE INCOME TAX						
SERVICES IN THE REPUBLIC OF SLOVENIA						
Electricity						
Water supply and sewage						
Telecommunications services						
Staff training						
Office rental						
Insurance						
Fuel						
Other (please specify)						
PURCHASE OF SLOVENIAN PRODUCTS (please specify)						
TOTAL						

* The companies applying for grant funding in 2016 shall provide figures for 2016-2020; the companies applying in 2017 shall provide figures for 2017-2021.

8.4. ELIGIBILITY AND SIGNIFICANCE GRANT FUNDING WILL HAVE ON THE INVESTMENT FOR WHICH A GRANT IS REQUESTED AND EFFECTS OF THE INVESTMENT PROJECT ON OPERATING RESULTS OF THE PROJECT COMPANY/GRANT BENEFICIARY

Please specify

9. DECLARATORY STATEMENT THAT THE RESEARCH AND DEVELOPMENT ACTIVITY WILL BE SET UP AND RUN AS A SEPARATE ORGANISATIONAL UNIT

Name/firm:
(foreign investor's full name)

Full address:
(street and house number of the foreign investor's registered office)
.....
(postal number and the place of the foreign investor's registered office)

Foreign investor's authorised person
.....
(first name and surname and/title/position)

Hereby declares:

1. that the research and development activity in the project company/grant beneficiary will be set up and run as a separate organisational unit as seen in the attached organisational scheme i.e. organisational scheme of the project company/grant beneficiary,

2. that the research and development tasks will be set out in the organisational scheme and in the job classification/systemisation act.

Date:

Signature of authorised person:

10. DECLARATORY STATEMENT FROM THE PROJECT COMPANY/GRANT BENEFICIARY

(Only if the company receiving the grant was registered before application submittal)

The company constituted and registered in the Republic of Slovenia (hereinafter referred to as: the project company/grant beneficiary)

.....

Foreign investor's authorised person

I/We, the undersigned, hereby declare that we agree and accept all the terms and conditions laid down in the Call for Proposals and the Grant Submission Documents.

We declare under the penalties of criminal and civil liability for wilfully making any false statements herein that:

- the project company/grant beneficiary will comply with the OECD Guidelines for Multinational Enterprises and the principles laid down in the Declaration on International Investments and Multinational Enterprises adopted at the Council of Ministers of the OECD member countries on 27 June 2000,
- the project company/grant beneficiary is not subject to collective insolvency proceedings or fulfils the criteria under its domestic law for being placed in collective insolvency proceedings at the request of its creditors,
- the project company/grant beneficiary is compliant with the capital adequacy requirements as set out in the Financial Operations, Insolvency Proceedings and Compulsory Dissolution Act (Official Gazette of the Republic of Slovenia, No. 13/14 – official consolidated text and 10/15 – corr.),
- at the time of the submission of the application for the award of grant funding, the project company/grant beneficiary is not undertaking in difficulty in accordance with the Community Guidelines on state aid for rescuing and restructuring firms in difficulty (UL C 244 of 1 October 2004, p. 2) and the Act Governing Rescue and Restructuring Aid for Companies in Difficulty (Official Gazette of the Republic of Slovenia, Nos. 44/2007-UPB2, 51/2011, 39/13 and 56/13). Small and medium-sized enterprises operating for less than three years after the incorporation and registration date, shall not be considered as enterprises in difficulty within the meaning of the Community Guidelines on State aid for rescuing and restructuring firms in difficulty, unless they comply with the criteria for instigating bankruptcy procedure under the regulations that govern financial operations of enterprises,
- the project company/grant beneficiary is not in a procedure of paying back any amount of State aid received unlawfully pursuant to the Commission Decision (EC) declaring the granted State aid unlawful and incompatible with the common market of the Community,
- the project company/grant beneficiary has not closed down the same or a similar activity in the European Economic Area (EEA) two years preceding the date of applying for regional aid for investments or which at the time of aid application (the application submitted under the Call for

- Proposals) has concrete plans to close down such an activity within a period of up to two years after the initial investment in the concerned area for which grant is requested is completed,
- the project company/grant beneficiary has not received rescue aid for undertakings in difficulty, i.e. it has received rescue aid:
 - but it has already reimbursed the loan or terminated the guarantee, or
 - it is not subject to a restructuring plan,
 - for the past two years (in the case of a large enterprise):
 - the company's book debt to equity ratio has been greater than 7.5, and
 - the company's EBITDA interest coverage ratio has been below 1.0,
 - we acknowledge the application of the condition of necessity, which stipulates that the applicant must submit an application for the award of grant funding before the start of the investment project,
 - all information stated in this application and in the supporting documents is true and complete,
 - all enclosed documents are true copies of original documents.

Done at _____ on _____

Signature of authorised person

Form 11

11. DECLARATORY STATEMENT FROM THE PROJECT COMPANY/GRANT BENEFICIARY ON STATE AID AWARD

(Only if the project company was registered before the application submittal)

The project company/grant beneficiary

Foreign investor's authorised person.....

I/We, the undersigned, hereby declare that:

- the financial incentive awarded as grant funding under this Call for Proposals is treated as a form of State aid;
- we will inform the Agency without any undue delay of any and all funding received from State resource;
- we acknowledge that the sum of the State aid granted for the eligible costs shown below incurred in the 'a' area shall not exceed **25%** (for a **large** enterprise), **35%** (for a **medium-sized** enterprise), **45%** (for a **small** enterprise) of the eligible investment project costs/GGE. In the 'c' area the sum of State aid granted for the eligible costs shown below is **15%** (for a **large** enterprise), **25%** (a **medium-sized** enterprise), **35%** (for a **small** enterprise) of the eligible investment project costs/GGE.

I/We declare under the penalties of criminal and civil liability for wilfully making any false statements herein:

- that the project company has received for the costs specified below eligible in the context of this Call for Proposals from other forms of State aid from the national government budget, local budget or the EU funding financial incentives in the amount of EUR

Eligible costs (in euros):

Type of eligible investment cost	Amount of co-financing (already received State aid)	Source of co-financing
Service connections and infrastructure facilities for the land parcel		
Purchase of/construction buildings with land lying directly under the building i.e. modernisation of buildings		
Purchase of plant, machinery and equipment		
Acquisition of patents/licences/know-how/unpatented technical knowledge (eligible costs of investments in intangible assets may amount to a maximum of 30% of the eligible costs incurred for the complete investment)		
Costs of opening and maintaining jobs/ workplaces		

Cumulation of state aid instruments means that every State aid received is cumulated with any other State aid. Consequently, the purpose of the cumulation rule is to ensure that the intensity of State aid is not higher than the maximum aid allowed (aid ceiling). If the project company/grant beneficiary has already received aid for a particular investment, may receive aid for the same eligible costs only if it does not exceed the aid ceiling.

Done at _____ on _____

Signature of authorised person

12. GENERAL INFORMATION ON THE PROJECT COMPANY/GRANT BENEFICIARY

(Only if the project company was registered before the application submittal)

GENERAL INFORMATION ON THE PROJECT COMPANY/GRANT BENEFICIARY

1.	Official name in full						
2.	Date of constitution and registration						
3.	Identification/registration number						
4.	Tax ID number						
5.	Economic activity (SKD)						
6.	Bank details and account number						
7.	Address and postal number						
8.	Telephone and fax						
9.	Electronic mail address						
10.	Website						
11.	Director						
12.	Contact person						
13.	Position of the contact person in the company						
14.	Net turnover X**-2						
15.	Net turnover X-1						
16.	Total revenue X-2						
17.	Total revenue X-1						
18.	Number of employees X-2						
19.	Number of employees X-1						
20.	Planned number of employees X						
21.	Number of employees by area in X-1	Management	Administration	Production	Services	R&D	Other
22.	Company size (small, medium-sized or large enterprise)*						
23.	Applicant's direct shareholding/participating interest in the project company/grant beneficiary (specify the shareholding)						
24.	Region and municipality in which the investment project will be executed						

* In accordance with the criteria specified in Annex I to Commission Regulation (EU) No 651/2014.

** X is current year i.e. application submission year

13. OPERATING RESULTS OF THE PROJECT COMPANY/GRANT BENEFICIARY

(Only if the project company was registered before the application submittal)

13.1. Short history

13.2. Ownership (current ownership structure with shares; short overview of changes)

13.3. Activities and operating results

- economic activity
- the description of most important products i.e. service (current and planned)
- development/technology
- sales and distribution network: key buyers, suppliers, markets, trademarks, etc.
- participating interest/shareholding accompanied by organisational chart
- collaboration with scientific-research institutions (current and planned) accompanied by supporting documents
- quality standards obtained
- operating results/performance (last three years)
- business plans and objectives (outlook for next three years)
- other

13.4. Most important products and services in total sales of the project company/grant beneficiary

	Most important products/services	Share in total sales in 2015 (2016*) in %	Share in total exports in 2015 (2016*) in %
1.			
2.			
3.			
4.			
5.			

*Applications submitted in 2017 shall provide figures for 2016.

13.5. Sales and main markets of the project company/grant beneficiary

	In EUR thousand	2014 i.e. 2015*	2015 i.e. 2016*	2016 i.e. 2017* (as budgeted)	2017 i.e. 2018* (as budgeted)	2018 i.e. 2019* (as budgeted)
A	Sale volume					
B	Export volume					
	Export market 1: _____					
	Export market 2: _____					
	Export market 3: _____					
	Export market 4: _____					
	Export market 5: _____					
	Other markets					

* For applications submitted in 2017, the first year in the table is 2015.

14. GRANT CONTRACT DRAFT (IN TRANSLATION PROCESS)

In the case of the notification of grant decision, the foreign investor and the project company/grant beneficiary will sign the grant contract with the Agency. Before signing the grant contract, the project company/grant beneficiary shall also complete the declaratory statement regarding the average number of all employees working in the company over the last 12 months. With this Grant Contract, the Agency and the foreign investor and the project company/grant beneficiary specify in more detail the provision of funding, the manner and form of reporting by the project company/grant beneficiary on the progress in the implementation of the project for which the grant has been awarded, and the manner and the procedure for the Agency's oversight over the intended use of the awarded grant funding.

