Re-instating Project Fees Fiscal Year 2021-22

January 28, 2021 – The Digital Technology Supercluster will re-instate project fees on April 1, 2021 which were waived from April 1, 2020 to March 31, 2021. However, the project fee will be reduced given the continued pandemic related challenges.

Project Fees for Fiscal Year 2021-22 – On April 1, 2021 project fees will be payable at the same time as payment of claims for project expenses. However, given the continued challenges, we are pleased to reduce the project fee from the standard 10% down to 5% of project costs effective April 1, 2021 up to March 31, 2022.

Details – In April 2020, we introduced a new and simplified Member Fee structure. The new fee structure was introduced to better match fees with funds received. It consists of a significantly smaller up-front annual membership fee, not tied to investments, along with a project fee payable when funding is received, via claims, by Members. During the past fiscal year 2020-21, we waived the project fees in light of the challenging economic environment brought on by the COVID-19 pandemic.

For next fiscal year starting April 1, 2021 and going to March 31, 2022, the project fee will be 5% of eligible project costs and paid at the same time as a claim for co-investment. The project fee will be deducted from the claim amount. The following provides an example:

<table>
<thead>
<tr>
<th>Date</th>
<th>April 15, 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligible Project Costs (1)</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Claim Payable</td>
<td>43% (2)</td>
</tr>
<tr>
<td>Project fee</td>
<td>5%</td>
</tr>
<tr>
<td>Net Supercluster co-investment paid</td>
<td>$380,000</td>
</tr>
</tbody>
</table>

Notes:
1 – Eligible project costs may differ from total costs as per agreement
2 – the Co-investment rate per project may vary as per agreement

Transition Period – The assessment of project fees will start April 1, 2021. Claims filed and approved before March 31, 2021 will continue to see project fees waived.

If claims are filed, but not approved by March 31, 2021, then these claims will be subject to the new project fees.

For claims to be approved before March 31, 2021 they need to be submitted, reviewed, and contain all requirements of the claim, including supporting evidence and the milestone or quarterly report, as applicable.

We would recommend our Members submit claims by March 15th so that they can be reasonable reviewed, clarified and approved in time for this March 31st cutoff. Any claim that
has outstanding requirements at March 31, 2021 (and therefore has not been approved) will be subject to the re-instated project fees.

**Questions?** – If you have questions about Supercluster Membership or project fees, please contact [info@digitalsupercluster.ca](mailto:info@digitalsupercluster.ca).

**About Digital Technology Supercluster** – The [Digital Technology Supercluster](https://www.digitalsupercluster.ca) solves some of industry and society’s biggest problems through Canadian-made technologies. We bring together private and public sector organizations of all sizes to address challenges facing Canada’s economic sectors including healthcare, natural resources, manufacturing, and transportation. Through this ‘collaborative innovation,’ the Supercluster helps to drive solutions better than any single organization could on its own. The Digital Technology Supercluster is led by industry leaders such as D-Wave, LifeLabs, LlamaZOO, Lululemon, MDA, Microsoft, Mosaic Forest Management, Sanctuary AI, Teck Resources Limited, TELUS, Terramera, and 1Qbit. Together, we work to position Canada as a global hub for digital innovation. A full list of Members can be found [here](https://www.digitalsupercluster.ca/members).
