

## INVESTING IN REGIONAL DIVERSIFICATION

### CONTRIBUTION AGREEMENT

This Contribution Agreement is made as of

**BETWEEN:** **HER MAJESTY THE QUEEN IN RIGHT OF CANADA** (“Her Majesty”) hereby represented by the Minister responsible for Federal Economic Development Agency for Southern Ontario

**AND:** **GTA REGION INVESTMENT ATTRACTION o/a TORONTO GLOBAL** (“Recipient”) a not-for-profit corporation incorporated under the laws of Ontario

**WHEREAS** the Federal Economic Development Agency for Southern Ontario was created to help make Canadians more productive and competitive in the knowledge-based economy, by supporting economic development, economic diversification, job creation, and sustainable, self-reliant communities in Southern Ontario (as defined herein);

**WHEREAS** as part of the Southern Ontario Prosperity Program, the Minister has established the *Investing in Regional Diversification* initiative with the intent to support projects by not-for-profit organizations that contribute to diversifying the regional economy and attracting investment;

**WHEREAS** the Minister has agreed to make a non-repayable contribution to the Recipient up to the maximum amount of **six million dollars (\$6,000,000)** in support of the Recipient’s Eligible and Supported Costs (as defined herein) of the Project,

**NOW THERETOFORE**, in accordance with the mutual covenants and agreements herein, Her Majesty as represented by the Minister (as defined herein) and the Recipient agree as follows:

#### **1. Purpose of the Agreement**

The purpose of this Agreement is to set out the terms and conditions under which the Minister will provide funding in support of the Project (as defined herein).

#### **2. Interpretation**

**2.1 Definitions.** In this Agreement, a capitalized term has the meaning given to it in this section, unless the context indicates otherwise:

**Administration and Outreach Costs** means the portion of Eligible and Supported Costs allocated to administration and outreach costs of the Project incurred by the Recipient as set out in Annex 1 – Statement of Work.

**Agency** means the Federal Economic Development Agency for Southern Ontario.

**Agreement** means this contribution agreement including all the annexes attached hereto, as such may be amended, restated or supplemented, from time to time.

**Completion Date** means the Project completion date, December 31, 2018.

**Contribution** means the contribution to Eligible and Supported Costs in the amount stipulated in Subsection 4.1.

**Control Period** means the period of six (6) years following the period determined in Subsection 3.1 as the duration of the Agreement.

**Date of Acceptance** means the date on which the duplicate fully executed copy of this Agreement is received by the Minister.

**Eligibility Date** means April 1, 2016.

**Eligible Costs** means those costs incurred by the Recipient and which, in the opinion of the Minister, are reasonable and required to carry out the Project.

**Eligible and Supported Costs** means those Eligible Costs supported by the Contribution and which are identified in Annex 1 – Statement of Work and relating to the Project activities described therein and which are in compliance with Annex 2 – Costing Memorandum.

**Event of Default** means the event of default described in Subsection 12.1 hereof.

**Fiscal Year** means the Government of Canada's fiscal year beginning on April 1st of a year and ending on March 31st of the following year.

**Foreground Intellectual Property** includes, without limitation, all technical data, designs, specifications, software, data, drawings, plans, reports, patterns, models, prototypes, demonstration units, practices, inventions, methods and related technology, processes or other information conceived, produced, developed or reduced to practice in carrying out the Project, and all rights therein, including, without limitation, patents, copyrights, industrial designs, trade-marks and any registrations or applications for the same and all other rights of intellectual property therein, including any rights which arise from the above items being treated by the Recipient as trade secrets or confidential information.

**Minister** means the Minister responsible for the Agency or any one or more of his representatives.

**Parties** means the Minister and the Recipient and **Party** means any one of them.

**Project** means the project described in Annex 1 – Statement of Work.

**Southern Ontario** includes the following 2011 Statistics Canada Census Regions: 1 Stormont, Dundas and Glengarry; 2 Prescott and Russell; 6 Ottawa; 7 Leeds and Grenville; 9 Lanark; 10 Frontenac; 11 Lennox and Addington; 12 Hastings; 13 Prince Edward; 14 Northumberland; 15 Peterborough; 16 Kawartha Lakes; 18 Durham; 19 York; 20 Toronto; 21 Peel; 22 Dufferin; 23 Wellington; 24 Halton; 25 Hamilton; 26 Niagara; 28 Haldimand-Norfolk; 29 Brant; 30 Waterloo; 31 Perth; 32 Oxford; 34 Elgin; 36 Chatham-Kent; 37 Essex; 38 Lambton; 39 Middlesex; 40 Huron; 41 Bruce; 42 Grey; 43 Simcoe; 46 Haliburton; and 47 Renfrew.

