



Venture Capital Catalyst Initiative Stream 3 – Clean Technology

Call for Expressions of Interest

Closing date: March 1, 2019

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PART 1 – GENERAL INFORMATION

Access to capital is a vital component in growing Canada's high-potential start-ups. Venture capital (VC) is a specialized type of private equity financing that takes educated risks on great ideas and smart people, giving young companies the opportunity to take their ideas to market, and grow. 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.

To help meet Canada's climate change goals and to help Canada's innovative clean technology firms bring their technologies to market, the government of Canada has made available \$50 million to increase the availability of late-stage venture capital to the clean technology sector in Canada through the new Clean Technology Stream of the Venture Capital Catalyst Initiative (VCCI Stream 3). The Government of Canada intends to make up to three investments in the \$5 million to \$25 million range, not exceeding the total \$50 million portfolio. As with the previous streams of VCCI, investments will be delivered through the Business Development Bank of Canada (BDC). This capital will complement support provided by other clean technology programs under the Pan-Canadian Framework on Clean Growth and Climate Change and the Innovation and Skills Plan, and is consistent with advice of the Clean Technology Economic Strategy Table (CTEST). A thriving market for clean technology will also help all firms across Canada improve their efficiency and lower their carbon pollution footprint.

Additionally, recognizing the importance of improving gender balance in the venture capital ecosystem, VCCI includes a strong focus on enhancing diversity and addressing gender balance among VC fund managers, investors, and portfolio companies. All applicants must include gender balance and diversity strategies in their proposals that demonstrate how they will advance these objectives. Proponents will be evaluated on this basis and successful candidates will be required to report on the gender balance of the companies they support.

Investments are available to clean technology focused VC funds that have already held a first close or are able to demonstrate substantial commitments for a first closing in the near term, and which are able to leverage the government's investment 1:1 with private sector capital to deploy impactful investments into Canada's clean technology innovation capital market.

PART 2 – ELIGIBILITY REQUIREMENTS

Minimum Eligibility Requirements

Applicants will be required to demonstrate that they meet the minimum eligibility requirements as set out below:

2.1 Investments (Pass/Fail)

Applicants must be VC funds, defined as 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.

Applicants must invest an amount in clean technology companies that is:

- No less than a majority (>50%) of the total fund size; and
- No less than three times (3X) the VCCI Clean Technology Stream commitment to the fund.

For example, if a VCCI investment of \$20M is requested, a minimum of \$60M within the fund must be specifically earmarked for investments in clean technology companies.

NOTE: Clean technology companies are defined as companies predominantly engaged in the development, marketing and/or use of their proprietary technology to deliver products or services that simultaneously (1) improve operational performance, productivity, or efficiency and (2) reduce inputs, energy consumptions, waste, or environmental pollutions.

2.2 Capital Raised to Date (Pass/Fail)

Applicants must have documented interest from investors for commitments of at least \$25 million at the time of application. Additionally, applicants must either already have had a first close or be planning a first close for before April 30, 2019. Proof of a documented first close must be submitted by April 30, 2019. Funds may reopen to apply.

2.3 Leverage (Pass/Fail)

Out of the total target fund size, including capital that is raised to date, applicants are required to have commitments of private sector capital that are no less than the VCCI Clean Technology Stream capital commitment, i.e. a minimum 1:1 leverage ratio of VCCI investment to private sector capital.

See section 3.3 for the definition of private sector capital.

2.4 Minimum Fund Size (Pass/Fail)

Applicants must have a minimum target fund size of \$70 million. This can include VCCI capital requested, other sources of public capital, and any additional fundraising planned.

2.5 Canadian Presence and Content (Pass/Fail)

Applicants must be Canadian-domiciled funds (see section 3.5 for more details) and must commit to using all commercially reasonable efforts to ensure that a minimum of one-and-a-half times (1.5X) the VCCI capital requested is invested in Canadian-based companies.

2.6 Incentives (Pass/Fail)

Applicants cannot offer or propose incentives with respect to any VCCI capital invested.

2.7 Gender Balance Strategy (Pass/Fail)

Applicants must include an actionable gender balance strategy that details how they will seek to improve gender balance within their own fund, and/or among Canadian VC fund managers and/or VC-backed companies and/or VC investors.

2.8 Management Fees / Compensation (Pass/Fail)

Funds may charge management fees that are ordinary and appropriate for a fund of their size in this sector. However, management fees must not exceed 2.5% per annum of the total capital committed during the fund's commitment period, with declining rates for the remainder of the life of the fund. Aggregate fees charged over the life of fund may not exceed 17% of the total capital committed. In addition, a success fee ("carried interest") of no more than 20% of capital gains achieved may be paid to the manager of the fund. The rate of fees charged for the VCCI commitment can be no greater than that charged to other investors in the fund.