SPIRIT, Slovenian Public Agency for Entrepreneurship, Internationalisation, Foreign Investments and Technology, Foreign Investments and Technology, Verovškova ulica 60, Ljubljana, represented by (hereinafter referred to as: the Agency)

Tax number:

Identification/registration number:

of the one part

and

....., represented by
..... (hereinafter referred to as: the foreign investor)

Tax number:

Identification/registration number (if any):

of the other part

and

....., represented by Director
..... (hereinafter referred to as: the project company/grant beneficiary)

Tax number:

Identification/registration number:

Bank account:

Name of the bank:

of the other part

hereby enter into the following:

GRANT CONTRACT No. on co-financing part of eligible costs

PRELIMINARY PROVISIONS

Article 1

The Grant Contract made and entered into pursuant to the Call for Proposals under the FDI Incentive Scheme - First Capital Entry into the Republic of Slovenia 2016/2017 (Official Gazette of the Republic of Slovenia, No., hereinafter referred to as: the Call for Proposals), Application No. for the award of grant funding submitted by the foreign investor....., received on, and the Decision adopted by the Agency to award grant funding No. as of..... The application submitted by the foreign investor/applicant to the Call for Proposals under the FDI Incentive Scheme– First Capital Entry into the Republic of Slovenia 2016/2017 is an integral part of the Grant Contract.

Article 2

The contracting parties note that funding is granted under the Call for Proposals for the foreign investor's investment project on the basis of the Agency's decision; the funds are paid to the project company on the basis of its request for payment.

The contracting parties also note that the foreign investor who has submitted the application under the Call for Proposals directly has a _____% shareholding entered into the court register of the Republic of Slovenia, i.e. into the shareholder register maintained at Centralna klirinška depotna družba d.d./ Central Clearing and Depository Corporation Inc., within 15 days after the notification of grant decision is delivered to the foreign investor's authorised representative.

SUBJECT MATTER OF THE GRANT CONTRACT

Article 3

The subject matter of the Grant Contract is co-financing of part of the eligible costs for investment when executing the investment project titled ».....« (hereinafter referred to as: the investment project) as approved and described in the application whose purpose, in addition to the transfer of know-how and technologies, connecting foreign investors with Slovenian companies and promotion of harmonised regional development is also job creation.

On the basis of this Grant Contract, co-financing is provided to the eligible costs in relation to the execution of the investment project for which a grant is requested to be executed by the foreign investor and the project company/grant beneficiary on the territory of the Republic of Slovenia and namely in the municipality of Within the framework of the investment project execution, the following eligible costs incurred for the project for which a grant is requested are co-financed:

- The costs of material investments (investment in tangible fixed assets, i.e. the purchase and construction of buildings together with land directly under the building and modernisation of buildings, service connections and utility infrastructure for land, purchase of new plant, machinery and equipment. The purchase of land may account for a maximum of 25% of the eligible costs for which a grant is requested. The purchase of land and the purchase of buildings shall be the eligible cost, save in the cases where transactions are made between the first-, second- and third-degree relatives or from a private individual who has been registered as a sole proprietor (s.p.) and his company or between the shareholders of the company and the company. To be eligible for grant funding, costs for material investments/investments in tangible assets for lease of land and buildings must take the form of leasing concluded at least for a period of five years after the anticipated date of the completion of the investment project for large enterprises and three years for small and medium-sized enterprises. Where plant, machinery and equipment is leased, only the costs of the lease taken as financial lease with the obligation to purchase the asset upon the expiry of the term of the lease is taken into account. The transaction shall take place under market conditions.

- The costs of immaterial investments (investment in intangible assets, i.e. the acquisition of patents, licences, know-how and other intellectual property/unpatented technical knowledge; these costs may account for a maximum of 30% of the eligible costs of the complete investment/GGE). Investments in intangible assets must be used exclusively in the project company/grant beneficiary. These investments must be treated as amortisable assets. They must be purchased from third parties under market conditions/at arm's length. They must be included in the company's fixed assets and in the case of a large enterprise must remain in the company receiving the grant for at least 5 years and for at least 3 years in the case of a small or medium-sized enterprise.
- The costs related to job creation/new employment directly created in relation to the investment project, calculated for a period of two years and the project company/grant beneficiary must actually pay in relation to the employment concerned (i.e. gross wage costs before tax and statutory contributions for social security). Claiming the costs arising from job creation as the eligible costs is possible only for projects in internationally marketable services and projects in research and development activity. In that case, the applicant should have specified in the grant application the type of costs to be eventually claimed as being eligible for the project grant.

VAT costs and compensation for changing land use and other taxes shall not be considered eligible for grant funding. Utility contribution shall be considered as an eligible cost.

The contracting parties agree that the decision to award grant funding does not necessarily mean the approval of the actual co-financing of individual eligible costs according to the bases specified in the second paragraph of this Article. The Agency will verify eligibility to co-financing within the framework of the assessment of the request for payment and half-yearly reports, and namely against backdrop of the Decree on financial incentives for foreign direct investment (Official Gazette of the Republic of Slovenia, No. 62/2014) and Commission Regulation (EU) No. 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance (OJ L 187, 26 June 2014, pages 1–78).

Article 4

The foreign investor has specified in the grant application that the project will be executed in the municipality of _____

Subject to the provision of the Decree on the regional aid map 2014-2020, the entire territory of the Republic of Slovenia shall be eligible for regional aid and namely (chose point a) or point b)):

- a) The **'a' area** where the economic situation is extremely unfavourable in relation to the Community as a whole shall be designated on the regional aid map as the entire territory of the territorial unit NUTS2 Slo1 Vzhodna Slovenija. The project for which the grant is requested is in the 'a' area where a maximum regional aid intensity shall not exceed **25% of the eligible costs** the project/gross grant equivalent **for large enterprises**, in the case of **medium-sized enterprises** the amount of the awarded grant shall not exceed **35%**, in the case of **small enterprises** **45%** the eligible costs of an individual project..
- b) The **'c' area** where the economic situation is favourable in relation to the Community as a whole, shall be designated on the regional aid map as the entire territory of the territorial unit NUTS2 Slo2 Zahodna Slovenija. The project for which a grant is requested also falls in the 'c' area where a maximum regional aid intensity shall not exceed 15% of the eligible costs for the project/gross grant equivalent (GGE) **for large enterprises**, in the case of **medium-sized enterprises** the amount of the awarded grant shall not exceed **25%** and in the case of **small enterprises**

enterprises regional aid intensity shall not exceed **35%** of the eligible costs incurred for an individual project.

After the Grant Contract enters into force and until its expiry, i.e. until all contractual obligations have been executed, the investment project shall not be relocated from the 'a' area to the 'c' area.

TERMS OF PAYMENT

Article 5

The contract value is EUR..... (hereinafter referred to as: grant funding). The investment project is co-financed up to a maximum amount of the agreed contract value, which shall not be more than 15 / 25 / 35 / 45 per cent of the eligible costs referred to in the second paragraph of Article 3 of the Grant Contract.

The Agency will transfer to the project company/grant beneficiary the grant funding referred to in the first paragraph of this Article up to a maximum amount of EUR..... in 2017.

For the project company/grant beneficiary, the funds received are a grant, i.e. a form of State aid under the State aid scheme »Financial Incentives for Foreign Direct Investment – Regional Aid« (Scheme No.: BE01-2399245-2014).

The project company/grant beneficiary shall use the grant funding awarded as a financial incentive exclusively for the intended purposes laid down in Article 3 of this Grant Contract for the duration of the Grant Contract and in accordance with the terms and conditions for awarding grant funding set out in the Call for Proposals, Grant Submission Documents, grant application and this Grant Contract.

It is not allowed to use the grant funding received as a financial incentive at any time during the execution of the Grant Contract for any other purpose except for the intended purposes (e.g. placing advance payments as a deposit with a commercial bank, entering into credit agreements...). Real property, buildings and other fixed assets must be used for intended purposes set out in the project. The Agency shall supervise whether the grant funding is used for the intended purposes.

Article 6

The basis for the payment of the grant funding shall be **a request for payment** drawn up by the project company/grant beneficiary and approved on behalf of the Agency by its custodian of the Grant Contract. The project company/grant beneficiary must submit to the Agency its e-request (e-invoice) also as a pdf file complete with all supporting documents.

The mandatory format and content of the request for payment are specified in Annex 1 of this Grant Contract. The request is an integral part of this Grant Contract; mandatory attachments to the request for payment are listed below:

- A report on the implementation and the results of the investment project from the date of commencement of works under the investment project until date of the request for payment; the scope and content of the report is specified in Annex 2 to this Grant Contract,
- A financial calculation for the project/statement of eligible cost items relating to the project, the scope and content of which is specified in Annex 3 to this Grant Contract. The project company/grant beneficiary may present proof relating to the incurred eligible costs (copies of invoices with proof that payment has been made) after the date of commencement of the investment project execution, and namely _____ (i.e. after the date of the application submission by the foreign investor under the Call for Proposals), until the date of the submission

of the request for payment. The eligible costs must be paid until the date on the request for payment.

- Photocopies of invoices and statements of account separately for each item of eligible costs with a stamp certifying it to be a true copy of the original – »kopija je enaka originalu«, signed on behalf of the grant beneficiary by its custodian of the Grant Contract.
- A report on jobs created/net new employment complete, with the attached proof relating to hiring new employees for the investment project, i.e. all persons employed in the company whose characteristics are described in detail in Annex 4 to this Grant Contract,
- The original of **an unconditional bank guarantee issued by an investment-grade bank with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank having its head office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractually obligations payable on the Agency's first written demand for payment, with the period of validity until the date being **three years and three months after the date of signature of the Grant Contract, and in the full amount of the demand**, with the scope and content specified in Annex 5 to this Grant Contract,
- A declaratory statement made by the project company/grant beneficiary that all copies of the attached supporting documents are true copies of original documents (Annex 6 to the Grant Contract).

