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MARKETING AND SALES PLANS ('PCV') REGULATIONS
(hereinafter referred to as 'Regulations')



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Chapter I

Object and eligibility conditions of the applications

Article 1

(Object)

1. These Regulations aim to establish the conditions for financial contributions, by means of monetary support, within the scope of the execution of Marketing and Sales Plans, initially created under Clause 10.2 of the 'Regional External Tourism Promotion Protocol', signed on 26 November 2010, among other entities, by Turismo de Portugal, I.P., the Confederação do Turismo Português, the Regional Secretariat for Tourism and Transport and the Madeira Promotion Bureau (hereinafter 'APM'), and currently in force under Clause 21 of the 'External Tourism Promotion and Marketing Protocol', signed on 27 December 2022, among other entities, by the Ministry of Economy and the Sea, Turismo de Portugal, I.P., CTP - Confederation of Tourism of Portugal, the Regional Secretariat for Tourism and Culture of Madeira and the APM.
2. Pursuant to paragraph 3 of Clause 21 of the 'External Tourism Promotion and Marketing Protocol', signed on 27 December 2022, referred to in the preceding paragraph, Turismo de Portugal favours the presentation of joint PCV.

Article 1-A

(Glossary)

For the purposes of these Regulations, the following definitions shall apply:

- a) Applying Plan – means the set of initiatives indicated by the Promoter(s) in their application to be executed over a period of one (1) year;
- b) Approved Plan – means the set of eligible initiatives, as identified in Article 11 of the Regulations, approved by the APM Board of Directors, and, where applicable, after the apportionment provided for in Article 9(3) of the Regulations;
- c) Amount of support – means the amount of the approved support, without surcharges;
- d) Minimum Execution amount – means the double of the amount of the final support, without surcharges, which is the amount that needs to be spent on eligible initiatives by the Promoter(s) to receive the full amount of support;

- e) Execution rate – rate calculated based on the ratio between the amount executed by the Promoter(s) and the minimum execution amount, expressed in the following formula:

$$\text{Execution Rate (\%)} = \frac{\text{Executed Amount}}{\text{Minimum Execution}} \times 100$$

Article 2

(General access conditions)

1. The general access conditions are:

- a) Being an APM member;
- b) Absence of debt to the Social Security;
- c) Absence of debt to the Tax Authority;
- d) Absence of any situation of non-compliance with Turismo de Portugal, IP;
- e) Access code to the Central Register of Beneficial Ownership, in compliance with Law No. 89/2017 of 21 August, or, where applicable, submission of the grounds for exclusion from its scope of application;
- f) Absence of debt to the APM;
- g) Proof of the respective National Tourism Register ('RNT'), where applicable, as well as of any licences legally required for access, admission, recognition, exercise or practice of the activities that form part of the corporate purpose of the Promoter(s);
- h) Presentation of the Commercial Registry Certificate(s) of the commercial company(ies), or the access code(s) to the respective Permanent Certificate(s), up to date.

2. Application processes must be instructed only with information not known to the APM, namely that provided for in points b) to d) and f) of the preceding paragraph.

3. Throughout the duration of the respective approved Plans, the Promoter(s) shall ensure compliance with the general access conditions mentioned in paragraph 1 above, and shall be responsible for keeping the information contained therein permanently updated in the respective file.

4. For the purposes of the provisions under the last part of the preceding section, the Promoter(s) shall be responsible for sending the supporting documents attesting to the fulfilment of the general access conditions.

5. Notwithstanding the provisions under the preceding paragraphs, whenever deemed necessary, APM may ask the Promoter(s) to provide supporting documents attesting to the fulfilment of the obligations described in points b) to d) and f) of paragraph 1.

6. Should any of the general access conditions referred to in paragraph 1 above cease to be fulfilled by the Promoter(s), the Management and Monitoring Team shall immediately notify the Promoter(s) to, within a reasonable period of time, fulfil the conditions in question; if, after the expiry of the deadline, the Promoter(s) still fail to fulfil the conditions, they shall be deemed non-compliant under the terms and for the purposes laid down in Articles 16 and 17 of these Regulations.

Article 3

(Application eligibility requirements)

1. The application eligibility requirements are:

- a) Absence of situations of non-compliance with APM in previous application processes;
- b) The guidelines of Turismo de Portugal for the year in which support is sought;
- c) Respect the Madeira Brand Manual, attached to these Regulations, whenever any of the following initiatives are implemented: trade fairs, roadshows, events in general, online campaigns, flyers, brochures and giveaways, .