PART 3 – INSTRUCTIONS FOR SUBMITTING EXPRESSION OF INTEREST

Proposal Guidelines

3.1 Investment Strategy

The Government of Canada will evaluate the overall impact of your fund on the development of the clean technology sector, in particular your ability to generate venture-level returns for investors; your focus on investing in clean technology firms; your value proposition to clean technology companies and investors; your forecasted impact on helping clean technology firms and entrepreneurs scale and grow; and the degree to which your proposed investment strategy is aligned with your demonstrated capabilities and identifies and addresses any risks associated with your strategy.

3.1.1 Proposed Investment Strategy

Please provide details on your fund's investment strategy, including

- i. The detailed design and structure of your fund:
 - a. Funding requested through VCCI, including a rationale for the specific amount requested,
 - b. Total target fund size (minimum \$70 million),
 - c. Percentage of investments, based on total fund size, that will be made in clean technology companies (>50% of the total fund size AND 3X VCCI investment), and
 - d. Amount of capital allocated for initial investments (by series/stage) and follow-on investments;
- ii. The process for finding investment opportunities and generating a pipeline of deal flow, including clean technology and across various industry verticals, that addresses your means of identifying companies as being clean technology focused;
- iii. The process for selecting investments, including due diligence activities to assess the quality of potential investments (e.g. use of investment / advisory committees);
- iv. The target number, size and duration of investments;
- v. The time horizon for placing investment commitments;
- vi. The total fund duration;
- vii. The strategy for managing and supporting investments (this could include, for example, demonstrated ability to: support companies from early to later stages of development; connect companies to customers in key international markets, such as in US, Europe and Asia Pacific; and provide access to technical expertise for relevant technologies);
- viii. The strategy for exits;
- ix. The competitive advantage(s) of the fund / investment strategy; and
- x. The process for identifying and managing risks associated with the investment strategy.

Preference will be given to funds committed to placing higher percentages of investments and greater amounts of capital in clean technology companies, e.g. that exceed the minimum requirements of >50% of the total fund size and 3X VCCI capital.

Given the unique needs of the sector, preference will also be given to funds making more capital-intensive commitments with longer time horizons OR that have adjusted their fund model specifically to better suit clean technology investments.

NOTE: Clean technology companies are defined as companies predominantly engaged in the development, marketing and/or use of their proprietary technology to deliver products or services that simultaneously (1) improve operational performance, productivity, or efficiency and (2) reduce inputs, energy consumptions, waste or environmental pollutions.

As per this definition, clean technology companies could include, but are not limited to, the following sub-sectors: waste-to-energy; biofuels; energy storage; hydrogen fuel cells and related technology; renewable energy; carbon capture and storage; industrial process; water technologies; and air, water, and soil remediation.

3.1.2 Impact on the Development of the Clean Technology Sector

Please describe how your investment strategy and, specifically, a VCCI investment in your fund, will help contribute to the following:

- i. Add value to clean technology companies;
- ii. Help clean technology companies achieve scale and compete globally; and
- iii. Support the development and growth of the clean technology sector in Canada.

Additional points will be awarded to applicants that can describe measureable impacts of their investment strategy on meeting climate change objectives.

3.2 Manager Capabilities

The Government of Canada will give preference to managers with significant investment experience and a proven performance record, with additional preference to managers with significant investment experience and a proven performance record in the clean technology sector.

3.2.1 Firm Overview

Please provide the following general information about your firm:

- i. Legal structure and ownership;
- ii. Office(s), including location(s) and number of employees per office;
- iii. Main contact, including name, position, phone number and email address;
- iv. List of primary investors (limited partners);
- v. 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 and quarterly profit and loss statements, including a breakdown of revenue sources certified by the firm's CEO or CFO;

- vi. Quarterly net asset value statements for the last three years for the area of the organization that would actively manage the capital;
- vii. Any significant or material outstanding litigation impacting the applicant(s);
- viii. Any significant tax or regulatory inquiries by a government or regulatory authority (e.g. Canada Revenue Agency);
- ix. Summary of all current compliance licences issued by applicable regulatory bodies (e.g. provincial securities commissions, investment dealers associations); and
- x. Any other significant or materially relevant information of which the Government of Canada should be made aware.