- 2.2 **Singular/Plural.** Wherever from the context it appears appropriate, each term stated in either the singular or plural shall include the singular and the plural.
- 2.3 **Entire Agreement.** This Agreement comprises the entire agreement between the Parties. No prior document, negotiation, provision, undertaking or agreement in relation to the subject matter of this Agreement has legal effect. No representation or warranty, whether express, implied or otherwise, has been made by the Minister to the Recipient, except as expressly set out in this Agreement.
- 2.4 **Inconsistency.** In case of inconsistency or conflict between a provision contained in the part of the Agreement preceding the signatures and a provision contained in any of the Annexes to this Agreement, the provision contained in the part of the Agreement preceding the signatures will prevail.
- 2.5 **Annexes.** This Agreement contains the following Annexes as described below, which form an integral part of this Agreement:

**Annex 1 - Statement of Work.**  
**Annex 2 - Costing Guideline Memorandum.**  
**Annex 3 - Reporting Requirements**  
**Annex 4 - Federal Visibility Requirements**

### **3. Duration of Agreement**

- 3.1 **Duration of Agreement.** This Agreement comes into force on the Date of Acceptance and, subject to Subsection 3.2, will terminate:
- (a) twelve (12) months after the earlier of:
- (i) the completion of the Project to the satisfaction of the Minister; or
- (ii) the Completion Date.
- (b) upon the date on which all amounts due by the Recipient to Her Majesty under this Agreement, have been paid in full,

whichever is the later, unless terminated earlier in accordance with the terms of this Agreement.

- 3.2 **Control Period.** Notwithstanding the provisions of Subsection 3.1 above, during the Control Period, the rights and obligations described in the following sections shall continue beyond the duration of the Agreement:

Section 5 - Other Government Financial Support  
 Subsection 6.7 - Overpayment and non-entitlement  
 Subsections 7.2, 7.3, 7.4, 7.5, 7.6, 7.7 and 7.8 - Reporting, Monitoring, Audit and Evaluation  
 Subsection 8.1c) – Representations  
 Section 9 - Official Languages  
 Section 10 - Environmental and Other Requirements  
 Section 11 - Indemnification and Limitation of Liability  
 Section 12 - Default and Remedies  
 Section 13 - Project Assets and Intellectual Property  
 Section 15 - General  
 Section 3 of Annex 3 - Reporting Requirements

- 3.3 **Commencement.** The Recipient agrees to commence the Project, no later than sixty (60) calendar days after the Date of Acceptance, otherwise the Minister may terminate this Agreement at his sole discretion.

#### 4. **The Contribution**

- 4.1 The Minister will make a non-repayable Contribution to the Recipient in respect of the Project in an amount not exceeding the lesser of (a) and (b) as follows:

- (a) 100% of total eligible and supported costs of the Project incurred by the Recipient; and
- (b) \$6,000,000

- 4.2 The payment of the Contribution per Fiscal Year is estimated at amounts specified in Annex 1 – Statement of Work. The Minister will have no obligation to pay any amounts in any other Fiscal Years than those specified in Annex 1 - Statement of Work.

- 4.3 The Minister shall not contribute to any Eligible and Supported Costs incurred prior to the Eligibility Date or later than the Completion Date.

- 4.4 The Recipient shall be responsible for all costs of the Project, including cost overruns, if any.

- 4.5 **Holdbacks.** Notwithstanding any other provisions of this Agreement, the Minister will, at the Minister's sole discretion, withhold up to ten percent (10%) of the Contribution amount until:

- (a) the Project is completed to the satisfaction of the Minister;
- (b) the Recipient has satisfied all the conditions of this Agreement;
- (c) the final report described in Subsection 6.5(a)(iii) has been submitted to the satisfaction of the Minister;
- (d) audits and site visit(s), where required by the Minister, have been completed to the satisfaction of the Minister; and
- (e) the Minister has approved the final claim described in Subsection 6.5.

#### 5. **Other Government Financial Support**

- 5.1 The Recipient hereby confirms that for purposes of this Project no federal, provincial, municipal or local government assistance has been requested, received or will be received except as disclosed in Annex 1 – Statement of Work.

