



2017

VENTURE CAPITAL CATALYST INITIATIVE

Call for Expressions of Interest

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PART 1 – GENERAL INFORMATION

Announced in Budget 2017 by the Government of Canada, the Innovation and Skills Plan is an ambitious effort to make Canada a world leader in innovation. As part of the Innovation and Skills Plan, Budget 2017 announced the Government is making available up to \$400 million for a new Venture Capital Catalyst Initiative (VCCI) to increase the availability of late-stage venture capital (VC) in Canada.

Access to capital is vital in growing innovative companies to develop ideas and create good, middle-class jobs in communities across the country. VC is a specialized type of private equity financing that takes educated risks on great ideas and smart people, giving young, high-growth-potential companies the opportunity to develop their ideas into marketable products. In addition to capital, VC investors bring operational experience, technical knowledge, networks and mentorship to the companies in which they invest. Because of the funding and expertise it provides, a strong and steady stream of VC is an essential element in the success of many of Canada's potential future technology leaders.

Through VCCI, the Government of Canada, with the participation of corporate investors, institutional investors, provincial governments and others, is expecting to capitalize private-sector-led intermediaries by creating a balanced portfolio through two streams: large, returns-driven funds-of-funds, and alternative investment models aiming to strengthen and broaden the Canadian VC ecosystem.

Stream 1 will allocate \$350 million to applications from large funds-of-funds with the objective of maximizing returns through diversified investments, supporting skilled VC fund managers, increasing the availability of late-stage capital, and attracting substantial private-sector capital. Additional consideration will be given to proposals that also incorporate strategies to address emerging issues, including:

- Attracting new investors or investor classes, both Canadian and international, to Canadian VC,
- Engaging in activities and programs that enhance or accelerate the development of the Canadian venture ecosystem for the long term,
- Improving engagement of Canadian corporations in the venture ecosystem,
- Supporting emerging, diverse and women fund managers,
- Addressing underserved Canadian regions, or
- Investing in key underserved sectors.

Stream 2 will allocate \$50 million for proposals concerning alternative investment models that can provide a financial return to investors, but would not otherwise be addressed by Stream 1. Eligible applicants include VC funds-of-funds, VC funds, and other intermediaries that invest in companies. Applicants should seek to:

- Support groups (e.g. women-run funds, new fund managers) that may be underserved by traditional funds-of-funds models,
- Invest in emerging or underserved sectors, or
- Support or bring forward financing models that may not be suited to investment from funds-of-funds, such as matching funds, deal-based fundraising models, micro-funds, etc.

Additionally, in line with the Government's objectives, VCCI includes a comprehensive focus on enhancing diversity and addressing gender balance among VC fund managers and portfolio companies. All applicants are required to demonstrate how their strategies would advance these objectives, and will be evaluated on this basis. Successful candidates will be required to report on the gender balance of the fund managers and entrepreneurs they support.

PART 2 – INSTRUCTIONS FOR SUBMISSION OF EXPRESSION OF INTEREST– STREAM 1: LARGE FUNDS-OF-FUNDS

PROPOSAL GUIDELINES

2.1 Investment Strategy

The Government of Canada will evaluate the overall impact of your proposed activities and programs on the development of the Canadian VC ecosystem in the long term, placing an emphasis on your ability to generate venture-level returns for investors; your strategy for addressing supply of late-stage VC; your value proposition to Canadian companies and investors; your ability to support and develop existing Canadian VC fund managers; and the degree to which your proposed investment strategy is aligned with your demonstrated capabilities.

The Government will place extra weight on proposals that fulfil the investment objectives outlined above, and that also include efforts to address emerging areas, such as:

- Engaging Canadian corporations,
- Supporting emerging, diverse, women or alternative fund managers,
- Investing in underserved Canadian regions, or
- Investing in key underserved sectors.

2.1.1 Investment Process

Please provide information on how you currently identify, evaluate and select VC funds for investment and companies for direct investment, by describing your:

- i. Investment policy and process;
- ii. Process for generating deal flow and selecting investment opportunities, including due diligence;
- iii. Specialized strategies to address emerging areas and their impact, including, for example:
 - o Supporting funds or entrepreneurs, such as by taking board seats or seats on limited partner advisory committees, providing mentoring, or other endeavours to support investee companies to grow and succeed;
 - o Focusing on particular sectors or regions in Canada, through specialized teams, technical expertise, or other strategies; or
 - o Implementing innovative structures or initiatives to engage key investors, such as corporate strategics, or to develop the VC ecosystem, such as by investing in women, diverse, emerging or non-traditional fund structures; and
- iv. Strategies for achieving exits.

2.1.2 Proposed Investment Strategy

Please provide details on your investment strategy for your proposed fund-of-funds, including:

- i. Target fund size, and any interim fundraising targets and timelines;
- ii. Process for finding investment opportunities and generating deal flow, including due diligence;
- iii. Strategy for managing and supporting investments, including exits;
- iv. Strategy for increasing late-stage VC;
- v. How investments will address gender balance; and
- vi. Any specialized strategies to address emerging areas.

2.1.3 Impact on the Canadian VC Ecosystem

Please describe what you will do specifically to:

- i. Add value to Canadian companies and investors;
- ii. Support and develop existing Canadian VC fund managers; and
- iii. Support the development and growth of Canadian companies and entrepreneurs.

2.2 Manager Capabilities

2.2.1 Firm History

The Government is seeking experienced fund managers with a strong history of capital management, having managed funds-of-funds, VC funds, or private equity funds.

Please provide the following information, as applicable:

- i. Firm history, including:
 - o year established, and
 - o number of funds managed, including vintage year and size of each;
- ii. Legal structure and ownership of firm;
- iii. Offices, including locations and number of staff at each;
- iv. Main contact, including name, position, phone number and email address;
- v. List of primary investors (limited partners);
- vi. List of network of co-investors or syndicate partners;
- vii. Audited Financial Statements for all active funds and for the asset manager and general partner, for the last three years, if available; if audited statements are not available, provide, for the last three years: quarterly balance sheets, quarterly Profit and Loss statements, including breakdown of revenue sources certified by the firm's CEO or CFO;
- viii. Quarterly Net Asset Value statements for the last three years for the area of the organization that would actively manage the capital if selected;
- ix. Any specific restrictions on investments for existing funds (e.g. market, sector, concentration or geography);
- x. Any significant or material outstanding litigation impacting the firm;
- xi. Any significant tax or regulatory inquiries by a government or regulatory authority (e.g. Canada Revenue Agency);
- xii. Summary of all current compliance licences with applicable regulatory bodies (e.g. provincial securities commissions, investment dealers associations); and
- xiii. Any other significant or materially relevant information of which the Government should be made aware.

