

Translation. Only the Danish version has legal validity.

*Order no. 142 of 12 February 2013
issued by the Ministry of Business and Growth*

Order on a maritime conversion pool

In pursuance of section 2, section 3 and section 19(2) of the act on on trade and industry development, cf. consolidated act no. 1715 of 16 December 2010, the following provisions are laid down:

Part 1

Purpose and projects eligible for subsidies

Section 1. The purpose of the maritime conversion pool is to promote resource-efficient, green maritime solutions within areas considered to have a considerable potential for jobs. Pursuant to this order, subsidies shall be granted for demonstration projects the purpose of which is to develop or demonstrate new maritime solutions within the following subject areas:

- 1) The construction of ships in new lightweight materials.
- 2) Environmental- and climate-modernisation of existing ships.
- 3) Use of alternative propellants for ships.

Section 2. Subsidies may be granted for partial coverage of additional costs related to investments in resource-efficient solutions compared to a solution based on generally known solutions in the area.

Subsection 2. Subsidies shall be granted only for projects where the additional costs amount to a minimum of DKK 250,000.

Subsection 3. However, in special cases, it may be decided to grant subsidies to projects where the project costs amount to less than DKK 250,000.

Section 3. Subsidies shall be granted only for projects with a project period of maximum 2 years.

Subsection 2. However, in special cases the project period may exceed 2 years.

Establishment of and role played by the advisory committee

Section 4. The Minister for Business and Growth shall establish an advisory committee to assist in the consideration of applications for being granted subsidies for project implementation.

Subsection 2. The advisory committee shall be composed of eight members, including a chairman. The members of the advisory committee shall hold wide business insight and competences in lightweight materials, environmental and climate modernisation of existing ships and alternative propellants for ships.

Subsection 3. The Danish Maritime Authority shall chair and provide secretarial assistance to the advisory committee.

Applications for subsidies

Section 5. Applications for subsidies may be filed by the project holder responsible for the implementation and economics of the project.

Section 6. Applications shall be forwarded to the Danish Maritime Authority using the application form available from the Danish webpage of the Danish Maritime Authority, www.soefartsstyrelsen.dk.

Section 7. Applications shall contain the following:

- 1) Information about the project holder and any partners, i.e. project participants who will get a proportion of the subsidies or will benefit from the results achieved during the project period as well as persons responsible for the project and its accounts.
- 2) Description of the purpose, activities, milestones, timeframe and expected results of the project. The criteria mentioned in sections 8 and 9 shall be included in the description.
- 3) Description of whether activities will be launched that will not be carried out without subsidies or whether the extent of the activities will be increased or carried out faster in case subsidies are granted.
- 4) Project budget and timeframe. The budget shall be drawn up so that each individual type of expense is shown. The basis for the budget shall also be given, including hourly rates. In addition, the distribution between the project partners, the self-financing of the project and the amount of subsidies applied for shall be shown in the budget.
- 5) Information about the additional cost related to the project compared to a solution based on generally known solutions in the area.
- 6) Information needed to assess the project in relation to the EU regulations on State subsidies.
- 7) Information about the amount of any additional financing, including any other public financing forming part of the project and the origin hereof.

Part 2

Granting subsidies

Section 8. When granting subsidies for projects, an overall assessment of the applications shall be made on the basis of the following criteria:

- 1) Growth and employment. The project shall be assessed on the basis of its potential for creating growth and jobs.
- 2) Environmental and climate improvements. The project shall be assessed on the basis of its potential for reducing the environmental and climate impact, including whether life cycle considerations form part of the project.
- 3) Energy and resource efficiency. The project shall be assessed on the basis of its potential for reducing the energy and resource consumption and delivering business economic solutions.

- 4) Development, innovation and news value. The project shall be assessed on the basis of its potential for contributing to the development and innovation of new green maritime solutions.

Section 9. When granting subsidies for projects, emphasis shall be placed on the following in addition to the criteria mentioned in section 8:

- 1) that the project has a sufficient degree of co-financing;
- 2) that a relevant circle of partners participate in the project;
- 3) that the budget, the timeframe and the expected creation of results are realistic; and
- 4) how the project results are expected to be reported on and published.

Project costs eligible for subsidies

Section 10. The projects shall be administered in accordance with the principles on sound financial management. Only project-relevant costs shall be eligible for subsidies. As regards wage expenses, a maximum of the actual hourly rate spent on the project shall be included. Indirect costs may be included as project costs in accordance with the Danish Maritime Authority's detailed instructions.

Subsection 2. The following costs shall not be eligible for subsidies:

- 1) VAT for VAT registered project holders or partners.
- 2) Costs in connection with the drawing up of applications for subsidies.

Administration of the scheme

Section 11. The advisory committee shall make a prioritised recommendation of the applications on the basis of an assessment of the project's compliance with the overall purpose of the pool, the criteria listed and the total expenses of the project.

Subsection 2. The advisory committee may recommend to refuse or partly approve applications if the committee assesses that the effect of the project applied for does not contribute sufficiently to compliance with the purpose of the scheme or otherwise has shortcomings in relation to the application criteria laid down.

Section 12. The Danish Maritime Authority shall decide to either approve the granting of subsidies or refuse applications on the basis of the recommendations of the advisory committee, cf. section 11(1) and (2), and shall inform applicants whether their applications have been approved or refused.