2. The guidelines of Turismo de Portugal, referred to in paragraph b) above, shall be disseminated annually to APM Members.

3. Each Promoter shall only submit one individual application

4. For the purposes of the preceding paragraph, the promoter of an application shall be a legal entity and/or the representative of a group of legal entities belonging to the same economic group, which comply with the general access conditions pursuant to Article 2 of these regulations.

- 4.1 - Legal persons belonging to the same economic and/or business group or entities especially related to each other, are those that share, even if only partially, legal representatives or partners, or companies that are in a simple participation, cross-participation, control or group relationship.

Article 4

(Joint applications)

1. Promoter(s) may submit joint applications for PCV.
2. For the purposes of these Regulations, applications submitted by legal persons belonging to different economic and/or business groups are considered joint applications.
3. When applying jointly, a PCV manager will be appointed who shall be responsible for:
 - a) Monitoring the execution of the PCV, including the situations laid down in Article 16 of these Regulations;
 - b) Acting as interlocutor with APM for all purposes associated with the execution of the PCV; and
 - c) Complying with all obligations laid down below in Articles 14 and 25 of these Regulations, without prejudice to the obligations assigned to each Promoter under the PCV.
4. The PCV manager referred to in the preceding paragraph may, at any time and whenever he deems it necessary, appoint a replacement manager from among the Promoters who are part of the application.
5. In case of non-compliance with the obligations of the PCV manager pursuant to Article 17 of these Regulations, APM shall appoint a person to replace them.
6. Participation is limited to two (2) joint applications per legal person or economic and/or business group, as defined in Article 3(4)(1) of these Regulations.

Chapter II

Application process

Article 5

(How to submit the application)

1. The application process is initiated by completing and submitting the application form, the template for which is attached to these Regulations (Annex I), and accompanied by the documents described below, in Article 7.
2. Applications shall only be submitted electronically, the subject line of the electronic message shall contain the words 'PCV application - (Member's name)', and be sent to the electronic address that APM may determine, informing Members of that fact.



3. Whenever requested by the Promoter(s), APM shall issue a receipt acknowledging receipt of the application.
4. The application form and other information shall be made available by APM's administrative services, upon request of the interested parties.
5. The applications submitted and all the accompanying documents shall be written in Portuguese.
6. Should any of the application documents be found to be missing or incorrect, the Management and Monitoring Team may allow a reasonable time for them to be submitted or corrected.

Article 6

(Deadline for submitting and deciding on applications)

1. Under penalty of exclusion, applications for APM support shall be submitted by 30 November of the previous year, unless the APM determines another date on an exceptional and substantiated basis.
2. The deadline for submitting applications may also be extended on an exceptional basis, provided that there are funds available and that APM's Board of Directors resolves on its acceptance.
 - 2.1 - APM's Board of Directors may decide, on an exceptional and substantiated basis, to open deadlines for the submission of applications during the current year, provided that there are funds available for this purpose. In that case, APM's Board of Directors shall define, on a case-by-case basis, the beginning and end of the application submission deadlines.
3. Applications shall be received and analysed by the Management and Monitoring Team, which will determine, on a case-by-case basis, the amounts to be awarded, pursuant to Article 9 of these Regulations.
4. Decisions on the applications shall be communicated by the APM to the Promoters of the applying Plans by 15 January of the following year, except when, exceptionally and in a substantiated manner, APM may determine a later date.
5. Mock-ups and final artwork of the materials to be used in initiatives executed throughout the year are sent in advance for approval by the APM and verification of the correct application of the Madeira Brand Manual.
6. Failure to comply with the provisions of the preceding paragraph, in particular the deadlines, shall result in the suspension of the payment of the support due under these Regulations, without prejudice to the provisions of the following paragraph.

7. Without prejudice to the suspension of the payment of support as laid down in the preceding paragraph, APM may grant the Promoter(s) additional time to send the information referred to in paragraph 5 of this Article; should the Promoter(s) remain in non-compliance at the end of the extension, their application may be excluded by APM, under the terms set out in Article 16 of these Regulations, and a full refund of the support granted to date may be required, under the terms set out in these Regulations.