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

3.2.2 History, Experience and Track Record of Firm

Please detail the following, as applicable, identifying/highlighting investments made in clean technology:

- i. Current and past 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 the portfolio mix of three of the most recent funds, including stage and sector of investments;
- iv. Amount of uncommitted or undeployed capital for each fund under management, and a timeline for deploying the funds under management;
- v. Investments made in the past ten years, including location, sector, and ownership duration of each investment (subject to confidentiality);
- vi. Performance record in VC 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

The Government is looking for applicants that have an experienced investment team with demonstrated experience and performance in the clean technology sector.

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 and their skills and experience as they relate to investing in and/or building/evaluating clean technology; and
- ii. Résumés/CVs of any other individuals who play a role, or will play a role, in the firm's management or activities, such as board members, strategic advisors, associates, entrepreneurs-in-residence, including any skills and experience related to investing in and/or building / evaluating clean technology.

(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.)

3.3 Fundraising Strategy

The Government of Canada is seeking applicants that have documented commitments of at least \$25 million at the time of application and have either already held a first close or will hold a first close by April 30, 2019. If proof of a documented first close is not available at the time of application, please submit a detailed plan describing how you will reach a first closing by April 30, 2019. Proof of a documented first close by April 30, 2019, will be required for your application to remain eligible (please submit as soon as available).

Out of the total target fund size, including capital that is raised to date, applicants are required to have commitments of private sector capital* of no less than the requested VCCI Clean Technology Stream capital commitment, i.e. a 1:1 leverage ratio of private sector capital to VCCI investment.

Additional points will be awarded where, in addition to capital raised to date, applicants pledge to raise new incremental private capital alongside the VCCI Clean Technology Stream capital, i.e. use VCCI capital to attract new private capital to the fund beyond the original fund raising targets, such as from corporate funds, institutional investors, and high-net-worth individuals. Applicants that choose this option must identify and commit to a specific ratio of private capital matching beyond the minimum 1:1 required.

Please describe capital raised/committed to date and your fundraising strategy, including any demonstrated ability to execute on the proposed strategy, such as

- i. Sources of committed capital to date;
- ii. Target investors for remaining capital required, as well as a strategy for engaging those investors that details previous commitments made by those investors in VC in general, in Canadian VC, or in a previous or other fund managed by the firm;
- iii. How (i) and (ii) above meet the minimum requirement that overall private capital commitment is no less than the VCCI Clean Technology Stream commitment sought (1:1), along with any additional commitment to match a VCCI Clean Technology Stream investment with new incremental capital and increase the private capital / VCCI leverage ratio beyond 1:1;
- iv. First close date and proof thereof, or timing to first close (if not already held, must be before April 30, 2019); and
- v. Letters of interest/intent or other indications from potential additional investors for your proposal.

Preference will be given to funds that have already held a first close. VCCI Clean Technology Stream capital cannot be counted towards items 3.3(i) and (ii).

***NOTE:** Investments made by other levels of government, or agencies that are wholly government-owned, are not considered private capital. For example, municipal or provincial governments or their agents, or government-owned organizations, such as the BDC, are considered public capital and cannot be counted towards private capital for the purposes of meeting or increasing the leverage ratio requirements.

3.4 Impact on Gender Balance

All proposals will be expected to address the improvement of gender balance within their own fund and/or among Canadian VC funds managers and/or VC-backed companies and/or VC investors, and will be evaluated on this basis. Please describe your proposed strategies and all associated actions you will take to implement them. Note that proposals with strong gender balance strategies may be given preference over other proposals even where the overall score is lower.

3.5 Canadian Presence

All applicants must have a substantial presence in Canada, which will include, at minimum, having in Canada a principal office of the Firm that is an active investment office and which is staffed with senior investment professionals of the Firm who are residents of Canada and who represent a majority of persons responsible for making the investment decisions of the Firm for this Fund. Please clearly identify: the Canadian city or cities in which your fund is based; whether these offices are active investment offices; and the Canadian residents among the professionals responsible for making investment decisions of the fund.

3.6 Canadian Content

Successful applicants must commit to investing a minimum of one-and-a-half times (1.5X) the VCCI Clean Technology Stream investment into Canadian-based companies in support of their investment strategy.

Additional points will be awarded to applications proposing higher specific Canadian investment allocations.

3.7 Management Fees

Management fees may not exceed 2.5% per annum of the total capital committed during the fund's commitment period, with declining rates for the remainder of the life of the fund. Aggregate management fees charged over the life of fund may not exceed 17% of total capital committed.

In addition, a success fee ("carried interest") of no more than 20% of capital gains achieved may be paid to the manager of the fund. Additional points will be awarded to applications proposing lower fee structures. Please

- i. Confirm that you agree to adhere to the maximum compensation thresholds; and
- ii. Provide a detailed compensation structure, including (a) overall compensation; (b) base compensation; (c) performance fees/incentives/bonuses; and (d) any other compensation.