Subsection 2. The project holder and any partners whose projects are approved shall sign an acceptance of the approval and forward it to the Danish Maritime Authority. The approval shall lapse if the Danish Maritime Authority has not received the acceptance within the time-limit stipulated in the approval.

Subsection 3. The letter of approval shall, inter alia, stipulate the maximum amount of subsidies, the granting period and the distribution of the project costs on periods and any partners, the payment of subsidies as well as deadlines for submitting status reports. The approval may be conditional upon additional requirements.

Section 13. The Danish Maritime Authority shall determine the rate of subsidies and requirements for the amount of any co-financing.

Part 3

Ongoing reporting and payment of subsidies

Section 14. The project holder shall forward status reports to the Danish Maritime Authority on an ongoing basis in accordance with the Danish Maritime Authority's more detailed instructions.

Subsection 2. Status reports shall contain the following:

- 1) Status on the implementation and progress of the project during the period concerned.
- 2) Status on the economy of the project after the period concerned.

Section 15. It shall not be possible to pay the subsidy until the recipient documents, in accordance with the instructions of the Danish Maritime Authority, that the project has been completed in accordance with the approval and that all expenses have been paid.

Subsection 2. However, the Danish Maritime Authority may decide that subsidies shall be paid in instalments corresponding to the actual expenses incurred during a specific period.

Subsection 3. The documentation shall list all the expenditures and receipts of the project in the form of a specified statement which shall, as a minimum, be in accordance with the budget specifications and with the more detailed instructions of the Danish Maritime Authority.

Subsection 4. The statement of accounts of projects shall be certified by the project holder and by the responsible management.

Subsection 5. The accounts of projects where subsidies account for amounts as stipulated in the Danish Maritime Authority's standard conditions on subsidies from the maritime conversion pool shall, furthermore, be revised in accordance with the provisions of the revision instructions forwarded to the project holder together with the approval.

Subsection 6. The Danish Maritime Authority may request supplementary information from the project holder and the partners on the project progress, require all accounting records submitted for examination and inspect projects.

Subsection 7. The Danish Maritime Authority may retain 15 per cent of the subsidies until final accounts and reporting are available.

Section 16. The recipient of subsidies shall immediately inform the Danish Maritime Authority about any conditions of importance to the approval and payment of subsidies and to the Danish Maritime Authority's control that the conditions stipulated are met, including inform the Danish Maritime Authority about subsidies received pursuant to other legislation and make it possible for the Danish Maritime Authority to check the project.

Section 17. The project holder and any partners shall be obliged to provide any information, upon the request of the Danish Maritime Authority, of importance to the approval, payment of subsidies and the Danish Maritime Authority's control of compliance with the conditions stipulated.

Project finalization

Section 18. When the project has been finalized, the recipient of the subsidies shall, in accordance with the Danish Maritime Authority's instructions, provide information about the project results, the effect of the project as well as information making it possible to assess whether the conditions for receiving subsidies have been met.

Section 19. No later than three months after the finalization of the project, the project holder shall forward signed, total, conclusive accounts of the project to the Danish Maritime Authority. The accounts shall have been revised in accordance with the provisions of the accounting instructions forwarded to the project holder together with the approval.

Subsection 2. The final settling of subsidies shall be made following the Danish Maritime Authority's approval of the final report and the final accounts.

Section 20. If a project is interrupted for reasons that are not attributable to the project holder or the partners, accounts shall be made for the project's approved costs eligible for subsidies during the completed part of the project, whereafter the Danish Maritime Authority shall decide whether subsidies shall be paid and the amount hereof.

Section 21. The recipient of subsidies shall participate in any external evaluation and in connection with information about the project.

Cancellation of approval and repayment of subsidies

Section 22. The Danish Maritime Authority may lay down the conditions on approval of subsidies, including on reductions in subsidies if subsidies from other sides subsequently exceed these presupposed when granting subsidies pursuant to this order.

Section 23. The Danish Maritime Authority may decide that approval of subsidies shall be cancelled partly or fully or require subsidies already paid to be repaid partly or fully if:

- 1) the applicants have offered incorrect or misleading information or concealed information of importance to the application;
- 2) the conditions for granting an approval are no longer present, including if the project holder or partners have grossly neglected their obligations as regards appropriate implementation of the project, or in case of serious exceeding of the project's timetable and milestone plan;
- 3) subsidies have otherwise been received groundlessly in bad faith;
- 4) status reports have not been submitted in due time, including final reports or final accounts;
- 5) the conditions of the approval accepted have not been met;
- 6) the preconditions for approval to support have been considerably changed, including for example in case of a company's closure, bankruptcy, sale or if seizure or arrest is made at the project holder or partners;
- 7) it turns out, before the finalisation of the project, that there is no longer any need for subsidies because the project becomes less expensive than presupposed so that there are no longer any

additional cost compared to a solution based on generally known solutions in the area, cf. section 2; or

- 8) it turns out, before the finalisation of the project, that the specific solution of the project has been commercialised to such an extent that the solution is to be considered generally known, cf. section 2, so that the project can no longer be characterised as a demonstration project.

Part 4

Entry into force

Section 25. This order shall enter into force on 15 February 2013.

Ministry of Business and Growth, 12 February 2013

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