8. If the amount earmarked by APM for the PCV is not reached, a second round of applications may take place, which will be communicated in good time by APM, priority being given to applications that were not accepted due to lack of funding in the first round.

Article 7

(Description of the Applying plan)

In addition to the application form, the application process shall include the following information:

- a) Action plan or description of the Promoter' plan, describing how it integrates into APM's Marketing Plan;
- b) Quantification of the objectives and respective measuring instruments;
- c) Detailed indication of the initiatives to be developed by market and by product, duly substantiated and scheduled;
- d) Budget indicating the respective sources of funding;
- e) Entities involved in the execution of the applying Plan;
- f) Production over the last 3 (three) years and estimated production for the year relating to the current application (applicable only to applications for campaigns with Tour Operators and Airlines).

Article 8

(Application funding)

1. Funding for the approved Plan(s) shall be partially provided by their Promoter(s), with APM's support, per Plan, amounting to 50% (fifty per cent) of the total value of the proposed initiatives and up to a maximum amount of:

- a) €40,000 (forty thousand euros) for plans submitted by a legal person and/or associated business unit

- b) €50,000 (fifty thousand euros) for plans submitted by an economic group with two legal persons and/or associated business units
- c) €60,000 (sixty thousand euros) for plans submitted by an economic group with three legal persons and/or associated business units
- d) €70,000 (seventy thousand euros) for plans submitted by an economic group with four legal entities and/or associated business units
- e) €80,000 (eighty thousand euros) for plans submitted by an economic group with five legal entities and/or associated business units

1.1 -Without prejudice to the limits set out in paragraph 1 of this Article, in the event of joint applications, the support initially approved pursuant to these regulations shall be increased by an amount equivalent to 10% (ten per cent) of that support;

1.2 Without prejudice to the limits set out in paragraph 1 of this Article, individual application plans submitted by promoters whose plans have received full support in the two years preceding the period to which the submitted application relates, shall be increased by an amount equivalent to 10% (ten per cent) of that support.

1.2.1 – The 10% surcharge referred to in 1.2 is applied based on the minimum execution amount.

2. Should it be found, after the final economic and financial analysis referred to in Article 14(d) of these Regulations, that the execution of the approved Plan is lower than expected, APM shall maintain the percentage and amount referred to in paragraph 1 of this Article.

3. Should the overall amount of support to be granted to executed plans be lower than the budget allocation earmarked for supporting PCVs in the corresponding financial year, the remaining amount shall be distributed proportionally to approved plans with an execution rate of 80% (eighty per cent) or more, taking into account the execution rate of each project.

4. Funding for each approved Plan shall have a maximum duration of 1 (one) year and a new application must be submitted, even if the Promoter(s) indicate(s) that it is a multi-year Plan.

5. In the cases provided for in the preceding paragraph, APM's Board of Directors shall only partially reimburse initiatives actually executed in the first year of the Plan's execution.

Chapter III

Applications selection and eligibility criteria

Article 9

(Selection criteria)

1. Applications will only be accepted if the total value of the proposed initiatives per applying Plan is at least equal to or greater than €5,000.00 (five thousand euros).
2. The amount of support to be awarded to each application shall depend on verification of the eligibility of the initiatives, as set out in Article 11 of these Regulations, and on the case-by-case analysis made by the Management and Monitoring Team, subject in any case to the budget allocation for each year.
3. In the event that, despite the eligibility of the initiatives, the amount of support to be awarded to the applications submitted would be greater than the budget allocation provided for, the Management and Monitoring Team may propose an apportionment of the available budget, proportionally distributing it among the applications that present eligible initiatives.

Article 10

(Non-eligible initiatives)

The following costs of the Plans submitted for application shall be considered non-eligible:

- a) Initiatives already funded by the APM, under any other instrument, by Turismo de Portugal or by any other public entity;
- b) Travelling expenses in business class or equivalent and accommodation in hotels with a five (5) star rating or higher, except when, in duly substantiated cases, the promoting entities demonstrate that accommodation in hotels with a lower rating is not possible;
- c) Structural and operating expenses of promoting entities (including, inter alia, wages, subsidies, representation expenses, meals, supplements, overtime work and social expenses with staff, service provision agreement expenses with staff assigned or to be assigned to the proposed initiatives);