In the request for payment, the costs considered as eligible are the costs incurred in the period after the date of commencement of the investment project execution and namely from _____ until the date of the request for payment. The eligible costs must be paid until the date of the request for payment. The project company/grant beneficiary must issue a request for payment complete with all attachments requested no later than on 23 October 2017.

The custodian of the Grant Contract of the side of the Agency shall approve in writing the request for payment and enclosed supporting documents within eight (8) working days after receiving the request for payment. In the event that the request for payment is incomplete or the enclosed supporting documentation is incomplete, the Agency shall demand amending the request for payment by inviting the project company/grant beneficiary to amend the request within five (5) working days after receiving the invitation to amend the request. Should the project company/grant beneficiary fail to amend the request for payment by the set deadline, the Agency shall reject the request.

In the case that in the issued request for payment in the financial calculation for the project, i.e. the statement of eligible cost items relating to the project, the total eligible costs (Annex 3 to the Grant Contract) are lower than the amount of the approved eligible costs or in the case that the enclosed bank guarantee is non-responsive (Annex 5 to Grant Contract), the Agency shall reject the request for payment.

The project company/grant beneficiary shall submit to the custodian of the Grant Contract the entire documentation in a physical form and when asked to do so, also the translations certified by a court interpreter.

Article 7

After the request for payment accompanied by the supporting documentation, i.e. the documentation requested by its custodian of the Grant Contract demonstrating that expenditure eligible for public co-financing has been incurred, the Agency undertakes to make credit transfer of the grant funding up to a maximum amount referred to in the second paragraph of Article 5 of this Grant Contract within 30 days, i.e. on the following working day after receiving the funds transferred by the

Ministry of Economic Development and Technology to the business account of the project company/grant beneficiary number....., opened at bank.....

If there is a change in the government budget with a direct effect on this Contract, the contracting parties agree to modify as appropriate the contract value i.e. the schedule of disbursements pursuant to an annex to this Grant Contract.

The grant funding shall be disbursed from the budgetary item 534310 SM 016 SN 1609.

OBLIGATIONS OF THE PROJECT COMPANY/GRANT BENEFICIARY

Article 8

In the case that the project company/grant beneficiary or the foreign investor should fail to act in accordance with Articles 5 and 6 of this Grant Contract, the Agency may terminate the Grant Contract and demand that the grant funding be repaid (claw-back rule) together with statutory interest on late payment accrued on the amount due starting on the day of payment and ending on the day when the Agency receives the repayment i.e. calls on/forfeits the bank guarantee.

Investment

Article 9

The project company/grant beneficiary will within three (3) years after the date of signature of the Grant Contract **substantially and financially complete investment**, for which a grant is requested and which arises from the application, and will submit a report on investment completion. The completion of the works declared in the grant application works and arriving at the same time at the net investment value at least in the amount of EUR shall be considered as the date of completion of the investment.

The project company/grant beneficiary must submit to the Agency half-yearly reports on a regular basis until the contractual obligations referred to in the first paragraph of this Article have been fulfilled. A half-yearly report must comprise:

- A report on the implementation and the results of the investment (Annex 2 to the Grant Contract).
- A financial calculation for the project/statement of costs relating to the eligible investment costs (Annex 3 to the Grant Contract),
- A report on job created/net new employment (Annex 4 to the Grant Contract), and
- A declaration that all copies of the enclosed supporting documents are true copies of original documents (Annex 6 to the Grant Contract).

The project company/grant beneficiary shall submit its first half-yearly report 6 months after the date of signature of the Grant Contract. The report must also cover the period from the start of the implementation of the investment project.

In accordance with the first paragraph of this Article, the project company/grant beneficiary must submit to the Agency a report on completion of the investment within three (3) years after the date of signature of the Grant Contract and the report shall comprise the following:

- A substantial report on the implementation and the results of the entire investment from which it shall be clear that the investment for which a grant is requested and which arises from the grant application has been substantially and financially completed. An integral part of that report shall also be a report on the fulfilment of the evaluation criteria set out in this Call for

Proposals, as set out in Chapter 12. The evaluation criteria set out in the Grant Submission Documents (e.g. share of local suppliers, education/qualification structure of the persons employed, effect on human capital, research and development effects, effect on the environment, i.e. on the service sector activities that are internationally marketable and transfer of technology to other Slovenian companies and effect on their productivity...),

- A final financial calculation for the investment/final statement of eligible cost items for the investment (Annex 3), from which it shall be clear that the value of the investment referred to in the first paragraph of this Article has been achieved,
- A report on already achieved net new jobs (Annex 4), and
- A declaration that all copies of the enclosed supporting documents are true copies of the original documents (Annex 6).

In the case that the project company/grant beneficiary should fail to submit to the Agency half-yearly reports i.e. reports on the completion of the investment or amendments to the reports in a timely manner, the Agency shall invite the project company/grant beneficiary in writing to submit the reports or amendments within eight (8) working days. In the case that the project company/grant beneficiary should fail to submit the reports or amendments by the set deadline, the Agency may terminate the Grant Contract and demand that the disbursed funds are reimbursed together with statutory interest on late payment starting on the day of the payment and ending on the day of reimbursement, i.e. it may call on/forfeit the bank guarantee.

Article 10

In the case that the project company/grant beneficiary should fail to fulfil the condition referred to in the first paragraph of Article 9 of this Grant Contract, it must within five (5) working days after receiving the Agency's letter to do so, reimburse the received funds together with statutory interest accrued on late payment starting on the day on which the grant is paid and ending on the day then payment is received as follows:

- all funds disbursed, if less than 75% of the value of the investment referred to in the first paragraph of Article 9 has been achieved,
- the appurtenant portion of funds derived from the second pillar, if 75% or more of the net value of the investment referred to in the first paragraph of Article 8 has been achieved.

If the achieved value of the investment upon completion of the investment, i.e. no later than within three (3) years of the signature of the Grant Contract is below EUR 1,000,000 in the manufacturing sectors of the economy, i.e. below EUR 500,000 in the service sector activities that are internationally marketable, or in research and development activity, the Agency shall terminate the Grant Contract and demand that all disbursed funds shall be reimbursed together with statutory interest on late payment starting on the day on which the grant is paid and ending on the when the repayment is made within five (5) working days after receiving the invitation to do so, i.e. call on/forfeit the bank guarantee. If over-paid funds are not reimbursed by the set deadline, the Agency shall call on the bank guarantee.

Creation of new net jobs

Article 11

The project company/grant beneficiary will no later than within three (3) years of the date of completion of the investment create net new jobs. A net increase in the number of employees means a net increase in the number of employees compared with the average number of employees over the last twelve calendar months prior to the signature of the Grant Contract,

resulting in the project company/grant beneficiary having at least persons employed within three years after the date of completion of the investment.

In the case that the investment project for which a grant was requested is in research and development activity, the project company/grant beneficiary must no later than upon completion of the investment create net new jobs.

In the case that the investment project for which a grant is requested is in the service sector activities that are internationally marketable and grant funding is awarded on the basis of costs of job creation/new employment, the project company/grant beneficiary must no later than upon completion of the investment create net new jobs.

The average number of employees at the grant beneficiary in the last twelve calendar months prior to the date of the signature of the Grant Contract (existing employees) shall be determined by taking into account all persons employed at the grant beneficiary on the basis of the employment contract.

For the purpose of determining contractual obligation for jobs creation resulting in a net increase in the number of employees and for the purpose of determining the fulfilment of the contractual obligation to maintain newly created jobs/net new employment, and only the persons employed at the grant beneficiary on the basis of the employment contract are taken into account, whereas the persons employed through agencies that supply temporary workforce on an individual contractual basis, i.e. seconded employees and sole proprietors (s.p.) and jobs created by reassigning or re-employing staff within the grant beneficiary, i.e. a group of associated companies of which the beneficiary is part, shall not be eligible for co-financing. Appropriate fulfilment of obligations under this paragraph shall be declared employment for undetermined time or for fixed term, for full-time or part-time work. In the case of an employment contract for part-time work, the obligation to create and maintain a newly created job shall be taken into consideration as annual work units (AWU) or fractions of AWU in the share an employee's full-time working obligation arising from a part-time employment contract represents in proportion to 40-hour working obligations per week.

Until completion of the investment, the project company/grant beneficiary shall report on the jobs created/net new employment within the framework of its half-yearly reports referred to in Article 8 of this Grant Contract. Following the completion of the investment, the project company/grant beneficiary must submit half-yearly reports to the Agency on a regular basis until the contractual obligations referred to in the preceding paragraph of this Article have been fulfilled. The half-yearly report must comprise:

- a substantially report on the situation and the results of the investment project (Annex 2),
- a report on jobs created/net new employment on the investment project, i.e. in the project company/grant beneficiary (Annex 4), and
- a declaration that all copies of the enclosed documents are true copies of the original documents (Annex 6).