(Note: Financial Statements and any detailed information on financial performance may be provided in an appendix.)

2.2.2 Experience and Track Record of Manager

The Government will give preference to managers with significant investment experience and proven performance records.

Please detail the following, as applicable:

- i. Current and past funds-of-funds or funds, including: location, duration, target size vs. capital raised for each fund, and any sector, regional or other specialization;
- ii. Capital currently under management, by fund;
- iii. Summary of portfolio mix of three of the most recent funds, including: stage of investments, industry of investments, total co-investments;
- iv. Amount of uncommitted or undeployed capital for each fund under management, and a timeline for deploying the funds under management;
- v. Co-investments made in the past ten years, including: location, industry segment, ownership duration of each investment, and co-investors in each investment (subject to confidentiality); and
- vi. Performance record in VC fund and direct investing, with full information on past and current VC fund and direct investment portfolios, including rates of return, multiples, and performance against relevant benchmarks, such as:
 - o IRR of fund and direct investments over the past ten years;
 - o Schedule of funds' cumulative distributions for investments in the past ten years;
 - o TVPI/DVPI calculation for funds that have been active in the past ten years;
 - o Investment multiple for all current investments; and
 - o Schedule of investments exited in the last ten years and returns generated by each investment, including initial investment, distributions, exit value, and return multiple.

(Note: Detailed information on financial performance may be provided in an appendix.)

2.2.3 Investment Team

The Government is looking for applicants that have an experienced investment team with demonstrated experience and performance in:

- Raising and managing funds-of-funds, funds or other investment entities,
- Identifying investment opportunities,
- Investing in and creating value in VC funds, and
- The successful operation of funds-of-funds or VC funds, including a successful track record of direct investments.

Please provide the following information about your investment team:

- i. Résumés/CVs for all individual investment team members, including their length of service with the firm;
- ii. Résumés/CVs of any other individuals who play a role, or will play a role, in the funds-of-funds management or activities, such as board members, strategic advisors, associates, entrepreneurs-in-residence; and
- iii. Compensation structure, including i.) overall compensation, ii.) base compensation, iii.) performance fees/incentives/bonuses, iv.) any other compensation.

(Note: Résumés/CVs may be provided in an appendix. The applicant is expected to obtain and demonstrate permission from each person prior to submitting any of their Personal Information, as defined by the *Privacy Act* (Canada), in the form of a signed Consent to Obtain and Use Information, available in Appendix D.)

2.2.4 In-Depth Canadian Investment Knowledge of Investment Team

The Government will give preference to teams with demonstrated in-depth knowledge of investing in and supporting Canadian VC, including through:

- Industry-specific knowledge,

- Sector-specific expertise,
- Entrepreneurial experience, and
- A strong network of business and financial contacts.

Please describe the past and current involvement of the firm and investment team in any of the following in Canada, if applicable (details may be included in résumés/CVs, see above):

- Building alliances or investment networks within a particular geographic region and across jurisdictions;
- Promoting investment in or attracting investment to Canada;
- Forming new investment fund syndicates and co-investor networks;
- Coordinating and working with other players in the wider innovation system, for example: universities, research centres, angel investors, accelerators, or incubators;
- Participating on advisory boards, committees, or working groups;
- Leading or serving industry organizations;
- Leading or organizing industry events, such as investment forums;
- Sponsoring or attending investment-related events;
- Mentoring or advising other investors or entrepreneurs;
- Authoring reports, newsletters or papers on private equity, VC, technology and innovation, economic development, investment fund management or any other relevant topics; and
- Speaking engagements, teaching, lecturing or moderating panel discussions.

2.3 Fundraising Strategy

The Government is seeking applicants with a well-developed strategy to attract and engage new long-term investors, both Canadian or international, particularly corporate funds, institutional investors or high-net-worth individuals; and with a demonstrated ability to fundraise and execute on the proposed fundraising strategy, including previous funds raised or letters of interest concerning the proposed fund.

Please describe your proposed fundraising strategy, including any demonstrated ability to execute on the proposed strategy, such as:

- Target investors, including previous commitments made by the investors in VC in general, in Canadian VC or in a fund managed by the firm;
- Special strategies to target or engage investors, if any;
- Previously closed funds of similar structure, size and strategy; and
- Letters of interest or other indications from investors for your proposal.

2.4 Impact on Gender Balance

All proposals are required to address the improvement of gender balance among Canadian VC fund managers and companies, and will be evaluated on this basis. Strategies could include items like: the gender balance of your investment team; targeted investment strategies; specialized training, mentoring or networking; or support of industry or educational programs.

- Please describe your proposed strategies to address gender balance among Canadian VC fund managers and companies; and
- Describe any additional steps you will take to address gender balance in the Canadian VC ecosystem.

2.5 Canadian Presence

All successful applicants must agree to, at a minimum, having or preparing to establish, in Canada, a principal office that is an active investment office and that houses senior investment professionals who are residents of Canada and at least one of whom is a member of the investment committee (or similar decision-making body) responsible for making investment decisions for the proposed fund. Additional points will be awarded to those pledging a greater Canadian presence and/or a presence in underserved regions.

- i. Please describe how you currently meet or exceed the minimum Canadian presence requirements, or detail a strategy for how they will be met or exceeded, if successful; and
- ii. Describe any additional steps you have taken, or will take, including the timing for each step, to enhance your presence in Canada.

2.6 Canadian Content

Successful applicants must pledge a commitment to make at least 60% of fund investments in Canadian-domiciled funds and at least 70% of co-investments in Canadian companies. Additionally, the applicant must commit to use all commercially reasonable efforts to ensure at least 35% of total committed capital in the proposed fund is invested in Canadian-based companies. Additional points will be awarded to applications proposing higher Canadian investment allocations.

- i. Confirm that you agree to adhere to the minimum Canadian content requirements; or
- ii. Include a pledged commitment detailing higher levels of investment for any or all of the commitment requirements listed above.

2.7 Management Fees

The Government is setting maximum thresholds for compensation (see section 2.12 for details). Additional points will be awarded to applications proposing lower fee structures.

- i. Confirm that you agree to adhere to the maximum compensation thresholds; or
- ii. Include a detailed proposed management fee and compensation structure.