- d) Services provided by the entity itself;
- e) Hiring advertising and/or public relations agencies, except for organising and carrying out press trips and online or offline creative campaigns , as well as the development of promotional material, as long as they are duly budgeted and justified;
- f) Initiatives aimed at promoting non-classified beds and non-licensed activities;
- g) Promotional initiatives aimed at the Portuguese market, pursuant to the guidelines of Turismo de Portugal;
- h) Promotional initiatives for hotels belonging to the same group, when located outside the Autonomous Region of Madeira ('RAM');
- i) Multidestination initiatives that promote or refer to destinations other than Madeira, namely, newsletters, magazines and images;
- j) Organising events in Portugal, with the exception of trade events;
- k) Production of audiovisual or written content that is not used in the initiatives provided for in Article 11 of these Regulations; and
- l) Websites creation.

Article 11

(Eligible initiatives)

1. The following costs of the Plans submitted for application shall be considered eligible:
 - a) Online and offline marketing campaigns using promotional channels and media that respect the Madeira Brand Manual and the guidelines provided by the Management and Monitoring Team, favouring online channels and in line with Turismo de Portugal's guidelines for each year and with the markets it has defined;
 - b) Participation in international fairs, congresses, workshops, roadshows and forums, in physical or virtual, online or offline. The rental of the venue, stand, table and respective decoration, as well as other ancillary expenses, with the exception of those described above in Article 10(c) of these Regulations;

- c) Publicising international events in the markets defined by Turismo de Portugal;
- d) Press and Fam Trips not supported by APM;
- e) Production of promotional material, such as roll ups, giveaways and merchandising in accordance with the Madeira Brand Manual, as long as their international distribution is demonstrated and they are not used for commercial purposes;
- f) Campaigns in partnership with Tour Operators and Airlines, aimed at the end consumer, respecting the Madeira Brand Manual;
- g) Promotional initiatives aimed at the external promotion of destination Madeira;
- h) Certification processes, to certify the compliance of a service, process or product, to be obtained from independent national or international external entities, regardless of their nature, the result of which is aligned with the promotion of the destination and the Madeira Brand.

2. For the purposes of image control and the use of the destination's logo, the Promoter(s) shall have to submit all promotional materials used within the scope of the initiatives included in the applications submitted to prior approval by the APM, including materials used within the scope of initiatives included in applications not yet approved by the Management and Monitoring Team under these Regulations.

3. The initiatives included in the applications submitted by the Promoter(s) shall comply with the Madeira Brand Manual, otherwise the initiative will no longer be eligible pursuant to this Article.

4. Among the initiatives described above in paragraph 1 of this Article, those aimed at performing effective sales and attracting tourists to Madeira in the short term will be valued.

Chapter IV

Approval, execution and monitoring of approved plans

Article 12

(Management and monitoring)

1. The analysis, assessment and decision on the applications submitted, including the amount to be awarded to each one, as well as the monitoring and respective supervision, under the terms better identified below in Article 15, shall be carried out by a Management and Monitoring Team, which will be made up of at least 3 (three) members, appointed by APM's Board of Directors.

2. In analysing and assessing applications, for which it is responsible, the Management and Monitoring Team shall take into account the rules laid down in these Regulations and the spirit inherent to them.
3. The Promoter(s) shall provide all the information and take all the steps requested by the aforementioned Management and Monitoring Team.
4. The Management and Monitoring Team meets whenever payments are made, under the terms of Article 25 of these Regulations, applications are approved, under the terms of the following article, whenever convened by its chairman or at the request of any of its members.
5. The members of the Management and Monitoring Team have one vote, and decisions are taken by relative majority, with at least five members present, with the Chairman having the casting vote.

Article 13

(Formalising the approved application and concluding the Protocol)

1. The approval of each application shall be followed by a qualified formalisation by means of a Protocol to be signed between APM and the Promoter(s), containing a detailed description of all the conditions agreed upon, pursuant to these Regulations.
2. In addition to the information contained in the preceding paragraph, the Protocol shall contain the following information:
 - a) Name or corporate name and domicile of the contracting parties;
 - b) Object of the Protocol;
 - c) Obligations of the contracting parties;
 - d) The amount of the approved plan, the support and the minimum execution;
 - e) Total duration and schedule of the execution phases of the approved Plan, respecting the provisions of Article 8(3) of these Regulations.
3. In the application form, Promoter(s) shall indicate the name(s) of the person(s) in charge of the company who will sign the Protocol and the capacity in which they will do so.

