

Scale AI Guidelines for Funding: Acceleration Program

INTRODUCTION

These Guidelines for Funding ("Guidelines") of SCALE AI - Canadian Artificial Intelligence Supercluster ("Cluster") define eligibility for reimbursement of costs incurred by supported accelerators/incubators ("Organizations") or eligible supported ventures ("Eligible Ventures") under Cluster's Acceleration Program.

1.0 Criteria for Eligibility for Reimbursement

Only the following Organizations and Eligible Ventures who have signed a Cluster Acceleration Agreement ("Acceleration Agreement") are eligible for reimbursement by the Cluster (collectively, "Eligible Recipients"):

- (a) for-profit organizations;
- (b) not-for-profit organizations; and
- (c) post-secondary institutions.

Federal, provincial territorial or municipal government entities are not eligible for reimbursement by the Cluster (excluding crown corporations).

2.0 Costs Eligible for Reimbursement ("Eligible Costs")

Costs eligible for reimbursement vary based on the acceleration stage and Eligible Venture. The Cluster's four acceleration stages are: (1) AI Exploration, (2) AI Canvas, (3) ML Experts/Interns and (4) Proof of Concept.

For each Eligible Venture, the acceleration stage and maximum eligible reimbursement amount ("Allocation") approved by the Cluster is communicated with the Cluster's approval decision.

Reasonable costs eligible for reimbursement under the Acceleration Agreement, up to the Allocation limit, are as set out in Sections 2.1-2.3 below.

2.1 Eligible Costs: AI Exploration, AI Canvas and ML Experts/Interns Stages:

Organizations (accelerators/incubators) may claim for reimbursement:

- (d) portion of gross wages, salaries or contracts incurred for AI experts that are specifically identified and measured as having been performed to carry out Cluster-specified acceleration stage activities for the benefit of the relevant Eligible Venture (note: generalized administrative support, such as program managers and coordinators, is covered under 2.3(a) below); and
- (e) other direct costs incurred for AI experts that are specifically identified and measured as incurred in the performance of Cluster-specified acceleration stage activities for the benefit of the relevant Eligible Venture.

2.2 Eligible Costs: Proof of Concept (POC) Stage:

Eligible Ventures may claim for reimbursement any of the following to the extent they relate to POC activities:

- (a) portion of gross wages, salaries or contracts incurred which are specifically identified and measured as having been performed for POC activities;
- (b) costs related to equipment, room, coworking space, lab, facilities and supplies including rental, operation and maintenance costs;
- (c) materials, supplies, software and licenses and user fees;
- (d) dissemination costs (publication costs and other activities); and
- (e) other direct costs which can be specifically identified and measured as incurred in the performance of POC activities.

Organizations are not eligible for cost reimbursement for the Proof of Concept stage, except as set out in Section 2.3 below.

2.3 Eligible Costs: Administration Costs of Organizations:

Organizations may claim for reimbursement, up to a maximum of 15% of the

Allocation ("Administration Amount"):

- (a) portion of gross wages, salaries or contracts incurred that are specifically identified and measured as having been performed to carry out administrative activities relevant to supporting the Eligible Ventures.

2.4 Ineligible Costs: All Stages

Under no circumstance will Cluster reimburse the following:

- (a) retroactive costs (i.e. incurred prior to the signature of the Acceleration Agreement and Cluster approval of Eligible Ventures);
- (b) capital, infrastructure or equipment costs;
- (c) expenses relating to the construction, purchase of a building or land;
- (d) fines and penalties;
- (e) provisions for contingencies;
- (f) losses on investments, other programs, contracts, bad debts or expenses for the collection charges;
- (g) federal and provincial income taxes, goods and services taxes, excess profit taxes or surtaxes and/or special expenses in connection with those taxes;
- (h) expenses and depreciation of excess facilities;
- (i) room or facility rentals;
- (j) costs related to conferences or related telecommunication expenses;
- (k) travel costs, including meal and accommodation costs;
- (l) amortization of unrealized appreciation of assets;

- (m) depreciation of assets paid for by the Minister;
- (n) honoraria, gifts, donations, entertainment expenses and alcoholic beverages;
- (o) dues and other memberships;
- (p) extraordinary or abnormal fees for professional advice;
- (q) premiums for insurance;
- (r) discretionary severance and separation packages;
- (s) costs related to routine administration and operation, except as set out in 2.3(a) above;
- (t) costs related to overhead;
- (u) costs eligible for a rebate from federal, provincial, territorial or municipal government sources, or for which funding has been received or approved from another source (governmental or otherwise);
- (v) salary of the Board of Directors;
- (w) legal, accounting and consulting fees in connection with litigation or financial reorganization;
- (x) costs incurred outside of Canada; or
- (y) in-kind contributions of intellectual property, licenses granted thereto, or for use of premises.

3.0 Reimbursement Requirements

Only costs incurred directly by Eligible Recipients are eligible for reimbursement. Reimbursed amounts will not exceed the amount of Eligible Costs actually incurred. Total reimbursements per Eligible Venture will not exceed the Allocation approved by the Cluster (plus the 15% Administration Amount).

Eligible Recipients are expected to review the requirements of these Guidelines and their Acceleration Agreement. Reimbursement requests must include full documentation supporting the incurred Eligible Costs submitted for reimbursement. No costs will be reimbursed in advance.

Reimbursement is conditional upon Eligible Recipients submission of all reports and documents or evidence supporting Eligible Costs as required by these Guidelines and/or the Acceleration Agreement.

//