2.8 References

The Government intends to validate applications. Applicants are to provide a minimum of two references for each of the following four categories of relationships they have had:

- i. Current co-investors who have invested in VC funds (including funds-of-funds) and/or portfolio companies alongside the applicant or funds managed by the applicant;
- ii. Limited partners (investors) who have invested in fund(s) or funds-of-funds managed by the applicant;
- iii. VC funds that the applicant, or funds managed by the applicant, has invested in; and
- iv. Portfolio companies in which the applicant, or funds managed by the applicant, has made direct investments.

(Note: Detailed references may be provided in an appendix.)

REQUIRED COMMITMENTS

Successful applications will be expected to agree and adhere to the requirements below. Please indicate that you agree to the following:

2.9 Private Capital Leveraged (Yes/No)

- Funds-of-funds will be expected to raise \$2.25 from private-sector investors for every \$1 of public-sector capital committed; and
- Senior investment professionals will be expected to contribute their own capital to the fund-of-funds.

2.10 Funds Size (Yes/No)

- Funds-of-funds must target total capital commitments from a minimum of \$150 million to a maximum of \$400 million;
- An interim fundraising target of at least 50% of the fund size must be met prior to securing a first close; and
- Government capital will be committed only as pre-determined fundraising targets are reached.

2.11 Investments (Yes/No)

- Funds-of-funds will invest in VC funds and co-invest directly in operating companies;
- VC funds will be funds that primarily invest in minority equity stakes of technology-focused companies in order to enable the development of new products, markets or business models;
- Direct co-investments will be made in portfolio companies derived from opportunities made available by the general partners of VC funds; and
- Co-investments will be permitted up to a maximum of 25% of total committed capital.

2.12 Management Fees (Yes/No)

- Management fees should not exceed an average annual rate of 0.6% on aggregate commitments across an expected 12-year life of the fund;
- The management fee will be used to fund the operating and administrative expenses incurred in delivering services to the fund-of-funds;
- The fee will be reduced by any portfolio investment fees, including any directors' and consulting compensation or fees earned by the manager, general partner or any of their affiliates or employees in connection with managing the portfolio; and
- Carried interest should not exceed 5% on aggregate gains on fund investments and 12% on aggregate gains on direct investments.

2.13 Incentives (Yes/No)

- The Government will offer incentives to assist in attracting new, long-term private-sector investors. Capital contributions will flow in pro-rata, at a ratio of 30.7% public-sector to 69.3% private-sector capital. Capital distributions will flow as follows:
 - i. First, private-sector investor contributed capital returned, plus a 7% per annum preferred return;
 - ii. Second, public-sector contributed capital returned, plus a 3% per annum preferred return;
 - iii. General partner receives full catch-up of earned carried interest; then
 - iv. Pro-rata distribution based on committed capital (subject to general partner carry).
- Provincial governments that take part in VCCI will invest on the same terms as the federal government.

2.14 Reporting and Code of Conduct (Yes/No)

- Annual reporting on performance, impact, and gender statistics as detailed (see Appendix B) will be required.
- Proponents will be expected to adhere to a Code of Conduct and will be restricted from making direct investments in companies primarily engaged in certain activities such as holding or managing real estate, extracting resources, or selling, marketing or providing gambling, pornography, alcohol, tobacco, weapons or illegal goods.

PART 3 – INSTRUCTIONS FOR SUBMISSION OF EXPRESSION OF INTEREST– STREAM 2: ALTERNATIVE MODELS

PROPOSAL GUIDELINES

3.1 Investment Strategy

The Government is seeking applications that will make a significant impact on Canada’s VC ecosystem by investing in areas that would not otherwise be addressed by large funds-of-funds, to build and strengthen the Canadian VC ecosystem and complement Stream 1. Eligible applicants for this stream include VC funds-of-funds (with alternative investment strategies), VC funds and other VC-like intermediaries that invest in companies. Applicants should seek to address emerging areas in Canadian VC, which may include:

- Supporting groups (e.g. women-managed funds, new fund managers) that may be under served by traditional funds-of-funds models,
- Investing in emerging or underserved sectors, or
- Supporting financing or funding models that may not be suited to investment from large funds-of-funds, such as matching funds, deal-based fundraising models, micro-funds, etc.

A detailed investment strategy specifically describing how you will address one or more emerging areas is expected and will be evaluated on a number of factors, including: your ability to support VC fund managers and entrepreneurs, overall leverage achieved, and the degree to which the proposed investment strategy is aligned with your demonstrated capabilities.

3.1.1 Investment Process

As applicable, please provide information on how you currently identify, evaluate and select VC funds for investment and/or companies for direct investment, by describing your:

- i. Investment policy and process;
- ii. Process for finding investment opportunities and generating deal flow, including due diligence;
- iii. Specialized strategies to address emerging areas, and the rationale and expected impact; and
- iv. Strategies for achieving exits.

3.1.2 Proposed Investment Strategy

Please provide details on the investment strategy for your proposal, as applicable, including:

- i. Detailed design and structure of your proposed model, including:
 - o Funding requested through VCCI,
 - o Target size, and
 - o Overall leverage achieved;
- ii. Process for finding investment opportunities and generating deal flow, including due diligence, which addresses emerging areas; and
- iii. Strategy for managing and supporting investments, including exists.

3.1.3 Impact on the Canadian VC Ecosystem

Please describe what you will do specifically to:

- i. Add value to Canadian companies, investors and the Canadian VC ecosystem in general;
- ii. Support and develop new or existing Canadian VC fund managers; and

- iii. Support the development and growth of Canadian companies and entrepreneurs.

Please include the following analysis:

- i. Perceived risks associated with the proposed model (e.g. higher risk profiles, insufficient investment opportunities) and strategies for their mitigation; and
- ii. Estimated potential outcomes of the proposed investment strategy, including overall economic and strategic impact on Canadian VC.

3.2 Manager Capabilities

The Government is seeking experienced fund managers with a strong history of capital management and performance, having managed funds-of-funds, VC funds, or private equity funds. The Government understands that proposals for alternative models may be put forward by new firms, syndicates of firms or new management teams and that applications may not necessarily include submissions for each of the following sections. Submissions will be evaluated holistically based on proven manager capabilities, and the individual and combined track records of the management team.