Article 14

(Obligations of the Promoter)

It is the sole responsibility of the Promoter(s):

- a) The execution of their Plan and corresponding initiatives;
- b) Whenever technically possible, the integration into the Plan and fulfilment of the brand guidelines contained in the Madeira Brand Manual, and inclusion of the address of APM's official online promotional portal in all materials used;
- c) Presentation of the interim reports and of the final report, referred to below in Article 15, indicating the initiatives executed, if applicable, by each entity associated with the approved Plan, including a summary thereof, and a justified comparison between the objectives set and the results obtained;
- d) The inclusion, in the final report referred to in the preceding point, of a substantiated analysis of the approved Plan's financial execution;
- e) Provide access to proof of everything alleged in the final report referred to in point c) above, should the Management and Monitoring Team deem it necessary to confirm the eligibility conditions, the degree of support and other information reported or provided, and which are considered relevant for a good and correct assessment;
- f) Answer all requests for information or clarification that APM may ask for within a period not exceeding 8 (eight) calendar days;
- g) Inform and request APM's prior approval of any addendum, amendment or replacement of initiatives/activities included in the originally approved timetable, within the scope of the application.

Article 15

(Supervision)

1. The Management and Monitoring Team has the duty to successively supervise the execution of the Protocol, and may ask Promoter(s) to produce any documentation and information deemed convenient, as well as make any requests for information and clarification deemed relevant.

2. The Management and Monitoring Team shall analyse the applications received, as well as the interim reports and final execution reports, and issue its corresponding opinion.
3. Should it be found, as a result of the Protocol supervision and monitoring initiatives, pursuant to the preceding paragraph, that the initiatives/activities included in the originally approved schedule within the scope of the Promoter(s) application have not been executed, the Management and Monitoring Team shall immediately inform APM's Board of Directors that, in good time, it will propose to APM's Board of Directors the adoption of corrective actions appropriate to the situation found.
4. The Promoter(s) shall submit two (2) interim reports to APM by the following dates:
 - 1st interim report: By 31 July, for initiatives executed exclusively between 1 January and 30 June, without prejudice to the possibility of an additional reasonable deadline being set by the Management and Monitoring Team for their submission in duly substantiated and proven cases; and
 - 2nd interim report: By 31 October, for initiatives executed exclusively between 1 July and 30 September, without prejudice to the possibility of an additional reasonable deadline being set by the Management and Monitoring Team for their submission in duly substantiated and proven cases.
5. The interim reports, in addition to the information contained in the preceding Article, shall contain information on:
 - 5.1 - Initiatives executed should only be included in the interim reports once they have been completed and the respective invoices and evidence have been submitted.
6. The interim reports shall follow a template sent by APM and be accompanied by documentation justifying the initiatives carried out so far to which they concern.
7. Failure by the Promoter(s) to submit the interim reports on the dates and under the terms laid down in the preceding paragraphs shall constitute a non-compliance situation, under the terms and for the purposes laid down in Articles 16 et seq. of these Regulations.

7.1 - The final execution report will exclusively contain initiatives executed between 1st October and 31st December, except in cases where the initiatives are executed throughout the year, after their completion and upon presentation of the respective invoices and evidence, without prejudice to the possibility of an additional reasonable deadline being set by the Management and Monitoring Team for their submission in duly substantiated and proven cases.

8. The non-submission by the Promoter(s) of the interim and final execution reports on the dates and under the terms set out in the preceding paragraphs will mean that they will not be analysed and, as a result, expenses will not be considered eligible and it will not be possible to consider these expenses in subsequent reports, where applicable, and without prejudice to the scheme set out in articles 16 and following of these Regulations.

9. In the event that any of the reports referred to in this article are found to be missing or incorrect, the Management and Monitoring Team may grant a reasonable deadline for them to be submitted or corrected.

Chapter V

Adversities in PCV execution

Article 16

(Non-compliance in individual applications)

1. In the case of individual applications, if the Promoter fails to fulfil exactly and punctually the contractual obligations contained in the PCV, or part thereof, for a reason attributable to them, APM shall notify them to comply within a reasonable period of time.

2. Should the non-compliance situation remain after the expiry of the extension period referred to in the preceding paragraph, APM shall immediately suspend any payments due under these Regulations.