3.8 References

The Government of Canada will validate applications. Please provide a minimum of two references for each of the following categories of relationships that the applicant has had:

- i. Limited partners (investors) who have invested in a fund, or funds, managed by the applicant;
- ii. Portfolio companies in which the applicant has made direct investments; and
- iii. Clean technology stakeholders that have worked with the firm/manager(s), e.g. clean-technology focused organizations, companies, investors, etc.

Note: Detailed references may be provided in an appendix.

Required Commitments

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

3.9 Reporting and Code of Conduct (Yes/No)

- Annual reporting on performance, impact, and gender statistics as detailed (see Appendix B).
- Adhering to a code of conduct and abstaining 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 this Call for Expression of Interest that clearly demonstrate how they meet all of the minimum eligibility requirements and that respond to all sections of the proposal guidelines;
- ii) All applicants must submit a completed and signed Non-Disclosure Agreement (see Appendix C) and Consent to Obtain and Use Information (see Appendix D) for each person about whom personal information is submitted;
- iii) Due diligence and reference checks will be performed with respect to the candidates;
- iv) Candidates will be notified of receipt of their application and may be requested to provide supplemental information;
- v) A private-sector selection committee, supported by a Secretariat made up of experts from the Government of Canada and BDC, will select a limited number of candidates to proceed to the next stage of the selection process, which may include meeting with the selection committee and other relevant parties;
- vi) The private-sector selection committee will make investment recommendations to the Deputy Minister of Innovation, Science and Economic Development Canada;
- vii) Successful candidates will enter into negotiations with lead investors, including BDC, on behalf of the Government of Canada;
- viii) Each successful 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 minimum eligibility requirements (see Part 2) will be evaluated and scored in accordance with the point-rated evaluation criteria identified in the scoring grid (see Appendix A).

Through the VCCI Clean Technology Stream, the Government of Canada is seeking to advance Canada's climate change goals and to help Canada's innovative clean technology firms bring their technologies to market to help all firms across Canada improve their efficiency and lower their carbon pollution footprint. The selection committee will therefore be asked to evaluate applicants on their relative scores, their impact on advancing clean technology in Canada, and their fit in the overall portfolio. The Government of Canada therefore reserves the right to select applicants with lower evaluation scores if their proposals better balance the portfolio objectives and the overall strategic impact of the initiative.

4.3 Selection Committee

The Government of Canada will work with 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.

Members of the private-sector selection committee from the previous VCCI streams will be invited to return, and any gaps will be filled with new members, as appointed by the Deputy Minister of Innovation, Science, and Economic Development Canada. The committee will be composed of up to

seven members, including a minimum of one chairperson. Committee members will be comprised of a combination of VC industry leaders, leaders in the clean-technology sector, entrepreneurs, and/or private-sector investors. Members will be expected to exercise objective professional judgment and communicate the perspectives of the industry they represent. As with the committee members from the previous streams, the Government of Canada will consider bilingual proficiency and diversity in appointing new additional members. Candidates will be expected to adhere to Conflict of Interest and Ethics guidelines.

Further detail on the selection committee is available on the [VCCI Selection Committee](#) page.

PART 5 – ADDITIONAL INFORMATION

5.1 Submission Instructions

Applications should address the requirements set out in this Call for Expression of Interest. Proposal responses should, where possible, 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 all relevant details.

To be considered, one (1) electronic copy (to be emailed) of the Expression of Interest, including all appendices, must be received **no later than 4:00 p.m. EST on March 1, 2019**, by the VCCI Secretariat at the following address: Capital@Canada.ca

Additionally, five (5) printed copies (to be couriered) of the Expression of Interest, including all appendices, must be sent (date-and-time stamped) **no later than 4:00 p.m. EST on March 1, 2019**, to the VCCI Secretariat at the following address:

VCCI Secretariat
235 Queen Street
Ottawa, ON K1A 0H5

5.2 Additional Required Documents

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

- i) A Non-Disclosure Agreement (see Appendix C); and
- ii) A Consent to Obtain and Use Information for each person about 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 to, at any time,

- 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 entirely the selection process;
- Cancel the selection process and issue a new selection process for the same or similar services;
- Change 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 Expression 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 legislation 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 of Canada unless and until there is successful negotiation and execution of a written agreement between the Government of Canada, or an Agency of the Government of Canada, and the applicant.