3.2.1 Firm History

Each applicant should provide the following information, as applicable:

- i. Firm history, including:
 - o year established, and
 - o number of funds managed, including vintage year and size of each;
- ii. Legal structure and ownership of firm;
- iii. Offices, including locations and number of staff at each;
- iv. Main contact, including name, position, phone number and email address;
- v. List of primary investors (limited partners);
- vi. List of network of co-investors or syndicate partners;
- vii. Audited Financial Statements for all active funds and for the asset manager and general partner, for the last three years, if available; if audited statements are not available, provide, for the last three years: quarterly balance sheets, quarterly Profit and Loss statements, including breakdown of revenue sources certified by the firm's CEO or CFO;
- viii. Quarterly Net Asset Value statements for the last three years for the area of the organization that would actively manage the capital if selected;
- ix. Any specific restrictions on investments for existing funds (e.g. market, sector, concentration or geography);
- x. Any significant or material outstanding litigation impacting the applicant;
- xi. Any significant tax or regulatory inquiries by a government or regulatory authority (e.g. Canada Revenue Agency);
- xii. Summary of all current compliance licences with applicable regulatory bodies (e.g. provincial securities commissions, investment dealers associations); and
- xiii. Any other significant or materially relevant information of which the Government should be made aware.

(Note: Financial Statements and any detailed information on financial performance may be provided in an appendix.)

3.2.2 Experience and Track Record of Firm

Please detail the following, as applicable:

- i. Current and past funds-of-funds or funds invested in or managed, including: location, duration, target size vs. capital raised for each fund, and any sector, regional or other specialization;
- ii. Capital currently under management, by fund;
- iii. Summary of portfolio mix of three of the most recent funds, including: stage of investments, industry of investments, total direct investments;
- iv. Amount of uncommitted or undeployed capital for each fund under management, and a timeline for deploying the funds under management;
- v. Co-investments or direct investments made in the past ten years, including: location, industry segment, ownership duration of each investment, and co-investors in each investment (subject to confidentiality); and
- vi. Performance record in VC fund and direct investing, with full information on past and current VC fund and direct investment portfolios, including rates of return, multiples, and performance against relevant benchmarks, such as:
 - o IRR of fund and direct investments over the past ten years;
 - o Schedule of funds cumulative distributions for investments in the past ten years;
 - o TVPI/DVPI calculation for funds that have been active in the past ten years;
 - o Investment multiple for all current investments; and
 - o Schedule of investments exited in the last ten years and returns generated by each investment, including initial investment, distributions, exit value, and return multiple.

(Note: Detailed information on financial performance may be provided in an appendix.)

3.2.3 Investment Team

Please provide the following information about your investment team:

- i. Résumés/CVs for all individual investment team members, including their length of service with the firm;
- ii. Résumés/CVs of any other individuals who play a role, or will play a role, in the fund's management or activities, such as board members, strategic advisors, associates, entrepreneurs-in-residence; and
- iii. Compensation structure, including i.) overall compensation, ii.) base compensation, iii.) performance fees/incentives/bonuses, iv.) any other compensation.

(Note: Résumés/CVs may be provided in an appendix. The applicant is expected to obtain and demonstrate permission from each person prior to submitting any of their Personal Information, as defined by the *Privacy Act* (Canada), in the form of a signed Consent to Obtain and Use Information, available in Appendix D.)

3.2.4 In-Depth Canadian Investment Knowledge of Investment Team

Please describe the past and current involvement of the firm and investment team in any of the following in Canada, if applicable (details may be included in résumés /CVs, see above):

- i. Building alliances or investment networks within a particular geographic region and across jurisdictions;
- ii. Promoting investment in or attracting investment to Canada;
- iii. Forming new investment fund syndicates and co-investor networks;
- iv. Coordinating and working with other players in the wider innovation system, for example: universities, research centres, angel investors, accelerators, or incubators;
- v. Participating on advisory boards, committees, or working groups;

- vi. Leading or serving industry organizations;
- vii. Leading or organizing industry events, such as investment forums;
- viii. Sponsoring or attending investment-related events;
- ix. Mentoring or advising other investors or entrepreneurs;
- x. Authoring reports, newsletters or papers on private equity, VC, technology and innovation, economic development, investment fund management or any other relevant topics; and
- xi. Speaking engagements, teaching, lecturing or moderating panel discussions.

3.3 Fundraising Strategy

The Government is seeking applicants with a well-developed strategy to attract and engage new long-term investors, Canadian or international, particularly corporate funds, institutional investors or high-net-worth individuals; and with a demonstrated ability to fundraise and execute on the proposed fundraising strategy, including previous funds raised or letters of interest.

Please describe your proposed fundraising strategy, including any demonstrated ability to execute on the proposed strategy, such as:

- i. Target leverage ratio of private-sector capital raised for every \$1 of public-sector capital committed;
- ii. Target investors, including previous commitments made by the investors in VC in general, in Canadian VC or in a fund managed by the firm;
- iii. Special strategies to target or engage investors, if any;
- iv. Previously closed funds of similar structure, size and strategy; and
- v. Letters of interest from investors for your proposal.

Please describe any proposed government incentives you believe would be the minimum necessary to reach your proposed fundraising target.

3.4 Impact on Gender Balance

All proposals are required to address the improvement of gender balance among Canadian VC fund managers and companies, and will be evaluated on this basis. Strategies could include items like: the gender balance of your investment team; targeted investment strategies; specialized training, mentoring or networking; or support of industry or educational programs.

- i. Please describe your proposed strategies to address gender balance among Canadian VC fund managers and companies; and
- ii. Describe any additional steps you will take to address gender balance in the Canadian VC ecosystem.

3.5 Canadian Presence

All successful applicants must agree to, at a minimum, having or preparing to establish, in Canada, a principal office that is an active investment office and that houses senior investment professionals who are residents of Canada and at least one of whom is a member of the investment committee (or similar decision-making body) responsible for making investment decisions. Additional points will be awarded to those pledging a greater Canadian presence and/or a presence in regions otherwise underserved by funds-of-funds.

- i. Please describe how you currently, or detail a strategy for how you will, meet or exceed the minimum Canadian presence criteria prior to being awarded a contract, if successful; and
- ii. Describe any additional steps you have taken, or will take, including the timing for each step, to enhance your presence in Canada.

3.6 Canadian Content

Successful applicants must pledge a commitment to make at least 70% of fund investments in Canadian-domiciled funds and at least 70% of direct investments in Canadian companies. Additionally, the applicant must commit to use all commercially reasonable efforts to ensure at least 60% of total committed capital in the proposed fund is invested in Canadian-based companies. Additional points will be awarded to applications proposing higher Canadian investment allocations.

- i. Confirm that you agree to adhere to the minimum Canadian content requirements; or
- ii. Include a pledged commitment detailing higher levels of investment for any or all of the commitment requirements listed above.

3.7 Management Fees

Include detailed proposed management fees. Management fees should be the minimum, market-based rate required for the successful implementation of the proposed model. Preference may be given to applications with lower proposed incentive structures.