3. Should the non-compliance situation remain after the suspension of any payments, APM shall notify the Promoter, for a second time, to remedy said non-compliance, granting a reasonable period of time to do so; if, at the end of the extension period granted, the Promoter's non-compliance remains, APM may order the termination of the PCV, under the terms laid down below in Article 24 of these Regulations, and shall require the defaulting Promoter to immediately refund the amounts delivered by APM to pay for the initiatives not executed, up to the limit of the funding allocated.

Article 17

(Non-compliance in joint applications)

1. In the case of joint applications, should it be found that one of the Promoters fails to fulfil exactly and punctually the contractual obligations contained in the PCV, or part thereof, for a reason attributable to them, APM shall notify the person responsible for the PCV to ask the defaulting Promoter to remedy the non-compliance within a reasonable period of time.
2. Should the non-compliance situation remain after the expiry of the extension period referred to in the preceding paragraph, APM shall immediately suspend any payments due under these Regulations.
3. Should the non-compliance situation referred to in the preceding paragraph remain after the suspension of any payments, APM shall notify the person responsible for the PCV to request the defaulting Promoter to remedy said non-compliance within a reasonable period of time; if, at the end of the period granted, the Promoter's non-compliance remains, APM may, alternatively:
 - a) Allow the person responsible for the PCV to opt out the defaulting Promoter from the PCV and maintain the execution of the PCV by the remaining Promoters of the application, under the exact terms defined in these Regulations and in the respective Protocol; or, should the remaining Promoters not wish to do so,
 - b) Determine the extinction of the PCV, under the terms laid down in Article 24 of these Regulations.
4. When, pursuant to the preceding paragraphs, the defaulting Promoter is the person responsible for the PCV, in addition to their replacement pursuant to Article 4 of these Regulations, APM may order their removal from the PCV, the remaining Promoters having the alternatives provided for in points a) and b) of the preceding paragraph.
5. In cases where the withdrawal of the defaulting Promoter does not result in the termination of the PCV, pursuant to Article 24 of these Regulations, and the remaining Promoters of the PCV wish to execute the PCV under the terms defined in these Regulations and in the respective Protocol, they shall have the following alternatives:
 - a) Maintain the action plan or the descriptive memory of the approved Plan, as initially approved;
 - b) Propose to the Management and Monitoring Team the partial replacement of the initiatives whose execution was ensured by the defaulting Promoter; or

- c) Propose to the Management and Monitoring Team a partial or complete revision of the action plan or descriptive memory of the approved Plan.
- 6. Defaulting Promoters are obliged to immediately refund the amounts delivered by APM to pay for the initiatives not executed, up to the limit of the funding allocated.
- 7. Pursuant to paragraph 3(a) of this article, the head of the PCV may also ask the Management and Monitoring Team to replace the defaulting Promoter, provided that the replacement Promoter complies with all the general access conditions laid down in Article 2 of these Regulations.

Article 18

(Under-execution of PCV)

- 1. In addition to the non-compliance situations referred to in the preceding articles, there is non-compliance with the PCV when the execution rate of the approved Plan is lower than 80% (eighty per cent).
- 2. Pursuant to the preceding paragraph, under-execution will result in the refund of the amounts delivered by APM to the Promoters, in the corresponding percentage of the initiatives not executed in the approved Plan.

Article 19

(Voluntary withdrawal of the PCV)

- 1. Promoter(s) may, at any time, withdraw from the Protocol and the initiatives not executed within its scope, provided that they give written notice of their intention at least 30 (thirty) days before the intended date of expiry of the PCV.
- 2. Withdrawal is free, but Promoter(s) must provide justification for that fact.
- 3. In the case of individual applications, should the Promoter withdraw, the PCV will be terminated, under the terms set out below in Article 24 of these Regulations, and the immediate refund of the amounts delivered to them by APM to pay for the initiatives not executed, up to the limit of the funding allocated.
- 4. In the case of joint applications, the Promoter's withdrawal will allow APM to, alternatively:

- a) Allow the remaining Promoters of the application to maintain the execution of the PCV, under the exact terms defined in these Regulations and in the respective Protocol; or, should the remaining Promoters not wish to do so,
- b) Determine the extinction of the PCV, under the terms laid down in Article 24 of these Regulations.