The project company/grant beneficiary must submit the final report on jobs created/new employees within one month before the expiry of a three-year period after the date of completion of the investment (i.e. three years after signature of the Grant Contract in the case of a project in research and development activity and in the case of a project in the service sector activities that are internationally marketable where grant funds are awarded on the basis of costs of job creation/new employment). The final report must comprise:

- A substantial report on the situation and the results of the completed investment project. An integral part of that report shall also be a report on the fulfilment of the evaluation criteria set

out in this Call for Proposals, as set out in Chapter 12. The evaluation criteria in the Grant Submission Documents (e.g. share of local suppliers, effect on human capital, research and development effects, effect on the environment, i.e. on the service sector activities that are internationally marketable and transfer of technology to other Slovenian companies and effect on their productivity, gross value added per employee...),

- A report on jobs created/the number of persons employed on the investment project (Annex 4),
- A declaration that all copies of the enclosed documents are true copies of the original documents (Annex 6),
- A list with all persons employed in the company showing that within three years after completion of the investment, i.e. until completion of the investment in the case of an investment project in research and development activity, i.e. a project in the service sector activities that are internationally marketable (costs of creating new jobs are taken into account) achieved at least of all persons employed in the project company/grant beneficiary and their education in the case of a project in research and development activity, i.e. a project in the service sector activities that are internationally marketable,
- A report on the achievement of the objectives of the investment and the time schedule (Table 8.1.10. Time schedule for the investment and Table 8.1.11 Objectives of the investment project as declared in the grant application with an additional column for realisation).

The project company/grant beneficiary that received grant funding for the investment project in research and development activity, must submit together with the final report on jobs created/ net new employment, also the organisation chart and the job classification/systemisation act in force.

In the case that the project company/grant beneficiary should fail to submit to the Agency half-yearly reports i.e. final report or amendment to the report on jobs created/net new employment in a timely manner, the Agency shall invite the project company/grant beneficiary in writing to submit the requested reports or amendments to the reports within eight (8) working days. In the case that the project company/grant beneficiary should fail to submit the reports or amendments to the reports by the set deadline, the Agency may terminate the Grant Contract and demand that the funds received shall be reimbursed together with statutory interest on late payment starting on the day on which the grant is paid and ending on the day of reimbursement. The deadline for reimbursement is 5 working days after receiving the invitation to do so.

Article 12

In the case that the project company/grant beneficiary should fail to meet the condition for the creation of net new jobs referred to in Article 11 of this Grant Contract by the set deadline, it must reimburse the funds received within 5 working days after receiving the Agency's letter to do together with statutory interest on late payment starting on the day on which the grant is paid and ending on the day when the repayment is made as follows:

- all funds disbursed, if the number of net new jobs is below 50% of the contractual obligation,
- a proportionate share of funds derived from the first pillar calculated in relation to the number of unrealised jobs/posts, if the number of net new jobs is at least 50% or more of the contractual obligation. If in research and development activity more than 5 net new jobs was created, in order to fulfil this condition the Grant Contract, at least 80% of all newly employed persons must have at least education/qualification 6/2 level (specialisation after higher educational programmes or high educational professional programmes, i.e. First Bologna cycle).

If the achieved number of jobs created/net new employment in a period of three years of the completion of the investment, i.e. within six years of the signature of the Grant Contract is less than

25 net new jobs in the manufacturing sectors of the economy, i.e. until completion of the investment in the case of a project in research and development activity or a project in the services sector (by taking into consideration the costs for the creation of new jobs) is less than 10 net new jobs in the service sector activities that are internationally marketable, or less than 5 net new jobs (with the minimum completed level of education: specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle) in research and development activity, the Agency shall terminate the Grant Contract and demand that all disbursed funds shall be reimbursed together with statutory interest on late payment starting on the day on which the grant is paid and ending on the when the repayment is made.

Maintaining jobs

Article 13

The project company/grant beneficiary will maintain employment continuity in the region at least five (5) years for a large enterprise and at least three (3) years for a small or medium-sized enterprise after the date when a job was created for the first time/post filled. Where jobs were created/staff hired before the investment completion date, the period during which those jobs shall be maintained shall be calculated from the day of completion of the investment onward.

The grant beneficiary undertakes to maintain the investment project for which a grant was requested until the conditions referred to in the preceding paragraph of this Article have been fulfilled in the region and namely in the designated area (the 'a' area of the NUTS2 region Slo1 Vzhodna Slovenija) i.e. (the 'c' area of the NUTS2 region Slo2 Zahodna Slovenija) at least five (5) years for a large enterprise and at least three (3) years for a small or medium-sized enterprise after completion of the investment project.

In the case that beneficiary prior to the expiry of the period referred to in the second paragraph of this Article should discontinue the project for which a grant was requested, it must reimburse within fifteen days after receiving request for payment from the Agency the proportionate portion of the grant funding in relation to the duration of the investment project together with statutory interest accrued on late payment from the date of payment until the date of repayment.

In the case that prior to the expiry of the period referred to in the first paragraph of this Article the grant beneficiary should remove a fixed tangible asset referred to in the second paragraph of Article 2 for which a grant was requested and referred to in the second paragraph of this Article without replacing it with a new one having the same or higher purchase price, it must reimburse a proportionate portion of the grant funding in relation to the carrying amount of the fixed tangible asset and the amount of co-financing for the concerted tangible asset together with statutory interest accrued on late payment from the date of payment until the date of repayment.

The grant beneficiary is obliged to immediately notify the Agency of any change from the third and fourth paragraph of this Article.

The project company/grant beneficiary must report annually to the Agency during the period of mandatory investment project maintenance on the following:

- the situation and the results of the investment project, a substantial and financial overview of maintaining the investment and the jobs in the region (Annex 2),
- any difficulties encountered,
- the overall operations of the project company/grant beneficiary in the preceding one-year period,
- maintaining jobs created/net new employment (Annex 4).

The company must submit to the Agency its last report on maintaining the investment project no later than one month before the expiry of the investment project maintenance period.

In the case that the project company/grant beneficiary should fail to submit to the Agency the annual reports on maintaining the investment project in a timely manner, the Agency shall invite the project company/grant beneficiary in writing to submit the requested reports or to amend the reports within eight (8) working days. Should the project company/grant beneficiary fail to submit the reports or to amend the reports by the set deadline, the Agency may terminate the Grant Contract and demand the repayment of the funds received together with statutory interest on late payment starting on the day on which the grant is paid and ending on the day when the repayment is made. The deadline for the repayment to be made is five (5) working days after receiving the invitation to do so.

Article 14

In the case that the project company/grant beneficiary should fail to deliver on the commitment to maintain the jobs in accordance with Article 13 of this Grant Contract, he must reimburse within five (5) working days after receiving the Agency's letter to do the funds received together with statutory interest accrued on late payment from the date of payment until the date of repayment as set out below:

- all funds disbursed in the case that the number of net new jobs fell below 50% of the contractual obligation after completion of the investment,
- the proportionate share of funds derived under the first pillar, if the number of net new jobs upon completion of the investment fell up to 50% of the contractual obligation. If in research and development activity more than 5 net new jobs are created, in order to comply with this condition of the Grant Contract, at least 80% of all newly employed persons must have at least qualification level 6/2 (specialisation after higher educational programmes or high educational professional programmes i.e. First Bologna cycle).

The proportionate share of the grant amount referred to in the preceding paragraph of this Article shall be calculated by applying the following formula:

$$x = \left(\frac{\text{first_pillar_value}}{\text{no_new_jobs} * \text{maintenance_periode} (36_ie_60)} \right) * y$$

x= proportionate share of the grant amount

y= No. of months for all employees when jobs were not preserved (jobs lost).

The condition for maintaining this Grant Contract in effect shall be a minimum number of created jobs/net new employment in the project company/grant beneficiary, which in the manufacturing sectors of the economy shall not be lower than 25 jobs, in the service sector activities that are internationally marketable it shall not be lower than 10 jobs, and in research and development activity it shall not be lower than 5 jobs and the minimum completed level of education shall be specialisation after higher educational programmes or high educational professional programmes, i.e. First Bologna Cycle (Level 6/2).

In the case that the project company/grant beneficiary should fail to achieve the structure of the employed as specified in the preceding paragraph of this Article, it must reimburse within five (5) working days after receiving the Agency's letter to do so the funds received together with interest accrued on late payment from the date of payment until the date of repayment.

Article 15

In the case that it is revealed that the project company/grant beneficiary has already received for the same project also other funds from the central government, local or EU budget, i.e. if the total amount of the funds received from these resources exceeds a maximum permissible amount of co-financing stipulated by the rules relating to State aids or such funds have been awarded to the project company/grant beneficiary, the Grant Contract shall be terminated and the Agency may demand that all funds already disbursed are paid back together with statutory interest accrued on late payment starting on the date of payment and ending on the date on which repayment is made.

Reporting on changes

Article 16

The project company/grant beneficiary and foreign investor are obliged to notify the Agency of any and all status changes, i.e. changes in the ownership structure of the project company/grant beneficiary, and namely within 15 days after the date of the change.

In the case that foreign investor's direct shareholding in the project company/grant beneficiary should fall below 50% of the direct shareholding before completion of the investment, i.e. below 10% before completion of the investment project, the project company/grant beneficiary must repay the grant funds received together with statutory interest accrued on late payment starting on the date of payment and ending on the day of repayment within five (5) working days, after receiving the Agency's letter to do so.

On-the-spot verification

Article 17

The project company/grant beneficiary must allow to the Agency and the ministry and all other institutions authorised, i.e. responsible for supervision of the use of budgetary resources for the purpose of controlling and monitoring the use of the award grant funding and achieving the set objectives the control of the use of the awarded grant funding, so that at any time, generally with a prior notice, it is possible to verify the data declared in the application and in the Grant Contract and the execution of the investment project and look at the complete project documentation at each point of the investment project and also to carry out verification at the grant beneficiary. The representatives of the European Commission, European Court of Auditors, Court of Audit of the Republic of Slovenia and other competent inspection authorities shall have the same rights.

In the event that the project company/grant beneficiary has received funds and later on a review of the use of the grant funding allocated from the budget reveals that the payments received were unjustified, i.e. the funds were not used for their intended purpose, it must within five (5) working days after receiving the letter inviting him to reimburse the funds received repay unjustifiably received, i.e. unjustifiably used funds together with statutory interest accrued on late payment starting on the date of payment and ending on the day of repayment.

Article 18

In the case that the Agency should authorise an external institution for monitoring and supervising the use of the grant funding from the budgetary resources, the project company/grant beneficiary shall undertake to provide to that institution access to the project documentation at each point of the project implementation.