3.8 References

The Government intends to validate applications. Applicants are to provide a minimum of two references for each of the following four categories of relationships they have had:

- i. Current co-investors who have invested in VC funds (including funds-of-funds) and/or portfolio companies alongside the applicant or funds managed by the applicant;
- ii. Limited partners (investors) who have invested in fund(s) or funds-of-funds managed by the applicant;
- iii. VC funds that the applicant, or funds managed by the applicant, has invested in; and
- iv. Portfolio companies in which the applicant, or funds managed by the applicant, has made direct investments.

(Note: Detailed references may be provided in an appendix.)

REQUIRED COMMITMENTS

Successful applications will be expected to agree and adhere to the following requirements. Please indicate that you agree to the following:

3.9 Private Capital Leveraged (Yes/No)

- Applicants are expected to raise at least \$1 from private-sector investors for every \$1 of public-sector capital committed;
- Preference may be given to applicants with greater proposed leverage; and
- Senior investment professionals will be expected to contribute their own capital to the fund.

3.10 Investments (Yes/No)

- Applicants should primarily invest in minority equity stakes of technology-focused companies in order to enable the development of new products, markets or business models; and
- If a fund-of-funds model is proposed, it will make co-investments only up to a maximum of 25% of contributed capital.

3.11 Incentives (Yes/No)

- The Government may offer incentives to assist in attracting new, long-term private-sector investors.
- Proposed incentives should be the minimum required for the successful implementation of the proposed model and should not to exceed those detailed for large funds-of-funds.

3.12 Reporting and Code of Conduct (Yes/No)

- Annual reporting on performance, impact, and gender statistics as detailed (see Appendix B) will be required.
- Proponents will be expected to adhere to a Code of Conduct and will be restricted from making direct investments in companies primarily engaged in certain activities, such as holding or managing real estate, extracting resources, or selling, marketing or providing gambling, pornography, alcohol, tobacco, weapons or illegal goods.

PART 4 – EVALUATION PROCEDURES

4.1 Summary of the Evaluation and Selection Process

- i. Interested applicants will make written submissions in response to the Call for Expressions of Interest;
- ii. All applicants must submit a completed and signed Non-Disclosure Agreement (see Appendix C) and a Consent to Obtain and Use Information (see Appendix D) for each person for whom Personal Information is submitted;
- iii. Based on information provided in the Expressions of Interest, a private-sector selection committee will select a limited number of candidates to proceed to the next stage of the selection process;
- iv. Due diligence and reference checks will be performed with respect to the candidates;
- v. Candidates will be notified and may be requested to provide supplemental information;
- vi. Upon receipt of the supplemental information, candidates may be selected to meet with the selection committee and other relevant parties;
- vii. Following these meetings, a shortlist of preferred candidates will be selected to enter into negotiations with lead investors, including BDC, on behalf of the Government of Canada; and
- viii. Each selected candidate will participate in the final negotiation and settlement of the indicative term sheet and any definitive documents required.

4.2 Evaluation Criteria

Proposals that meet all of the mandatory evaluation requirements will be evaluated and scored in accordance with the point-rated evaluation criteria identified in the evaluation grid (see Appendix A).

Through VCCI, the Government is seeking to build a portfolio of large funds-of-funds and alternative models that strengthen and broaden the Canadian VC ecosystem and increase the availability of late-stage VC over time. The selection committee will therefore be asked to evaluate applicants both on their relative scores and their impact on the ecosystem, and their fit in the overall portfolio. As such, the Government reserves the right to select applicants with lower evaluation scores if their proposals better balance the portfolio and the overall strategic impact of the initiative.

4.3 Selection Committee

The Government will establish a private-sector selection committee to evaluate incoming proposals and provide recommendations to the Deputy Minister of Innovation, Science and Economic Development Canada on which applicants to select for VCCI.

The committee will be composed of up to six members, including one chairperson. Committee members will be comprised of VC industry leaders, entrepreneurs and private-sector investors. Members are expected to bring their objective professional judgment, as well as the perspectives of the industry they represent. The Government will consider bilingual proficiency and diversity in assessing candidates for these positions. Candidates will be expected to adhere to Conflict of Interest and Ethics guidelines.

Further detail on the selection committee is available in the [Departmental Appointment Opportunities](#) document.

PART 5 – ADDITIONAL INFORMATION

5.1 Submission Instructions

Applications should address the requirements set out in this Call for Expressions of Interest. Proposal responses should be limited to a document of less than 50 pages. Additional appendices may be attached; however, the responses provided in the main body of the proposal should include a comprehensive overview of relevant details.

To be considered, one (1) electronic copy (to be emailed) and eight (8) printed copies (to be couriered) of the Expression of Interest, including all appendices, must be received **by no later than 4:00 p.m. Eastern Time on February 23, 2018**, by the VCCI Secretariat at the following address:

Email: Capital@Canada.ca

Address: VCCI Secretariat
580A, 235 Queen Street
Ottawa, ON K1A 0H5

5.2 Additional Required Documents

Along with the printed copies of the Expressions of Interest, each applicant must also submit one original completed and signed copy of each of the following:

- i. Non-Disclosure Agreement (see Appendix C); and
- ii. A Consent to Obtain and Use Information for the applicant, firm or organization for whom Commercial Confidential Information is submitted, and for each person for whom Personal Information, as defined in the *Privacy Act* (Canada), is submitted (see Appendix D).

5.3 Exclusions

The Government of Canada reserves the right, at any time, to:

- Request written clarification or the submission of additional or supplementary written information in respect of a submission;
- Waive any formalities and accept submissions that substantially comply with the requirements of the selection process;
- Verify with any applicant or with a third party any information set out in any submission;
- Check references other than those provided by an applicant;
- Make changes, including substantial changes, to the selection process or associated documents;
- Select any applicant as a selected candidate over a candidate who is ranked higher;
- Cancel the selection process;
- Cancel the selection process and issue a new selection process for the same or similar services;
- Amend the total available funding, or reallocate funding between streams;
- Accept any submissions in whole or in part; or
- Reject any or all submissions.

5.4 Non-Binding Process

This Call for Expressions of Interest is intended to identify prospective service providers for the purposes of negotiating potential agreements.

This call and associated evaluation and selection processes are not intended to create and shall not create a formal or informal legally binding bidding process and shall be governed by the law applicable to direct commercial negotiations.

No legal relationship or obligation regarding the procurement of any good or service shall be created between the applicant and the Government unless and until there is successful negotiation and execution of a written agreement between the Government, or an Agency of the Government, and the applicant.