- 5.2 The Recipient shall promptly inform the Minister in writing in the event additional other government financial support has been requested or received for the Project, during the term of this Agreement and acknowledges and agrees that an adjustment to the amount of the Contribution and a request for repayment of part or all of the amounts paid to the Recipient may be made as a result thereof. The amount of repayment requested will constitute a debt due to Her Majesty and will be recovered as such from the Recipient.

5.3 In no instance will the total government funding towards the Eligible Costs of the Project be allowed to exceed one hundred percent (100%) of the total Eligible Costs.

## 6. Claims and Payments

6.1 The Recipient shall maintain accounting records that account for the Contribution paid to the Recipient and the related Project costs in respect of this Agreement, separate and distinct from any other sources of funding.

6.2 **Claims Procedures.** The Recipient shall submit claims for reimbursement of Eligible and Supported Costs incurred, not more frequently than monthly and not less frequently than semi-annually, in a form satisfactory to the Minister. Each claim will include the following information:

- (a) an itemized summary by cost category of Eligible and Supported Costs incurred substantially in the form prescribed by the Minister;
- (b) a certification of the claim by a director or officer of the Recipient, confirming the accuracy of the claim and all supporting information provided;
- (c) if applicable, a certification by a director or officer of the Recipient that any environmental mitigation measures that may be set out in this Agreement have been implemented; and
- (d) any other substantiating documentation (including without limitation, any invoice or proof of payment), as may be required by the Minister.

6.3 The Recipient agrees to submit its last claim for Eligible and Supported Costs in each Fiscal Year on or before March 1<sup>st</sup> of that Fiscal Year.

6.4 The Recipient agrees to submit its first claim for Eligible and Supported Costs ninety (90) calendar days after the date any conditions precedent described in Section 17 are satisfied, as communicated by the Minister to the Recipient.

## 6.5 **Advance Payments.**

(a) **Initial Advance.** Where the Minister is satisfied and has determined that the Recipient's cash flow requirements justify the need for an advance against the Eligible and Supported Costs payable under this Agreement, the Minister may, at his sole discretion, pay to the Recipient an initial advance for Eligible and Supported Costs up to twenty-five percent (25%) of the portion of the Contribution allocated to the Fiscal Year in which the request is made subject to the following:

- (i) The Recipient submits to the Minister's satisfaction, a forecast of cash flow requirements to be incurred during the initial advance period along with any documentation that the Minister may reasonably request.
- (ii) The Recipient shall account by way of claim, to the satisfaction of the Minister, for the use of any advances within one hundred and twenty (120) days of the beginning of the initial advance period.

(b) **Subsequent Advances.** Where the Minister is satisfied and has determined that the Recipient's cash flow requirements justify the need, the Minister may, at his sole discretion, make additional advances for Eligible and Supported Costs, subject to the following:

- (i) The Recipient follows the requirements outlined under (a)i) and (a)ii) above with respect to any subsequent advance;
- (ii) The Recipient provides a statement of the Eligible and Supported Costs incurred during the previous advance period, or any other advance period, certified by a financial officer or other representative of the Recipient;
- (iii) The Recipient provides a satisfactory report on progress and spending to date substantially in the form prescribed by the Minister; and
- (iv) The Recipient submits the advance request at least two (2) weeks prior to the start of the advance period to which the advance request pertains.

- (c) The Recipient agrees to spend advances in the Fiscal Year the advance was made, failing which the Recipient agrees to reimburse the Minister any unspent amounts. If the amount of the advance exceeds the amount of Eligible and Supported Costs incurred during the previous advance period, the Minister may deduct the excess amount and any interest earned by such excess from any other payment under this Agreement.

#### 6.6 Final Claim Procedures.

- (a) The Recipient shall submit a final claim pertaining to the final reimbursement of any Eligible and Supported Costs previously claimed or not, signed by a director or officer of the Recipient and accompanied by the following, in addition to the requirements set out in Subsection 6.2, in a form satisfactory to the Minister in scope and detail:
  - (i) a final statement of total Project costs;
  - (ii) a statement of the total government assistance (federal, provincial and municipal assistance) received or requested towards the Eligible Costs of the Project;
  - (iii) a final report on the Project, as more fully described in Section 2 of Annex 3 – Reporting Requirements; and
  - (iv) a final certificate executed by a director or officer of the Recipient substantially in the form prescribed by the Minister.
- b) The Recipient shall submit the final claim for reimbursement of Eligible and Supported Costs to the satisfaction of the Minister no later than three (3) months after the Completion Date or the date the Project is completed to the satisfaction of the Minister, whichever is earlier. The Minister shall have no obligation to pay any claims submitted after this date.