Notification and changes

Article 19

The foreign investor i.e. the project company/grant beneficiary must in the period from the submission of the grant application until all obligations arising from the Call for Proposals, the Grant Submission Documents and the Grant Contract have been fulfilled notify the Agency in writing of any and all changes (e.g. substantive and financial changes to the investment project for which a grant is requested, address change, the initiation of bankruptcy proceedings, withdrawal/exit of the foreign investor, etc.) regarding either the investment project or the project company/grant beneficiary or the foreign investor as soon as changes occur.

Article 20

The Agency may terminate the Grant Contract and demand the reimbursement of funds disbursed together with statutory interest on late payment from the date of payment until the date of reimbursement, if changes are made during the project implementation that may have an impact on the application evaluation, so that the score could fall below a minimum threshold of the number of points for project co-financing.

Article 21

If during the effectiveness of the Grant Contract proceedings are initiated against the project company for simplified compulsory settlement, compulsory settlement, bankruptcy or liquidation, it must immediately notify the Agency. As of the notification date, i.e. the decision to initiate simplified compulsory settlement, compulsory settlement, bankruptcy or liquidation, the Agency's obligation to the project company/grant beneficiary arising from this Grant Contract shall be terminated and at the same time it may demand reimbursement of all disbursed funds in real value together with statutory interest on late payment starting on the day on which the grant is paid and ending on the when the repayment is made.

Funding restrictions

Article 22

By signing the Grant Contract, the project company/grant beneficiary represents and warrants that for the costs for which a grant was requested it has not received, i.e. is not in a phase of obtaining other funds from the central government, local or EU budget (including de minimis aid), i.e. the total amount of the funds received from this source does not exceed a maximum permissible amount of co-financing determined by the rules on State aids. If it is established that the project company/grant beneficiary has also already received other funds from the central government, local or EU budget, i.e. the total amount of the funds received from this source exceeds a maximum permissible amount of co-financing determined by the rules on State aids, or such funds have been awarded to it without notifying in writing the Agency of it until entering into this Grant Contract, the Agency shall terminate this Grant Contract (i.e. the contract value is reduced to a sum that does not exceed the total value of the permissible aid intensity set by the rules on State aids) and demands the reimbursement of unjustifiably received funds together with statutory interest accrued on late payment starting on the date of payment and ending on the day of repayment. The project company/grant beneficiary must reimburse the funds within five (5) working days after receiving the Agency's invitation to do so.

By signing this Grant Contract, the project company/grant beneficiary declares that on the date of the application submission it is not an undertaking in difficulty as specified in the Community Guidelines on state aid for rescuing and restructuring firms in difficulty (UL C 244 of 1 October 2004, page 2) and the Act Governing Rescue and Restructuring Aid for Companies in Difficulty (Official Gazette of the Republic of Slovenia, No. 44/07-UPB, 51/11, 39/13 and 56/13).

If the project company/grant beneficiary following signature of the Grant Contract should initiate the procedure for obtaining aid for companies in difficulties, the Agency may terminate the Grant Contract. If the Agency's obligation has already been fulfilled, the project company/grant beneficiary must in that case reimburse the funds received together with statutory interest accrued on late payment starting on the date of payment and ending on the day of repayment within 5 working days after receiving a letter from the Agency to do so.

Truthfulness of the information and storing documentation

Article 23

With the signature of the Grant Contract the foreign investor represents and warrants that all data provided in the grant application under the Call for Proposals including with supporting documents are true and if that not is the case, the foreign investor, i.e. the project company/grant beneficiary shall be liable to the Agency for any damage sustained. Should it be established that the foreign investor has deliberately supplied inaccurate data in relation to the intended purpose of the investment or the fulfilment of the conditions or has withheld data that could in any manner whatsoever have an impact on the evaluation of the investment, the Agency shall have the right to terminate this Grant Contract and demand the reimbursement of the unjustifiably received funds together with statutory interest accrued on late payment starting on the date of payment and ending on the day of reimbursement.

Article 24

The project company/grant beneficiary must keep complete documentation relating to the project, in accordance with effective legislation, i.e. for at least 10 years after the fulfilment of the contractual obligations for the purpose of subsequent verifications. Prior to the expiry of the ten-year period, the Agency may extend this period.

BANK GUARANTEE

Article 25

The project company/grant beneficiary undertakes to submit to the Agency together with the request for payment as a condition for the effectiveness of the Grant Contract, an unconditional bank guarantee issued by an investment-grade bank **with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank having its head office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractually obligations payable on the Agency's first written demand for payment, with the period of validity until the date being three years and three months after the date of signature of the Grant Contract, and in the full amount of the demand. The submitted bank guarantee must enable the Agency to call on it, if the beneficiary should fail to execute the project in accordance with Article 9 of this Grant Contract, should the grant beneficiary fail to use the funds according to the intended purpose, and if the beneficiary should fail to submit the reports referred to in Article 9 of this Grant Contract in a timely manner. The bank guarantee may be called on also in all other cases when the Agency terminates the Grant Contract and/or seeks to recover the funds disbursed and the beneficiary does not pay back those funds by the set deadline. The grant beneficiary shall submit the bank guarantee drawn up according to the sample laid down in Annex 5 to this Grant Contract.

The bank guarantee shall remain in force for three more months after the expiry of the deadline for the completion of the investment referred to in Article 9 of this Grant Contract. If during the execution of the Grant Contract, the deadline referred to in Article 9 of this Grant Contract is changed, the grant beneficiary/project company must present within fifteen days after the signature of an annex to this Grant Contract a new guarantee and with a new validity period, in accordance

with the modification of the contract execution date. In the case that the beneficiary should fail to present a new guarantee by the set deadline, the Agency may terminate the Grant Contract and demand the repayment of the disbursed funds and call on/forfeit the existing bank guarantee.

In the case that the original bank guarantee will not be drawn up in the Slovenian language, the beneficiary undertakes to submit a translation of the original the bank guarantee in the Slovenian language duly certified by a court interpreter tied together with the attached original of the bank guarantee and certified by the issuing bank.

In case of a dispute between the beneficiary under the bank guarantee and the issuing bank arising out of the submitted bank guarantee, the dispute shall be referred to the Court in Ljubljana as the court having jurisdiction over the dispute. To resolve the dispute, the Court will use the certified translation of the original bank guarantee into the Slovenian language and the original letter on calling on the guarantee in the Slovenian language. The Court will apply law of the Republic of Slovenia to rule on the rights and obligations arising from the bank guarantee between the bank as guarantor and the beneficiary under the bank guarantee.

Article 26

The Agency may terminate the Grant Contract and seek to recover the funds disbursed in special cases specified with this Contract and in all other cases when contractual obligations are breached, as well as in the cases determined with the Code of Obligations or other regulations. In the case that the Agency shall terminate the Grant Contract, the legal effects of such termination shall be governed by the provisions laid down in the Code of Obligations.

In cases where the Agency may exercise the exit clause and seek recovery of the funds disbursed, it may according to its judgement alternatively, cumulatively or sequentially unilaterally also exercise the following entitlements:

- to determine timeframe or deadline for the correction of the irregularity,
- to suspend temporarily the disbursement of a portion or of all requested funds,
- to partially reject the request for payment, i.e. to reduce the amount claimed in the request for payment by the disputed portion,
- to reject the entire request for payment and, as a consequence, does not disburse the grant finding,
- to seek recovery of a portion or of all disbursed funds without terminating the Grant Contract,
- to reduce the contract value.

In the event that the Agency should send to the grant beneficiary a request to make a repayment of the sums received, regardless of the legal basis for seeking such recovery, the Agency shall also be entitled to statutory interest on late payment from the date of the grant payment until the date of their repayment.

The grant beneficiary is obliged to pay back the funds received within 15 days of receiving the request to reimburse the funds received, unless otherwise specified in an individual Article of this Grant Contract.

FINAL PROVISIONS

Article 27

The custodian of the Grant Contract on the side of the Agency is, and the custodian on the side of the project company/grant beneficiary is

Article 28

The contracting parties agree to resolve amicably any outstanding issues. Any dispute which cannot be settled amicably shall be brought before the Court in Ljubljana.

Article 29

The project company/grant beneficiary undertakes not to assign or pledge in favour of any third parties – legal or natural persons – any portion of its claims on the Agency arising out of this Grant Contract. Furthermore, the project company/grant beneficiary undertakes not to establish any lien on its claims on the Agency arising out of this Grant Contract and commits not to use the funds awarded to it under this Grant Contract in a manner that is (or could be) in conflict with the intended purpose of the granted funds as specified in Article 2 of this Grant Contract.

Article 30

In the case the Grant Contract is transferred from the project company/grant beneficiary to his singular legal successor without the Agency's approval, the Agency may terminate the Grant Contract. The Agency may grant an approval to the transfer of the Grant Contract only in the event that the legal successor shall be liable also for all obligations arising from this Grant Contract incurred before the transfer.

Article 31

The contracting parties agree that an agreement relating to any and all modifications and amendments to this Grant Contract reached in advance will be enacted by signing an annex to that effect, save in case of a change in custody of the Grant Contract where a notification sent in writing to the other contracting party shall be deemed sufficient.

Article 32

Pursuant to the provisions of the Integrity and Prevention of Corruption Act (Official Gazette of the Republic of Slovenia, No. 69/2011-UPB2) any contract shall be deemed null and void in which a person promises, offers or gives any undue advantage to the representative or agent of a public sector body or organisation on behalf or for the account of another contracting party for the purpose of:

- obtaining business;
- concluding business under more favourable terms and conditions;
- omitting due supervision over the implementation of contractual obligations; or
- any other act or omission which causes a public sector body or organisation damage or by which the representative or the agent of the public sector body or organisation, the other contracting party or its representative, agent or intermediary are put in a position to obtain an undue advantage.