5. In the case of joint applications where the withdrawal of the defaulting Promoter does not result in the termination of the PCV, pursuant to Article 24 of these Regulations, and the remaining Promoters of the PCV wish to execute the PCV under the terms defined in these Regulations and in the respective Protocol, they shall have the following alternatives:

- a) Maintain the action plan or the descriptive memory of the approved Plan, as initially approved;
- b) Propose to the Management and Monitoring Team the partial replacement of the initiatives whose execution was ensured by the withdrawing Promoter; or
- c) Propose to the Management and Monitoring Team a partial or complete revision of the action plan or descriptive memory of the approved Plan.

6. Withdrawing Promoters are obliged to immediately refund the amounts delivered by APM to pay for the initiatives not executed, up to the limit of the funding allocated.

7. Pursuant to paragraph 4(a) of this article, the head of the PCV may also ask the Management and Monitoring Team to replace the forfeiting Promoter, provided that the replacement Promoter complies with all the general access conditions laid down in Article 2 of these Regulations.

Article 20

(Replacement of contracting parties and PCV initiatives)

1. The PCV and the initiatives that form part of it shall be complied with in full and on time by the Promoter(s) who signed the Protocol, without prejudice to situations in which the Contracting Promoter(s) is(are) replaced, by virtue of the provisions of these Regulations or the occurrence of facts external to the PCV, such as the assignment of the contractual position, which determine a change in the contractual position of the Granting Promoter(s) or in which the Promoter(s) request(s) the replacement, addendum or change of initiatives/activities included in the originally approved timetable, within the scope of the application.

2. The replacement of the Contracting Promoter(s) of the PCVs always depends on the written authorisation of the Management and Monitoring Team.

3. The replacement Promoter(s) is(are) obliged to carry out the PCV under the exact terms defined in these Regulations and the respective Protocol, namely to fulfil all the general access conditions laid down in Article 2 of these Regulations.
4. Without prejudice to the provisions of the preceding paragraph, the replacement Promoter(s) may propose to the Management and Monitoring Team:
 - a) The partial replacement of the initiatives whose execution was ensured by the replaced Promoter; or
 - b) The partial or complete revision of the Action Plan or the descriptive memory of the approved Plan.
5. The replacement, addendum or change of any initiatives included in the originally approved timetable, within the scope of the Promoter(s) application, shall be notified in advance and approved in writing by APM, complying with the reference periods for the interim and final reports, in accordance with Article 15 above.
 - 5.1 – Requests to replace, add to or alter initiatives and the analysis of the eligibility of expenditure, outside those reference periods, will only be considered, provided they are duly substantiated and proven, and a reasonable deadline will be granted for that purpose.
6. The replacement, addendum or change of the initiatives shall not, in any case, imply a change in the markets in which they operate, nor in the amount of support approved by APM, as it results from the Promoters' application.

Article 21

(Termination of the contracting legal person of the PCV)

The termination, for whatever reason, of the contracting legal person of the PCV, namely legally declared insolvency, shall determine, for both individual and joint applications, the same consequences provided for in these Regulations for non-compliance or withdrawal from the PCV.

Article 22

(Inhibition of PCV applications submission)

1. Defaulting or withdrawing Promoters pursuant to Articles 16, 17 and 19 of these Regulations shall be prohibited from submitting new applications for a period of 2 (two) years.
2. In the cases referred to in Article 18 of these Regulations, Promoters who have submitted an individual application shall also be prohibited from submitting new individual or joint applications for a period of one (1) year.

Article 23

(Fortuitous or force majeure cases)

1. Fortuitous or force majeure cases, provided they are duly substantiated by the party invoking them, give APM the option of cancelling, altering or rectifying the allocation of support and the Promoter(s) the option of withdrawing from the PCV, although without being subject to the consequences laid down in paragraph 1 of the preceding article.
2. Should the Promoter(s) withdraw, under the terms set out in the final part of the preceding paragraph, they shall be obliged to immediately refund the amounts delivered to them by APM to pay for the initiatives not executed, up to the limit of the funding allocated.
3. For the purposes of the provisions of paragraph 1 of this Article, fortuitous or force majeure cases are natural or man-made events or facts that are invincible, inevitable and insurmountable, such as:
 - a) Acts of war or subversion;
 - b) Epidemic/Pandemic;
 - c) Fires;
 - d) Volcanic eruptions or earthquakes;
 - e) Storms and floods.

Article 24

(Termination of the PCV)

1. A PCV that ceases to be valid and to be effective under these Regulations shall be deemed extinct.
2. The Management and Monitoring Team will be able to set the moment in time when the PCV will cease to be valid.