5.5 Applicants to Bear Costs

Each applicant will be responsible for all fees, costs and expenses that are incurred by it in connection with the Expression of Interest, including, without limitation, all fees, costs and expenses relating to the preparation and issuance of responses to the information request, to the preparation for and attendance at any meetings, including with the selection committee, and to the negotiation and settlement of any documentation relating to the establishment of a fund-of-funds, fund or other investment entity.

5.6 Enquiries

All enquiries must be submitted by email to the VCCI Secretariat at:

Capital@Canada.ca

All enquiries must be submitted at least 24 hours prior to the submission deadline. Enquiries and responses may be recorded and may be posted or distributed to all applicants, at the Government's option. The Government may not provide a response to an enquiry if it feels this would unfairly advantage one or more applicants.

The Government will respond only to enquiries concerning clarification of procedures or guidelines contained in this Call for Expressions of Interest. The Government will not provide feedback on the evaluation, score, selection or similar to applicants until after the selection process and any negotiations thereunder are completed.

APPENDIX A – EVALUATION GRIDS

EVALUATION GRID: LARGE FUNDS-OF-FUNDS

Parameter	Requirements and Evaluation Criteria	Points Allocation Out of 100 (excluding additional points)
Investment strategy	<p>Detailed and feasible investment process and strategy with high likelihood of successful implementation</p> <p>Ability to generate venture-level returns for investors</p> <p>Strategy for addressing supply of late-stage VC</p> <p>Ability to support and develop existing Canadian VC fund managers and entrepreneurs</p> <p>Degree to which the proposed investment strategy is aligned with demonstrated capabilities</p> <p>Additional points for proposals with investment strategies that include efforts to address emerging areas, such as:</p> <ul style="list-style-type: none"> i. Improving engagement of Canadian corporations, ii. Supporting emerging, diverse and women fund managers, iii. Addressing underserved Canadian regions, or iv. Investing in key underserved sectors 	35 points
Manager capabilities	<p>Demonstrated experience in raising and managing funds-of-funds, funds or other investment entities</p> <p>In-depth knowledge of Canadian VC, including industry or sector-specific knowledge, entrepreneurial experience and a strong network of business contacts</p>	30 points
Fundraising strategy	<p>Well-developed strategy to attract new investors or investor classes, Canadian or international</p> <p>Demonstrated ability to fundraise and execute on proposed fundraising strategy, including through letters of interest from investors or previous closings of similar funds either in Canada or internationally</p>	15 points
Gender balance	<p>Strategy for addressing gender balance among Canadian VC fund managers and companies</p> <p>Strategy for addressing gender balance in the Canadian VC ecosystem</p>	10 points
Canadian presence	<p>Pledged presence of at least one Canadian office with at least one full-time manager</p> <p>Additional points awarded to those pledging a greater presence and/or a presence in underserved regions</p>	<p>pass/fail</p> <p>Additional: 5 points</p>

Parameter	Requirements and Evaluation Criteria	Points Allocation Out of 100 (excluding additional points)
Canadian investment	<p>Pledged commitment of at least 60% of VC fund investments in Canadian-domiciled funds</p> <p>Pledged commitment of at least 70% of co-investments in Canadian companies</p> <p>All commercially reasonable efforts will be used to ensure at least 35% of capital under management is invested in Canadian-based companies</p> <p>Additional points awarded for greater pledged commitment</p>	<p>pass/fail</p> <p>Additional: 5 points</p>
Management fees and carried interest	<p>Maximum average annual fee of 0.6% across a 12-year expected fund life, and carried interest of 5% on fund investments and 12% on co-investments</p> <p>Additional points awarded for lower proposed fees</p>	<p>pass/fail</p> <p>Additional: 2 points</p>
Private capital leveraged	Minimum of 2.25 times public-sector investment	pass/fail
Size of funds-of-funds	<p>\$150-400 million</p> <p>First close at least 50% of target total size</p>	pass/fail
Co-investment allowance	Up to 25% of capital	pass/fail
<p>Incentives for investors:</p> <p>Capital inflows</p> <p>Capital distribution outflows</p>	<p>Capital contributions will flow in pro-rata, at a ratio of 30.7% public-sector to 69.3% private-sector capital</p> <p>Capital distributions will flow as follows:</p> <ol style="list-style-type: none"> i. First, private-sector capital returned, plus a 7% preferred return, ii. Second, public-sector capital returned, plus a 3% preferred return, iii. General partners receive full catch-up of carried interest, then iv. Pro-rata distribution based on committed capital (subject to GP carry) 	pass/fail
Reporting and Code of Conduct	<p>Reporting on performance, impact and gender statistics</p> <p>Adherence to Code of Conduct</p>	pass/fail
Holistic evaluation	<p>Impact on the Canadian VC ecosystem and late-stage VC, and the value-add to Canadian companies and investors</p> <p>Enhancement or acceleration of the development of the Canadian VC ecosystem for the long term</p>	10 points

EVALUATION GRID: ALTERNATIVE MODELS

Parameter	Requirement	Points Allocation Out of 100 (excluding additional points)
Investment strategy	<p>Detailed and feasible investment process and strategy with high likelihood of successful implementation</p> <p>Ability to generate returns for investors and overall leverage achieved</p> <p>Ability to support and develop existing Canadian VC fund managers and entrepreneurs</p> <p>Degree to which the proposed investment strategy is aligned with demonstrated capabilities</p> <p>Proposals must provide detailed strategies to address one or more of the following:</p> <ul style="list-style-type: none"> i. Supporting groups (e.g. women-run funds, new fund managers) that may be underserved by traditional funds-of-funds models, ii. Investing in emerging or underserved sectors, or iii. Supporting financing models that may not be suited to investment from funds-of-funds 	35 points
Manager capabilities	<p>Demonstrated experience and performance in raising and managing funds-of-funds, funds or other investment entities</p> <p>In-depth knowledge of Canadian VC, including industry or sector-specific knowledge, entrepreneurial experience and a strong network of business contacts</p>	25 points
Fundraising strategy	<p>Well-developed strategy to attract new investors or investor classes, both Canadian and international</p> <p>Market validation of the proposed investment strategy, including through letters of interest from investors or previous closings of similar funds either in Canada or internationally</p>	10 points
Gender balance	<p>Strategy for addressing gender balance among Canadian VC fund managers and companies</p> <p>Strategy for addressing gender balance in the Canadian VC ecosystem</p>	10 points
Canadian presence	<p>Pledged presence of at least one Canadian office with at least one full-time manager</p> <p>Additional points awarded for those pledging a greater presence and/or a presence in regions otherwise underserved by VC investment</p>	<p>pass/fail</p> <p>Additional: 5 points</p>