5.5 Applicants to Bear Costs

Each applicant will be responsible for all fees, costs and expenses 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 private-sector selection committee), and to the negotiation and settlement of any documentation relating to the establishment of a 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 discretion of the Government of Canada. The Government of Canada may not provide a response to an enquiry if it feels this would unfairly advantage one or more applicants.

The Government of Canada will respond only to enquiries concerning clarification of procedures or guidelines contained in this Call for Expressions of Interest. The Government of Canada 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 – SCORING GRID

Note: Only applications that meet the minimum eligibility requirements will be scored.

Parameter	Evaluation Criteria	Points Allocation
Investment strategy	<p>Detailed and feasible investment process and strategy with high likelihood of successful implementation</p> <p>Demonstrates ability to generate returns for investors</p> <p>Demonstrates alignment between investment strategy and management capabilities and experience</p> <p>Demonstrates value-add for clean technology companies and investors and supports the development and growth of the sector</p> <p>Demonstrates a strategy to help clean technology companies achieve scale and compete globally with the help of VCCI Clean Technology Stream capital</p> <p>Additional points awarded to applicants that demonstrate commitment to investing more than the minimum required (>50% of the fund and 3X VCCI commitment) in clean technology firms</p> <p>Additional points awarded where investment strategy focuses on more capital-intensive investments with longer time frames and/or demonstrates that the projects or companies invested in would face significant challenges obtaining investments from traditional VC funds</p> <p>Additional points awarded where applicants demonstrate anticipated measureable effects on climate change</p>	35 points
Manager capabilities	<p>Demonstrates experience and performance in raising and managing funds-of-funds, funds, or other investment entities</p> <p>In-depth knowledge of Canadian VC, including knowledge specific to the clean technology sector, entrepreneurial experience, and a strong network of business contacts</p>	30 points
Fundraising strategy	<p>Out of the total target fund size, applicants are required to have commitments of private sector capital* of no less than the VCCI commitment of 1:1 (see section 3.3)</p> <p>Market validation of the proposed investment strategy, through capital raised to date, letters of interest/intent</p>	10 points

Parameter	Evaluation Criteria	Points Allocation
	<p>from additional investors, and detailed strategy for attracting any additional investors</p> <p>Additional points awarded for funds that have held a first close</p> <p>Additional points awarded for funds targeting a fund size greater than the minimum \$70 million (including the VCCI amount requested, other public-sector capital, and additional matching private sector capital required)</p> <p>Additional points awarded for funds choosing to pledge to attract additional new incremental private capital and a leverage ratio >1:1 (private capital : VCCI capital), and providing a strategy to raise those new funds</p>	
Gender balance	<p>Well-developed actionable strategy for improving gender balance within the fund and/or among Canadian VC fund managers and/or companies and/or investors</p> <p>Additional points awarded where targets are set, e.g.</p> <ul style="list-style-type: none"> i) A percentage of the total fund size allocated to women-owned funds, ii) A percentage of investments sourced from women investors <p>Additional points awarded according to female representation on the management team</p> <p>Additional points awarded according to female representation on the decision-making investment committee</p>	10 points
Canadian content	<p>Must commit to investment 1.5X the requested VCCI investment into Canadian companies</p> <p>Additional points will be awarded to applications proposing higher than the minimum Canadian investment allocations</p>	5 points
Management fees and carried interest	<p>Additional points awarded to fees and compensation structures lower than 2.5% management fees and 20% carry</p>	2 points
Holistic evaluation	<p>Overall impact on the Canadian clean technology sector and the VC ecosystem</p>	20 points

APPENDIX B – REPORTING REQUIREMENTS

Metrics	Level of detail received, by recipient	
	<i>Government of Canada 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
Investor information <ul style="list-style-type: none"> Total amount committed by the investor in the fund 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 	Complete	Aggregate
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		
Profile information <ul style="list-style-type: none"> Name of company Industry sector of company Clean technology company (yes/no) 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 	Mostly complete*	Mostly complete*

Metrics	Level of detail received, by recipient	
	<i>Government of Canada and BDC</i>	<i>Public</i>
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

* Managers will be permitted, in exceptional circumstances and with detailed explanation, to withhold specific information or request that it not be published if there are reasonable grounds for believing 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 , 2019

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 Export Promotion, 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:

- (a) 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
- (b) 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:

- (a) that has become publicly known through no act or fault of the Receiving Party or its Representatives;
- (b) 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;
- (c) that was in the legitimate possession of the Receiving Party prior to disclosure hereunder;

- (d) that has been approved for disclosure by express written approval of the Disclosing Party; or,
- (e) 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:

Per: _____

Name:

Title:

I/We have authority to bind the Corporation

**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:

Per: _____

Name:

Title:

I/We have authority to bind the Corporation