#### 6.7 Payment Procedures.

- (a) The Minister shall review and approve the documentation submitted by the Recipient following the receipt of the Recipient's claim and in the event of any deficiency in the documentation, it will notify the Recipient and the Recipient shall immediately take action to address and rectify the deficiency.
- (b) Subject to the maximum Contribution amounts set forth in Subsection 4.1 and all other conditions contained in this Agreement, the Minister shall pay to the Recipient the Eligible and Supported Costs set forth in the Recipient's claim, in accordance with the Minister's customary practices.
- (c) The Minister may request at any time that the Recipient provides satisfactory evidence to demonstrate that all Eligible and Supported Costs claimed have been paid.
- (d) The Minister may require, at his expense, any claim submitted for payment of the Contribution be certified by the Recipient's external auditor or by an auditor approved by the Minister.

6.8 **Overpayment or non-entitlement.** Where, for any reason, the Recipient is not entitled to all or part of the Contribution or the amount paid to the Recipient exceeds the amount to which the Recipient is entitled, the Contribution or the amount in excess, as the case may be, shall constitute a debt due to Her Majesty and shall be recovered as such from the Recipient. The Recipient shall repay Her Majesty within thirty (30) calendar days from the date of the Minister's notice, the amount of the Contribution disbursed or the amount of the overpayment, as the case may be, together with interest as calculated in accordance with Subsection 15.2 of this Agreement.

6.9 If the Recipient earns any revenue as a result of the Project, the Minister may in his absolute discretion reduce the Contribution by all or by such portion of the revenue (including the interest) as he deems appropriate.

#### 7. Reporting, Monitoring, Audit and Evaluation

7.1 The Recipient agrees to provide the Minister with the reports as described in Annex 3 – Reporting Requirements, to the Minister's satisfaction.

- 7.2 Upon request of the Minister and at no cost to the Minister, the Recipient shall promptly elaborate upon any report submitted or provide such additional information as may be requested.
- 7.3 The Minister may request a copy of any report or publication produced as a result of this Agreement or the Project, whether interim or final, as soon as it becomes available.
- 7.4 The Recipient shall at its own expense:
- (a) preserve and make available for audit and examination by the Minister, proper books, accounts and records of the Project costs, wherever such books, and records may be located, and permit the Minister to conduct such independent audits and evaluations as the Minister in his discretion may require;
  - (b) upon reasonable notice and after consultation with the Recipient, permit the Minister, reasonable access to the Project site and/or the Recipient's premises and documents in order to inspect and assess the progress and results of the Project and compliance with the terms of this Agreement; and
  - (c) supply promptly, on request, such other reports or data in respect of the Project and its results, as the Minister may require for purposes of this Agreement and for statistical and/or evaluation purposes.
- 7.5 The Minister shall have the right, at his own expense, and as and when he determines necessary, to perform audits of the Project costs and the Recipient's books, accounts, records, financial statements and claims for reimbursement of Eligible and Supported Costs, and the Recipient's administrative, financial and claim certification processes and procedures, for the purposes of verifying the costs of the Project, validating claims for reimbursement of Eligible and Supported Costs, ensuring compliance with the terms of this Agreement, and confirming amounts repayable to Her Majesty under the provisions of this Agreement.
- 7.6 Any audits performed hereunder will be carried out by auditors selected by the Minister, which may include any of the following: Agency officials, an independent auditing firm, and/or the Recipient's external auditors. The Minister will provide the Recipient with a description of the scope and criteria of the audit and the expected time frames for completion of the audit and public release of the related reports.
- 7.7 The Recipient agrees that the Minister, at the Minister's expense, may engage outside firms or individuals, unrelated to the Government of Canada, with the required expertise to evaluate and monitor the Project and its implementation or review any documents submitted by the Recipient. The Recipient agrees to provide access to any site, meeting or to any document in relation to the Project to such firms or individuals.
- 7.8 **Auditor General of Canada.** The Recipient acknowledges that the Auditor General of Canada may, at the Auditor General's cost, after consultation with the Recipient, conduct an inquiry under the authority of Subsection 7.1(1) of the *Auditor General Act* in relation to any funding agreement (as defined in Subsection 42(4) of the *Financial Administration Act*) with respect to the use of funds received. For purposes of any such inquiry undertaken by the Auditor General, the Recipient shall provide, upon request and in a timely manner, to the Auditor General or anyone acting on behalf of the Auditor General:
- (a) all records held by the Recipient or by agents or contractors of the Recipient, relating to this Agreement and the use of the Contribution; and
  - (b) such further information and explanations as the Auditor General, or anyone acting on behalf of the Auditor General, may request relating to this Agreement and/or the Contribution.