Parameter	Requirement	Points Allocation Out of 100 (excluding additional points)
Canadian investment	<p>Pledged commitment of at least 70% of fund investments in Canadian-domiciled funds</p> <p>Pledged commitment of at least 70% of direct investments in Canadian companies</p> <p>All commercially reasonable efforts will be used to ensure at least 60% of capital under management is invested in Canadian-based companies</p> <p>Additional points awarded for greater pledged commitment</p>	<p>pass/fail</p> <p>Additional: 5 points</p>
Private capital leveraged	<p>Minimum of 1:1 times public-sector investment</p> <p>Additional points awarded for greater leverage/impact</p>	<p>pass/fail</p> <p>Additional: 5 points</p>
Management fees and carried interest	<p>Competitive fees and other compensation proposed</p> <p>Additional points may be awarded to lower fees and compensation</p>	<p>pass/fail</p> <p>Additional: 2 points</p>
Incentives for investors	<p>Minimum required for proposed model</p>	<p>pass/fail</p>
Reporting and Code of Conduct	<p>Reporting on performance, impact and gender statistics</p> <p>Adherence to Code of Conduct</p>	<p>pass/fail</p>
Holistic evaluation	<p>Impact on the Canadian VC ecosystem and late-stage VC, and the value-add to Canadian companies and investors</p> <p>Strategic and economic impact on emerging areas in the Canadian VC ecosystem</p>	<p>20 points</p>

APPENDIX B – REPORTING REQUIREMENTS

Metrics		Level of detail received, by recipient	
Investors in funds-of-funds		<i>Government and BDC</i>	<i>Public</i>
Profile of investor <ul style="list-style-type: none"> Name of investor Location/nationality of investor Type of investor (government, pension fund, financial institution, corporate, individual) 	Complete	Aggregate	
Investment information <ul style="list-style-type: none"> Total amount committed by the investor in the fund-of-funds Amount of cash the investor paid in against that commitment Cash returned to the investor for those investments Fair value of the investor's active investment in the fund-of-funds 	Complete	Aggregate	
Funds-of-funds			
Profile of fund-of-funds <ul style="list-style-type: none"> Name of the fund-of-funds Total amount raised by the fund-of-funds Target number of investments Maximum and minimum investment sizes, if any Primary stage and sector focus 	Complete	Complete	
Investment information <ul style="list-style-type: none"> Total amount committed by the fund-of-funds to VC funds Total amount committed by the funds-of-funds to companies and nationality of companies Amount of cash the fund-of-funds paid in against the commitment, and cash returned to the fund-of-funds for those investments Fair value of the active investments made by the fund-of-funds, both direct and indirect Financial return of the fund-of-funds (pooled gross internal rate of return, TVPI and DPI) Number of exit events and percentage of investment liquidated 	Complete	Aggregate	

Metrics	Level of detail received, by recipient	
Canadian VC funds supported by funds-of-funds	<i>Government and BDC</i>	<i>Public</i>
Profile information <ul style="list-style-type: none"> • Name of VC fund • Primary stage and sector focus of fund • Target number of investments • Maximum and minimum investment sizes, if any • Location of fund headquarters • Number of women senior investment professionals of the fund manager supported, and total number of senior investment professionals of the fund manager supported 	Complete	Complete
Investment information <ul style="list-style-type: none"> • Total amount raised by fund • Amount invested by the fund in companies, and cash returned from the fund's investments • Fair value of the fund's active investments • Follow-on funds raised 	Complete	Aggregate
Canadian companies supported by funds-of-funds and VC funds		
Profile information <ul style="list-style-type: none"> • Name of company • Industry sector of company • Location of company • Stage and sector of company • Number and proportion of women members of the entrepreneurial team supported, and total number of entrepreneurs supported, for each company at the time of investment 	Mostly complete*	Mostly complete*
Economic impact <ul style="list-style-type: none"> • Company revenue, including exports (annual) • Number of employees (annual) • Location • R&D expenditures (annual) • Revenue growth (annual) 	Mostly complete*	Aggregate

Note: Fund-of-funds managers will be expected to use commercially reasonable efforts to obtain the necessary information from supported funds and portfolio companies to fulfill the reporting requirements outlined above.

* Managers will be permitted, in exceptional circumstances and with detailed explanation, to withhold specific information or request that it not be published if there is reasonable reason to believe that such disclosure would be detrimental to the company. They will be expected to report this information when it becomes reasonable to do so.

APPENDIX C – NON-DISCLOSURE AGREEMENT

NON-DISCLOSURE AGREEMENT

THIS AGREEMENT is made as of the ____ day of _____ 2018

BETWEEN:

_____ (name of organization)
(hereinafter referred to as “the Applicant”)

-AND-

HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY THE
MINISTER OF INNOVATION, SCIENCE AND ECONOMIC DEVELOPMENT
CANADA

(hereinafter referred to as “Innovation Canada”)

(together, “the Parties”)

WHEREAS the Applicant will provide commercial and personal information to Innovation Canada in connection with the Applicant’s participation in the application, evaluation and selection process for general partners and managers of funds (the “Application Process”) under the Venture Capital Catalyst Initiative (VCCI);

AND WHEREAS each Party wishes to protect the confidentiality of Confidential Information (as defined herein) disclosed by either Party to the other during the Application Process, as such information is considered to be of a confidential and proprietary nature and, without limitation to the foregoing;

NOW THEREFORE, in consideration of being given access to Confidential Information, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree and covenant as follows:

1. Definition

For the purpose of this Agreement, “Confidential Information” means, subject to Section 3, any data or information of or relating to the Applicant or Innovation Canada that is of a business or technical nature furnished by a Party or another person acting on its behalf or with its authority (the “Disclosing Party”) to another Party (the “Receiving Party”) or any of its directors, officers, employees, representatives, consultants and advisors (the “Representatives”), whether in electronic, written, graphic or other tangible form including physical objects, and in the case of the Applicant, that is clearly marked “Proprietary” or “Confidential” or with an equivalent legend, as well as any oral information provided that at the time of disclosure the Disclosing Party clearly identifies the confidential nature of such information. Confidential Information shall include, but not be limited to: any scientific, computer or other technical information, research, or any portion or phase thereof; information relating to any current or proposed business structures, services, business plans, marketing, pricing, or other business strategies; lists of, or any other information relating to, any investors, agents or employees and the relationships therewith; any draft policy papers, formal written briefing material; and any other commercial or financial information including, but not limited to, financial performance, plans and projections, or term sheets.