The contracting parties must abstain from any act that based on the content of the preceding paragraph would constitute a violation of legislative provisions.

Should the Agency establish the existence of the factual situation referred to in the 1st and 2nd paragraphs of this Article, it must initiate the proceedings for declaring the Grant Contract invalid and bring this information to the attention of the competent authorities.

Article 33

The Grant Contract has been drawn up in five (5) identical copies, of which the Agency shall receive three (3) copies and the foreign investor and the project company/grant beneficiary shall receive one (1) copy each.

Article 34

This Grant Contract shall enter into effect as of the date of its signature by all the contracting parties and it shall remain in effect until all contractual obligations have been fulfilled.

Done at _____ on _____

Done at _____ on _____

FOREIGN INVESTOR:

THE AGENCY:

.....
.....
.....

SPIRIT, Slovenian Public Agency for
Entrepreneurship, Internationalisation, Foreign
Investments and Technology
Director

Done at _____ on _____

PROJECT COMPANY/GRANT
BENEFICIARY:

.....
.....
.....

PLEASE USE THE APPLICANT'S HEADED NOTEPAPER:

REQUEST FOR PAYMENT – the request is an integral part of the Grant Contract
(mandatory format, only when submitting a request for payment no later than on 23 October 2017)

DATE:

COMPANY:

TAX ID NUMBER:

IDENTIFICATION/REGISTRATION NUMBER:

BANK ACCOUNT NUMBER:

NAME OF THE BANK:

AUTHORISED SIGNATORY:

GRANT AWARD DECISION NO.:

GRANT CONTRACT NO.:

SPIRIT SLOVENIJA, PUBLIC AGENCY
VEROVŠKOVA ULICA 60
SI 1000 LJUBLJANA, SLOVENIA

SUBJECT: Request for payment of grant funds awarded to the investment project

TITLE OF THE PROJECT:

In accordance with the Grant Contract and the submitted documentation relating to the execution of the investment project, we hereby present our request for payment in the amount of EUR _____.

Company:

Company seal:

Signature of authorised person:

The Agency will accept only an e-invoice in HTML format transmitted through Uprava RS za javna plačila/ Public Payments Administration of the Republic of Slovenia; as proof of the transaction, the report shall be accompanied by a request for payment that must be reconciled with the e-invoice. In the case of a mismatch, the e-invoice shall prevail.

Supporting documents:

- Report on implementation and results of the investment project (Annex 2)
- Financial calculation for the project / statement of eligible costs incurred under the project (Annex 3)
- Report on net new employment (Annex 4)
- Original of the bank guarantee issued by an investment-grade bank (Annex 5)
- Declaratory statement that all copies of the enclosed documents are true copies of the original documents (Annex 6)

PLEASE USE THE APPLICANT'S HEADED NOTEPAPER:

REPORT ON IMPLEMENTATION AND RESULTS OF THE INVESTMENT PROJECT

(mandatory format)

Mandatory format of the reports on the implementation and the results of the investment project shall apply to **the first report submitted when the request for payment** i.e. drawing down funds and for all subsequent **half-yearly reports until the completion of the investment project** (until completion of the investment works on the project and creation of all net new jobs).

1. The situation and the results of the investment project, substantially and financially
2. The realisation of the time schedule for the investment project (the table from the investment project being the subject matter of the notification of grant award /application with additional column for realisation)
3. Any difficulties encountered and plans for the following half-yearly period (in relation to the investment project)
4. A short description of all operations of the project company/grant beneficiary in the preceding 6-month period

Upon the submission of the final report on the investment project, the report shall also be accompanied by an account of the objectives of the investment and the time schedule (Table 8.1.10. Time schedule for the investment and Table 8.1.11 Objectives of the investment project arising from the approved application with an additional column for realisation).

Upon completion of the investment project (the period of mandatory maintenance of the investment project in the region) **annual reports** shall be drawn up in relation to the situation and the results of the completed investment project (point 1), any difficulties encountered (point 2) and the operations of the project company/grant beneficiary (point 3).

1. The situation and the results of the investment project, substantive and financial overview of maintaining the investment and jobs in the region and a report on fulfilling the evaluation criteria set out in this Call for Proposals, as specified in Chapter 12. Evaluation criteria in the Grant Submission Documents (e.g. share of local suppliers, effect on human capital, research and development effects, effect on the environment, i.e. on the service sector activities that are internationally marketable and transfer of technology to other Slovenian companies and effect on their productivity, gross value added per employee...).
2. Any difficulties encountered.
3. A short description of all operations of the project company/grant beneficiary in the preceding one-year period.

The company must submit to the Agency the last report on maintaining the investment project within one month before the expiry of the investment project maintenance period.

Date:

Authorised signatory:

Signature:

ITEMISED PROJECT BUDGET / STATEMENT OF ELIGIBLE COST ITEMS RELATING TO THE PROJECT WITH ANNEXES (mandatory format)

The mandatory format of the statement of costs shall apply **to the first report to accompany the request for payment** i.e. to draw down awarded funds and **all further half-yearly reports until completion of the investment** when a final financial calculation, i.e. a finalised statement of costs incurred shall be presented.

DOCUMENTARY EVIDENCE: **Copies of invoices and proof of payment / statement of account separately for each eligible cost** (enclosed in the same order in which the invoices for the costs borne are listed in the table below)

The project company/grant beneficiary must issue a request for payment no later than on 23 October 2017. In order to be eligible for funding, costs stated in the request for payment shall be the costs incurred during a period from the grant application submission date until the request for payment submission date and were also paid until the request for payment submission date (payments made to be evidenced by invoices and account statements proving that payments have been made), and by considering the maximum regional aid intensities (15%, 25%, 35% i.e. 45%). The amount stated in the request for payment must not exceed the amount laid down in the notification of grant decision.

The project company/grant beneficiary must also enclose to the **request for payment an unconditional bank guarantee issued by an investment-grade bank with its registered office in a Member State** (i.e. an unconditional bank guarantee issued by an investment-grade bank having its head office in a third country if that bank has its branch in the EU and calling on the guarantee is explicitly enabled also in that branch) as security for performance of contractual obligations payable on the Agency's first written demand for payment, with the period of validity until the date being **three years and three months after the date of signature of the Grant Contract**, and in the full amount of the demand, with which the bank undertakes to pay a specified sum of money if contractual obligations have not been duly fulfilled.

Since for the calculation of the approved **amount of the grant funding** the amount of the investment, i.e. the sum of all **eligible costs to be incurred in a period from** the date of the **application submission until the date of the completion of the investment; i.e. within three (3) years after signing the Grant Contract**, is taken into consideration, the project companies/grant beneficiaries must also present at the completion of the investment documentary evidence (invoices and account statements as proof that payments have been made), with which they declare the sum of eligible costs incurred for the investment for which a grant is requested.

The invoice issue date shall be considered as the date on which the costs were incurred.

The eligible costs shown in the table must be in accordance with the application submitted under the Call for Proposals (Table 8.3.2. Eligible investment costs and expected co-financing on page 55 of the Grant Submission Documents)

DOC.S EQ. No.	TYPE OF ELIGIBLE INVESTMENT COST (cost specification)	INVOICE (number and issuer)	DATE OF PAYMENT, (swift, account statement)	AMOUNT INCLUDING VAT	AMOUNT EXCLUDING VAT	AMOUNT FOR CO- FINANCING (15 / 25 / 35 / 45%; enter value)	BANK GUARANTEE
SERVICE CONNECTIONS AND UTILITY INFRASTRUCTURE FOR LAND:							
1.							
2.							
total							
SEQ. No. DOC.	TYPE OF ELIGIBLE INVESTMENT COST (cost specification)	INVOICE (number and issuer)	DATE PAYMENT, (swift, account statement)	AMOUNT INCLUDING VAT	AMOUNT EXCLUDING VAT	AMOUNT FOR CO- FINANCING (15 / 25 / 35 / 45%; enter value)	BANK GUARANTEE
CONSTRUCTION/PURCHASE/ LEASE BUILDINGS WITH LAND* DIRECTLY UNDER THE BUILDING I.E. MODERNISATION OF BUILDINGS:							
1.							
2.							
total							
PURCHASE / LEASE OF NEW PLANT, MACHINERY AND EQUIPMENT **							
1.							
2.							
total							
ACQUISITION OF PATENTS/LICENCES/KNOW-HOW/UNPATENTED TECHNICAL KNOWLEDGE ***							
1.							
2.							

total							
GROSS WAGE COSTS**** AND COSTS OF COMPULSORY CONTRIBUTIONS FOR SOCIAL SECURITY FOR NEW EMPLOYEES (LAID DOWN IN ANNEX 3/2)							
total							
TOTAL ELIGIBLE INVESTMENT COSTS SUPPORTED BY DOCUMENTARY EVIDENCE:							
TOTAL ELIGIBLE INVESTMENT COSTS; OUTSTANDING AMOUNT							

* In order to be eligible for funding, the cost of buying land shall be for the portion of the whole parcel on which the buildings are constructed, i.e. will be constructed. The portion of land eligible for co-financing shall be determined on the basis of the documentation for construction and/or extract from the land register and the actual use of that land. In the case that the value of land under the building cannot be determined on the basis of the sales contract, the project company/grant beneficiary must submit a valuation of that land duly certified by a court-appointed valuer from which the value of the land lying under the building can be determined.

In addition, the purchase of land may account for a maximum of 25% of the eligible costs for which a grant is requested. The purchase of land and the purchase of buildings shall not be taken into consideration as eligible costs in those cases in which transactions are made between the first-, second- and third-degree relatives or from a private individual who has been registered as a sole proprietor (s.p.) and his company or between the shareholders of the company and the company.

** In order to be eligible for funding, costs related to the lease of plant and machinery must take the form of financial lease and must contain the obligation for the beneficiary of the grant to purchase the asset upon expiry of the term of the lease. The transaction shall take place under market conditions.