3. With the extinction of the PCV, all amounts delivered by APM to pay for the initiatives not executed by the Promoters shall be returned immediately by the latter, without prejudice to APM's rights under these Regulations and under civil law, namely the demand for payment of the compensation and/or legal interest due.

Chapter VI

Payments

Article 25

(Payment of amounts)

1. The approved support amounts shall be paid by APM as follows:
 - a) 10% (ten per cent) after signing the Protocol;
 - b) The remaining amounts will be paid proportionally to the amount of the executed and eligible initiatives, after delivery of the respective report and proof of execution of the initiatives, under the terms of articles 14 and 15 of these Regulations.
2. Should it be established, after analysing the final report and proof of completion of the initiatives, that the amount paid, pursuant to paragraph 1(a)(b) and (c), exceeds the value of the support resulting from the initiatives executed, the Promoter shall refund the amount paid in excess.
3. With the exception of the instalment provided for in point a) of the preceding paragraph, the remaining instalments of the approved support shall only be paid once the Management and Monitoring Team has confirmed that the initiatives included in the approved Plan have been properly executed up to the date of the report to which they relate, without prejudice to the application of the penalty provided for in Article 15(6) of these Regulations.
4. Should the initiatives contained in the PCV have been fully executed by the Promoter(s) by the end of the first half of the year, APM shall pay the full amount of the approved support.
5. The applicant or the person responsible for the PCV, whichever the case may be, shall indicate on the application form all the details and/or bank references necessary for the respective payment, in particular the IBAN.

6. Without prejudice to the provisions of the preceding paragraphs, payments shall only be made pursuant to this article once proven that the Promoter(s)' tax and social security status is regularised, by submitting the respective statements or certificates, under the terms and for the purposes of Article 31-A of Decree-Law no. 155/92, of 28 July, and Article 198 of Law no. 110/2009, of 16 September and Article 36(1) of Law 89/2017 of 21 August.

Chapter VII

Final provisions

Article 26

(Complaints, appeals and conflict resolution)

1. Decisions taken by the Management and Monitoring Team may always be appealed to the latter, as provided for in the Administrative Procedure Code ('CPA'), approved by Decree-Law no. 4/2015, of 7 January, in its current wording.
2. Should the entity referred to in the preceding paragraph upholds the initial decision, it may be appealed to APM's Board of Directors, also as laid down in the CPA.
3. Should any question arise regarding the interpretation or execution of the PCV, the contracting parties shall endeavour to reach an appropriate and equitable solution amicably.
4. Should the contracting parties be unable to resolve the matter amicably, the contracting parties hereby agree, expressly waiving any other, on the jurisdiction of the Administrative and Fiscal Court of Funchal to resolve any conflicts or disputes arising from the execution of the PCV, without prejudice to the recourse to an Arbitration Court, provided that this has been previously agreed upon by the parties.

Article 27

Omissions interpretation and inclusion

1. Any doubts arising from the interpretation of the rules of these Regulations shall be referred by any interested party to the Management and Monitoring Team, which shall decide and inform on them as soon as possible.
2. Should it be found, following doubts raised by any interested party under the terms of this Article, that there is an omission in these Regulations, it shall be integrated by APM's Board of Directors pursuant to the applicable provisions of the Civil Code.
3. The resolutions of APM's Management and Monitoring Team communicated to the interested parties are valid as an authentic interpretation until the procedure for amending the Regulations has been formalised.
4. Answers to questions resulting from the interpretation of the rules in these Regulations, and the omissions that may be integrated under the terms of this Article and that may result in an improvement in the wording of the articles of these Regulations, shall be contemplated in a proposal for the revision of these Regulations to be submitted for consideration and approval by APM's Board of Directors.
5. The amendments approved to these Regulations pursuant to the preceding paragraph shall only be valid for the following PCV applications period.
6. Without prejudice to the provisions of the preceding paragraphs, APM's Board of Directors, on an exceptional basis and whenever deemed necessary, even if substantiated, may make amendments to these Regulations, setting a different period of validity from the provisions of the preceding paragraph, which may be applied to the ongoing application period.

Article 28

(Amendments)

Any amendment to the Protocols to be signed between APM and the Promoter(s) shall only be valid if enshrined in writing, in a document signed by both contracting parties, expressly indicating the part of the article to be amended and the wording that has been modified or amended.