For Innovation Canada, Representatives include: the Minister of Innovation, the Minister of Small Business and Tourism, the Minister of Finance, and members of the Ministers' exempt staff as defined in the *Public Service Employment Act*; federal public servants in the employ of the Government of Canada; members of the private-sector selection committee; employees and board members of the Business Development Bank of Canada (BDC); and officials and employees of provincial governments participating in VCCI, with a need-to-know such Confidential Information for the purpose of completing the Application Process and any following negotiations.

2. Disclosure

During the course of the Application Process, each Party may disclose Confidential Information, whether by verbal, written or electronic communication or otherwise. Disclosure made by the Disclosing Party will be made upon the basis of the confidentiality of the Discussions between the Applicant and Innovation Canada, the confidentiality of the Confidential Information and each Party's agreement that, unless specifically authorized in writing by the Disclosing Party or as otherwise agreed in this Agreement, the Receiving Party will:

- i. not disclose any portion of any Confidential Information to any person except those Representatives of the Receiving Party with a need-to-know such information; and
- ii. take the precautions, at a minimum those as the Receiving Party affords its own Confidential Information of a similar nature, to safeguard and protect from direct or indirect disclosure to any other person or entity all Confidential Information disclosed by the Disclosing Party to, or otherwise received by, the Receiving Party. These precautions will include marking documents as "confidential", storing them in locked filing cabinets, and sharing information on a "need-to-know" basis.

3. Exceptions

The obligations of the Receiving Party imposed under Section 2 above shall not apply to, and the term "Confidential Information" will not include, information:

- i. that has become publicly known through no act or fault of the Receiving Party or its Representatives;
- ii. that has been received in good faith by the Receiving Party from a third party who the Receiving Party believes has legitimate possession of the information disclosed and the right to make such disclosure and who is not bound by any obligation of confidentiality with respect to such information;
- iii. that was in the legitimate possession of the Receiving Party prior to disclosure hereunder;
- iv. that has been approved for disclosure by express written approval of the Disclosing Party; or,
- v. that has been disclosed pursuant to a legal requirement, including without limitation, the *Access to Information Act*, R.S. 1985, c. A-1, the *Library and Archives of Canada Act*, S.C. 2004, c. 11, or judicial order, provided however, if Innovation Canada receives a request for disclosure or becomes legally compelled to disclose any Confidential Information in respect of the Applicant, prior to such disclosure Innovation Canada will provide the Applicant with reasonable notice, as soon as reasonably possible given the circumstances, so that the Applicant may at its discretion seek one or more protective orders or other appropriate remedies.

4. No Licence and Return of Confidential Information

This Agreement shall not be construed as granting or conferring to the Receiving Party any rights by licence or otherwise in any Confidential Information of the other Party. All right, title and interest in and to all Confidential Information or other property furnished to the Receiving Party, and all modifications or additions thereto by the Receiving Party, shall remain with or otherwise belong to the Disclosing Party. The Receiving Party shall not disclose, disseminate, copy or otherwise use any Confidential Information other than as expressly permitted in accordance herewith.

5. Survival of Obligations

This Agreement is effective upon the date of the last Party to sign the Agreement and will survive for a period of five years thereafter.

6. No Other Agreement; Amendments

There are no other understandings, agreements or representations with respect to the subject matter hereof, express or implied, between the Applicant and Innovation Canada. This Agreement may only be amended in writing by the Parties.

7. Governing Law

This Agreement shall be governed by the laws of the Province of Ontario and those of Canada applicable therein.

8. Counterparts and Electronic Signatures

This Agreement may be executed in original counterparts, with the same effect as if all Parties had signed the same document, and will become effective when one or more counterparts have been signed by all of the Parties and delivered to the other Parties. All counterparts will be construed together and evidence only one agreement. This Agreement may also be executed by the Parties and transmitted by email, and if so executed and transmitted, this Agreement will be for all purposes as effective as if the Parties had delivered an executed original Agreement.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

Applicant:

Per: _____
Name:
Title:

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA, AS REPRESENTED BY
THE MINISTER OF INNOVATION SCIENCE AND ECONOMIC
DEVELOPMENT**

Per: _____
Name:
Title:

APPENDIX D – CONSENT TO OBTAIN AND USE INFORMATION

CONSENT TO OBTAIN AND USE INFORMATION

_____ (the “Applicant”) will provide Personal Information and Commercial Confidential Information (as defined herein) to Innovation, Science and Economic Development Canada (“Innovation Canada”) in connection with the Applicant’s participation in the application, evaluation and selection process for general partner and manager of funds (the “Application Process”) under the Venture Capital Catalyst Initiative (VCCI); and Innovation Canada must use and share this Personal and Commercial Confidential Information disclosed by the Applicant to complete the Application Process.

The undersigned consents to:

1. Definition

For the purpose of this Agreement, “Confidential Information” means any Personal Information, as defined in the *Privacy Act* (Canada), or Commercial Confidential Information, including data or information of or relating to the Applicant that is of a business or technical nature furnished by the Applicant or another person acting on its behalf or with its authority to Innovation Canada, members of the private-sector selection committee, and representatives from the Business Development Bank of Canada (BDC), Finance Canada, and provincial governments participating in VCCI, whether in electronic, written, graphic or other tangible form including physical objects, that is clearly marked “Proprietary” or “Confidential” or with an equivalent legend, as well as any oral information provided that at the time of disclosure the Applicant clearly identifies the confidential nature of such information.

Confidential Information may include, but is not limited to: any scientific, computer or other technical information, research, or any portion or phase thereof; information relating to any current or proposed business structures, services, business plans, marketing, pricing, or other business strategies; lists of, or any other information relating to, any investors, agents or employees and the relationships therewith; any draft policy papers, formal written briefing material; and any other commercial or financial information including, but not limited to, financial performance, plans and projections, or term sheets.

2. Disclosure

Innovation Canada may share Confidential Information, on a need-to-know basis, with members of the Minister of Innovation’s exempt staff as defined in the *Public Service Employment Act*, federal public servants in the employ of Innovation Canada and other federal departments or agencies, including Finance Canada and the Business Development Bank of Canada (BDC), and provincial governments participating in VCCI. To complete the Application Process, Innovation Canada may share Confidential Information, on a need-to-know basis, with private-sector members of the selection committee. (Together, the “Parties”.)

3. Use

The Parties may make inquiries, including the collection of additional Confidential Information about the Applicant, which may include credit history, additional references and background information, as deemed necessary in order to reach a decision on the selection of general partners and managers; and

Exchange such information with other investors reasonably believed to be expressing a reasonable interest in investing in the Applicant.

Per: _____
Name:
Title: