SOVEREIGN DEFENCE INDUSTRIAL SPACE ACTIVATION PROGRAM

Eligible Project Expenditures Categories*:

Infrastructure:

- Site servicing, power service upgrades, etc.

Project Facility Building Construction/Modifications/Upgrades required for the project:

- Construction/leasehold improvement expenditures that are directly attributable to the project
- This would include work performed under contracts and subcontracts with third parties.

Equipment and Machinery (including computer hardware/software/electronics):

- Equipment and machinery necessary for the successful completion of the project.
  - e.g. new technology, new high-performance equipment and machinery, maintenance equipment associated with new technologies or systems.
- If new equipment is acquired via capital lease (as a method of purchase financing) the non-interest portions of the capital lease are eligible. Interest expenditures are ineligible under any circumstances.

Specialized Expertise:

- Specialized expertise required for the project including third-party engineering services, software development, management, etc.

Permits, Fees, and Development Charges

- Expenditures incurred by the Borrower for permits, inspections, and other fees directly attributable to the Project (but not ongoing operations).

Other eligible expenditures directly attributable to the Project that have been approved in writing by the City.

*All eligible expenditures may be subject to final approval by the City.

Ineligible Project Expenditures:

Only expenditures that are specified as eligible above or approved in writing by the City will be eligible for reimbursement. The following expenditures, among others, are ineligible:

Ongoing Expenditures Associated with Production or Operations:

- Labour, materials, overhead, and other expenditures for the production of saleable items.

General Working Capital Requirements:

- Capital requirements not directly attributable to the Project including: debt service, federal or provincial taxes, surtaxes and special expenses, e.g. legal fees.
- Working capital expenditures associated with the Borrower's regular production or operations, e.g. materials.

Labour

Project Case Preparation

- Expenditures associated with the preparation of the proposal (successful or not) such as success fees or third-party government relations consulting services.

Vehicles and Off-Site Equipment:

- Expenditures associated with the purchase/lease or operation of vehicles or off-site equipment.

Bonuses, Dividends, or Cash Incentives.

Remuneration to Shareholders:

- Dividends or any type of shareholder payments.

Expenditures Not Incurred in the Province of Ontario:

- Except for purchases from suppliers located outside of Ontario

Mergers and Acquisitions.

Travel and Meal Expenses:

- Expenditures for any travel, hospitality, food and incidental expenses, including but not limited to expenses in respect of meals, snacks and beverages; gratuities; laundry, dry cleaning and valet services; dependent care; and personal telephone calls.

Rebates, Credits and Refunds:

- Any expenditures, including taxes, for which the Borrower has received, will receive, or is eligible to receive, a rebate, credit or refund.

Marketing, sales or distribution/shipping expenditures.

HST or GST expenses.