*** The acquisition of patents/licences/know-how/unpatented technical knowledge may account for a maximum of 30% of the eligible costs for which a grant is requested.

**** To be eligible for funding, project costs related to tangible intangible assets can be claimed for all types of projects, whereas to claim costs of job creation/new employment as eligible costs can be considered only for projects where investment is made in internationally marketable services and for projects in research and development activity, provided that the foreign investor has specified in the application which type of costs will be notified as eligible for co-financing.

Date:

Authorised signatory:

Company Seal:

Signature:

PLEASE USE THE APPLICANT'S HEADED NOTEPAPER:

OVERVIEW OF GROSS WAGE COSTS FOR NEW EMPLOYEES

(only for projects where costs of job creation/new employment are claimed as eligible costs)

	FIRST NAME AND SURNAME OF NEW EMPLOYEE	DATE OF EMPLOYMENT	WORKPLACE/ POSITION, EDUCATION LEVEL	GROSS WAGE COSTS BEFORE TAX AND STATUTORY CONTRIBUTIONS FOR SOCIAL SECURITY (PAID BY THE COMPANY) IN EUR
1.				
2.				
3.				
4.				
5.				
6.				
7.				
....				
TOTAL GROSS WAGE COSTS FOR NEW EMPLOYEES IN EUR				

Date:

Authorised signatory:

Signature:

PLEASE USE THE APPLICANT'S HEADED NOTEPAPER:

REPORT ON NET NEW EMPLOYMENT

(mandatory form)

The mandatory form for reporting on net new jobs/net employment gain shall apply **to the first report submitted at the time when the request for payment, i.e.** for drawing down the grant funding is made and to **all subsequent interim reports until completion of the investment project** (until the number of net new jobs stipulated in the Grant Contract is achieved).

During the period following completion of the investment project (during the period for the maintenance of net new jobs), the reports shall be produced **on the annual basis**.

1. Table: the number of newly employed persons employed on the investment project, together with M1 forms and a copy of the document attesting to the achieved professional qualification in the case of R&D projects.
2. Declaratory statement on the current number of all employees in the project company/grant beneficiary.
3. Organisation chart and the job classification act in force at the time when submitting the report on the net new employment created in the case of R&D projects.

The creation of net new jobs is calculated as a **net increase in the number of employees** directly employed in the project company/grant beneficiary compared with the average number of employees over the 12-month period prior to the signature of the Grant Contract taking into account the number of persons employed full-time and part-time. Any job lost during that 12-month period must be deducted from the total number of jobs created during the same period. New employment must be created within three (3) years of the investment completion date; for investment projects in the service sector where grant funding is awarded on the basis of costs arising from job creation and for investment projects in the research and development activity, the project company/grant beneficiary must create net new jobs within three (3) years from the signature of the grant contract. Employment created must be maintained in the region for at least five (5) years and for at least three (3) years for small and medium-sized enterprises after the date when this post was first filled. As regards employment created before the investment completion date, the period for the preservation of employment shall be calculated from the investment completion date onward.

The application shall be accompanied by **documentary evidence on newly employed persons (the M1 forms filed with the Health Insurance Institute of Slovenia)** for each new employment i.e. outplacement. **In the case of R & D projects the supporting documents shall also comprise a copy of the document attesting to the achieved professional qualification level** for each new employment i.e. outplacement. Where half-yearly, i.e. annual reports are to be submitted for the purpose of monitoring **the existing employment/jobs, a complete table drawn up in line with the previous one shall be enclosed**. It is **not** necessary to enclose new M1 forms to prove the achieved professional qualification for the already existing employment/jobs; **documentary evidence shall be furnished only for newly employed persons**.

NEW EMPLOYMENT CREATED BY THE INVESTMENT PROJECT AFTER CONTRACT SIGNING					OUTPLACEMENT (if an employee's employment relationship was terminated)	
SEQ. NO.	FIRST NAME AND SURNAME	DATE OF ENTERING INTO EMPLOYMENT RELATIONSHIP	DATE OF ENTERING INTO EMPLOYMENT RELATIONSHIP	DATE OF TERMINATION OF EMPLOYMENT RELATIONSHIP	FIRST NAME AND SURNAME	DATE OF ENTERING INTO EMPLOYMENT RELATIONSHIP
1.						
2.						
3.						
...						

The purpose of the table is to enable straightforward and transparent monitoring of employment creation. If a **vacancy opens up, it must be filled in as soon as possible with a new employee – OUTPOSTING** – so that the number of net new jobs is achieved within the time line stipulated in the Grant contract. In order to maintain employment continuity, outplacement/secondment shall be given advantage over new employment.

The declaratory statement on the number of persons currently employed in the company shall be an integral part of this Annex. For the purpose of monitoring **net new jobs in the project company/grant beneficiary**, every half-yearly report, i.e. annual report (after the completion of the investment project) must be accompanied by a declaration about the current total number of all employees (staff headcount) in the project company/grant beneficiary.

On _____ the company's headcount includes _____ persons employed.

Date:

Authorised signatory:

Signature:

**SAMPLE FORM: BANK GUARANTEE ISSUED BY AN INVESTMENT-GRADE BANK
FOR THE FULL AND PROPER EXECUTION OF THE CONTRACT**
(mandatory text)

Bank's name and address of issuing branch or office

Date and place:

Client/principal:

Beneficiary under the Guarantee:

Performance Guarantee No.

In accordance with the Grant Contract (title, number and date of the Grant Contract), made by and between the beneficiary under this guarantee and the client/principal for the co-financing of eligible costs incurred in the course of the implementation of the project (title of the project) in the amount of EUR , the principal must submit to the beneficiary the bank guarantee in the amount of EUR (the submitted request for payment), as security for proper performance of contractual obligations.

At the request of the principal, we hereby irrevocably and unconditionally undertake to pay you within fifteen days after receiving a written request for payment the amount of EUR (the submitted request for payment), in the event that the grant beneficiary should fail to use the funding for the specified purpose, i.e. should fail to present proof that the eligible costs incurred for the investment project have been actually made by the deadlines specified in the Grant Contract, in the event that the principal should fail to execute the investment project in accordance with Article 4 and Article 9 of the Grant Contract, in the event that the principal should fail to submit the reports referred to in Article 9 of the Grant Contract, in the event that the principal should fail to reimburse the received funding by the specified deadline pursuant to Article 10 of the Grant Contract, in the event that the principal should fail to reimburse the received funding by the specified deadline pursuant to Article 11 of the Grant Contract, in the case, and in all other cases, when the Agency terminates the Grant Contract and/or seeks recovery of sums disbursed together with statutory interest accrued on late payment from the date of payment until the date of repayment and the grant beneficiary does not reimburse those funds by the set deadline.

The request to call in the guarantee must be presented to the bank and it shall be accompanied by the following documents:

1. The original letter for calling in the guarantee in accordance with the preceding paragraph drawn up in the Slovenian language and a certified translation of the letter drawn up in the language of the original bank guarantee in case that the original bank guarantee will not be drawn up in the Slovenian language, and
2. The original Performance Guarantee No. / i.e. and in the case that the original bank guarantee will not be drawn up in the Slovenian language, a certified translation of the original bank

guarantee into the Slovenian language, approved by the issuing bank and tied together with the original bank guarantee.

This Performance Guarantee shall be reduced by every amount paid under this Guarantee.

This Performance Guarantee shall remain full force and virtue until..... (three years and three months following the signing of the Grant Contract). After the expiry of the specified deadline, the Guarantee shall no longer be valid, and our obligation shall automatically cease, regardless of whether the guarantee has been returned.

Should the beneficiary of the Performance Guarantee agree at any time during the period of validity of this guarantee to extend the deadline under the Grant Contract or in the event that the principal of the guarantee has failed to fulfil his contractual obligations, the principal of the Guarantee and the bank can agree to extend the validity of the guarantee.

This guarantee is not transferable.

Any dispute between the beneficiary of the bank guarantee and the issuing bank arising out of or in connection with the submitted bank guarantee shall be finally settled by the court in Ljubljana as the competent court. The court will use a translation duly certified by a court-appointed translator of the original bank guarantee in the Slovenian language and the original letter for calling in the guarantee drawn up in the Slovenian language. The court will apply law of the Republic of Slovenia to rule on the rights and obligations arising from the bank guarantee between the bank - the guarantor and the beneficiary of the bank guarantee.

Bank (signed, sealed and delivered)

PLEASE USE THE APPLICANT'S HEADED NOTEPAPER

DECLARATORY STATEMENT THAT THE SUPPORTING DOCUMENTS ARE TRUE AND
ACCURATE COPIES OF ORIGINAL DOCUMENTS

Project company/grant beneficiary:

Authorised signatory:

We declare under the penalties of criminal and civil liability for wilfully making any false statements herein, that the supporting documents are true and accurate copies of the original documents.

Done at _____ on _____

Authorised signatory:

VI. LIST OF MUNICIPALITIES IN THE REPUBLIC OF SLOVENIA

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
C	Gorenjska	Bled		
C	Gorenjska	Bohinj		YES
C	Gorenjska	Cerklje na Gorenjskem		
C	Gorenjska	Gorenja vas - Poljane		
C	Gorenjska	Gorje		YES
C	Gorenjska	Jesenice		
C	Gorenjska	Jezersko		YES
C	Gorenjska	Kranj (M)		
C	Gorenjska	Kranjska Gora		YES
C	Gorenjska	Naklo		
C	Gorenjska	Preddvor		YES
C	Gorenjska	Radovljica		
C	Gorenjska	Šenčur		
C	Gorenjska	Škofja Loka		
C	Gorenjska	Tržič		YES
C	Gorenjska	Železniki		
C	Gorenjska	Žiri		
C	Gorenjska	Žirovnica		
C	Goriška	Ajdovščina		YES
C	Goriška	Bovec		YES
C	Goriška	Brda		YES
C	Goriška	Cerkno		YES
C	Goriška	Idrija		
C	Goriška	Kanal ob Soči		YES
C	Goriška	Kobarid		YES
C	Goriška	Miren - Kostanjevica		YES
C	Goriška	Nova Gorica (M)		
C	Goriška	Renče - Vogrsko		YES
C	Goriška	Šempeter - Vrtojba		
C	Goriška	Tolmin		YES
C	Goriška	Vipava		YES
A	Jugovzhodna Slovenija	Črnomelj	Pokolpje	YES
A	Jugovzhodna Slovenija	Dolenjske Toplice		YES
A	Jugovzhodna Slovenija	Kočevje	Pokolpje	YES
A	Jugovzhodna Slovenija	Kostel	Pokolpje	YES
A	Jugovzhodna Slovenija	Loški Potok	Pokolpje	YES
A	Jugovzhodna Slovenija	Metlika	Pokolpje	YES

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
A	Jugovzhodna Slovenija	Mirna		
A	Jugovzhodna Slovenija	Mirna Peč		
A	Jugovzhodna Slovenija	Mokronog - Trebelno		
A	Jugovzhodna Slovenija	Novo mesto (M)		
A	Jugovzhodna Slovenija	Osilnica	Pokolpje	YES
A	Jugovzhodna Slovenija	Ribnica		
A	Jugovzhodna Slovenija	Semič	Pokolpje	YES
A	Jugovzhodna Slovenija	Sodražica		
A	Jugovzhodna Slovenija	Straža		
A	Jugovzhodna Slovenija	Šentjernej		YES
A	Jugovzhodna Slovenija	Šentrupert		
A	Jugovzhodna Slovenija	Škocjan		
A	Jugovzhodna Slovenija	Šmarješke Toplice		
A	Jugovzhodna Slovenija	Trebnje		
A	Jugovzhodna Slovenija	Žužemberk		
A	Koroška	Črna na Koroškem		YES
A	Koroška	Dravograd		YES
A	Koroška	Mežica		YES
A	Koroška	Mislinja		
A	Koroška	Muta		YES
A	Koroška	Podvelka	Maribor with wider surroundings	YES
A	Koroška	Prevalje		YES
A	Koroška	Radlje ob Dravi	Maribor with wider surroundings	YES
A	Koroška	Ravne na Koroškem		YES
A	Koroška	Ribnica na Pohorju	Maribor with wider surroundings	YES
A	Koroška	Slovenj Gradec (M)		YES
A	Koroška	Vuzenica		YES
C	Obalno-kraška	Ankaran/Ancarano		
C	Obalno-kraška	Divača		YES
C	Obalno-kraška	Hrpelje - Kozina		YES
C	Obalno-kraška	Izola/Isola		
C	Obalno-kraška	Komen		YES
C	Obalno-kraška	Koper/Capodistria (M)		
C	Obalno-kraška	Piran/Pirano		
C	Obalno-kraška	Sežana		YES
C	Osrednjeslovenska	Borovnica		
C	Osrednjeslovenska	Brezovica		

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
C	Osrednjeslovenska	Dobropolje		
C	Osrednjeslovenska	Dobrova - Polhov Gradec		
C	Osrednjeslovenska	Dol pri Ljubljani		
C	Osrednjeslovenska	Domžale		
C	Osrednjeslovenska	Grosuplje		
C	Osrednjeslovenska	Horjul		
C	Osrednjeslovenska	Ig		
C	Osrednjeslovenska	Ivančna Gorica		
C	Osrednjeslovenska	Kamnik		
C	Osrednjeslovenska	Komenda		
C	Osrednjeslovenska	Ljubljana (M)		
C	Osrednjeslovenska	Log - Dragomer		
C	Osrednjeslovenska	Logatec		
C	Osrednjeslovenska	Lukovica		
C	Osrednjeslovenska	Medvode		
C	Osrednjeslovenska	Mengeš		
C	Osrednjeslovenska	Moravče		
C	Osrednjeslovenska	Škofljica		
C	Osrednjeslovenska	Šmartno pri Litiji		
C	Osrednjeslovenska	Trzin		
C	Osrednjeslovenska	Velike Lašče		
C	Osrednjeslovenska	Vodice		
C	Osrednjeslovenska	Vrhnika		
A	Podravska	Benedikt		
A	Podravska	Cerkvenjak		
A	Podravska	Cirkulane		YES
A	Podravska	Destričnik		
A	Podravska	Dornava		
A	Podravska	Duplek		
A	Podravska	Gorišnica		
A	Podravska	Hajdina		
A	Podravska	Hoče - Slivnica	Maribor with wider surroundings	
A	Podravska	Juršinci		
A	Podravska	Kidričevo		
A	Podravska	Kungota	Maribor with wider surroundings	YES
A	Podravska	Lenart		
A	Podravska	Lovrenc na Pohorju		YES
A	Podravska	Majšperk		YES

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
A	Podravska	Makole		
A	Podravska	Maribor (M)	Maribor with wider surroundings	
A	Podravska	Markovci		
A	Podravska	Miklavž na Dravskem polju		
A	Podravska	Oplotnica		
A	Podravska	Ormož	Pomurje	YES
A	Podravska	Pesnica	Maribor with wider surroundings	YES
A	Podravska	Podlehnik		YES
A	Podravska	Poljčane		
A	Podravska	Ptuj (M)		
A	Podravska	Rače - Fram		
A	Podravska	Ruše	Maribor with wider surroundings	YES
A	Podravska	Selnica ob Dravi	Maribor with wider surroundings	YES
A	Podravska	Slovenska Bistrica		
A	Podravska	Središče ob Dravi	Pomurje	YES
A	Podravska	Starše		
A	Podravska	Sveta Ana		YES
A	Podravska	Sveta Trojica v Slovenskih goricah		
A	Podravska	Sveti Andraž v Slovenskih goricah		
A	Podravska	Sveti Jurij in Slovenskih goricah		
A	Podravska	Sveti Tomaž	Pomurje	YES
A	Podravska	Šentilj		
A	Podravska	Trnovska vas		
A	Podravska	Videm		YES
A	Podravska	Zavrč		YES
A	Podravska	Žetale		YES
A	Pomurska	Apače	Pomurje	YES
A	Pomurska	Beltinci	Pomurje	
A	Pomurska	Cankova	Pomurje	YES
A	Pomurska	Črenšovci	Pomurje	YES
A	Pomurska	Dobrovnik/Dobronak	Pomurje	YES
A	Pomurska	Gornja Radgona	Pomurje	
A	Pomurska	Gornji Petrovci	Pomurje	YES
A	Pomurska	Grad	Pomurje	YES

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
A	Pomurska	Hodoš/Hodos	Pomurje	YES
A	Pomurska	Kobilje	Pomurje	YES
A	Pomurska	Križevci	Pomurje	
A	Pomurska	Kuzma	Pomurje	YES
A	Pomurska	Lendava/Lendva	Pomurje	YES
A	Pomurska	Ljutomer	Pomurje	
A	Pomurska	Moravske Toplice	Pomurje	YES
A	Pomurska	Murska Sobota (M)	Pomurje	
A	Pomurska	Odranci	Pomurje	
A	Pomurska	Puconci	Pomurje	YES
A	Pomurska	Radenci	Pomurje	
A	Pomurska	Razkrižje	Pomurje	
A	Pomurska	Rogašovci	Pomurje	YES
A	Pomurska	Sveti Jurij ob Ščavnici	Pomurje	
A	Pomurska	Šalovci	Pomurje	YES
A	Pomurska	Tišina	Pomurje	
A	Pomurska	Turnišče	Pomurje	
A	Pomurska	Velika Polana	Pomurje	YES
A	Pomurska	Veržej	Pomurje	
A	Posavska	Bistrica ob Sotli		YES
A	Posavska	Brežice		YES
A	Posavska	Kostanjevica na Krki		YES
A	Posavska	Krško		
A	Posavska	Radeče	Hrastnik-Radeče-Trbovlje	
A	Posavska	Sevnica		
A	Primorsko-notranjska	Bloke		
A	Primorsko-notranjska	Cerknica		
A	Primorsko-notranjska	Ilirska Bistrica		YES
A	Primorsko-notranjska	Loška dolina		YES
A	Primorsko-notranjska	Pivka		YES
A	Primorsko-notranjska	Postojna		YES
A	Savinjska	Braslovče		
A	Savinjska	Celje (M)		
A	Savinjska	Dobje		
A	Savinjska	Dobrna		
A	Savinjska	Gornji Grad		
A	Savinjska	Kozje		YES
A	Savinjska	Laško		
A	Savinjska	Ljubno		

Region as designated in regional aid map	Statistical region	Municipality	Assisted area	Border assisted area
A	Savinjska	Luče		YES
A	Savinjska	Mozirje		
A	Savinjska	Nazarje		
A	Savinjska	Podčetrtek		YES
A	Savinjska	Polzela		
A	Savinjska	Prebold		
A	Savinjska	Rečica ob Savinji		
A	Savinjska	Rogaška Slatina		
A	Savinjska	Rogatec		YES
A	Savinjska	Slovenske Konjice		
A	Savinjska	Solčava		YES
A	Savinjska	Šentjur pri Celju		
A	Savinjska	Šmarje pri Jelšah		YES
A	Savinjska	Šmartno ob Paki		
A	Savinjska	Šoštanj		
A	Savinjska	Štore		
A	Savinjska	Tabor		
A	Savinjska	Velenje (M)		
A	Savinjska	Vitanje		
A	Savinjska	Vojnik		
A	Savinjska	Vransko		
A	Savinjska	Zreče		
A	Savinjska	Žalec		
A	Zasavska	Hrastnik	Hrastnik-Radeče-Trbovlje	
A	Zasavska	Litija		
A	Zasavska	Trbovlje	Hrastnik-Radeče-Trbovlje	
A	Zasavska	Zagorje ob Savi		