## 8. **Representations and Covenants**

### 8.1 **Representations.** The Recipient represents and warrants that:

- (a) it is a not-for-profit corporation, duly incorporated and validly existing and in good standing under the laws of Ontario and has the power and authority to carry on its business, to hold its property and to enter into this Agreement. The Recipient warrants that it shall remain as such for the duration of this Agreement;
- (b) the execution, delivery and performance of this Agreement have been duly and validly authorized by the necessary corporate actions of the Recipient and when executed and

delivered by the Recipient, this Agreement constitutes a legal, valid and binding obligation of the Recipient, enforceable against it in accordance with its terms;

- (c) it has acquired general liability insurance and property damage insurance, in an adequate amount consistent with the scope of the operations and the Project, but in any event no less than two million dollars for general liability insurance and will maintain such for the duration of the Agreement and the Control Period;
- (d) the signatory(ies) to this Agreement, on behalf of the Recipient, has(ve) been duly authorized under a borrowing by-law to execute and deliver this Agreement;
- (e) this Agreement constitutes a legally binding obligation of the Recipient, enforceable against it in accordance with its terms, subject as to enforcement of remedies to applicable bankruptcy, insolvency, reorganization and other laws affecting generally the enforcement of the rights of creditors and subject to a court's discretionary authority with respect to the granting of a decree, ordering specific performance or other equitable remedies;
- (f) the execution and delivery of this Agreement and the performance by the Recipient of its obligations hereunder will not, with or without the giving of notice or the passage of time or both:
  - (i) violate the provisions of the Recipient's by-laws, any other corporate governance document subscribed to by the Recipient or any resolution of the Recipient;
  - (ii) violate any judgment, decree, order or award of any court, government agency, regulatory authority or arbitrator; or
  - (iii) conflict with or result in the breach or termination of any material term or provision of, or constitute a default under, or cause any acceleration under, any license, permit, concession, franchise, indenture, mortgage, lease, equipment lease, contract, permit, deed of trust or any other instrument or agreement by which it is bound.
- (g) there are no actions, suits, investigations or other proceedings pending or, to the knowledge of the Recipient, threatened and there is no order, judgment or decree of any court or governmental agency, which could materially and adversely affect the Recipient's ability to carry out the activities contemplated by this Agreement;
- (h) it has obtained or will obtain all necessary licences and permits in relation to the Project, which satisfy the requirements of all regulating bodies of appropriate jurisdiction;
- (i) it owns or holds sufficient rights in any intellectual property required to carry out the Project;
- (j) the description of the Project in Annex 1 – Statement of work is complete and accurate; and
- (k) it is located in Southern Ontario.

**8.2 Covenants.** The Recipient covenants and agrees that:

- (a) it shall use the Contribution solely and exclusively to support the Eligible and Supported Costs of the Project, and shall carry out the Project in a diligent and professional manner, using qualified personnel;
- (b) it shall obtain the prior written consent of the Minister before making any change to any aspect of the Project or to the management of the Project or the Recipient;
- (c) it shall not make any changes to its objects or purpose as stated in its constating documents without the prior written consent of the Minister;
- (d) it shall comply with the federal visibility requirements set out in Annex 4 – Federal Visibility Requirements;
- (e) it shall acquire and manage all equipment, services and supplies required for the Project in a manner that ensures the best value for funds expended; and
- (f) it shall contribute no less than one hundred percent (100%) to the eligible and supported costs of the Project.

## 9. Official Languages

### 9.1 The Recipient agrees:

- (a) that any public acknowledgement of the Agency's support for the Project will be expressed in both official languages;
- (b) that basic Project information will be developed and made available in both official languages;
- (c) to invite members of the official language minority community to participate in any public event relating to the Project, where appropriate;
- (d) that all signage related to the Project will be in both official languages;
- (e) that basic service (e.g., reception can provide bilingual resources or staff, upon request) and communication, both print and electronic, (notices, announcements, publications, advertisements or documents) will be made available in both official languages; and
- (f) that it shall pay for all translation costs save for those which the Minister may incur with respect to any announcement or other public communications

## 10. Environmental and Other Requirements

- 10.1 The Recipient represents that the Project is not a "designated project" as defined in the *Canadian Environmental Assessment Act, 2012* ("CEAA") and is not being carried out on "federal lands" as defined in the CEAA.
- 10.2 The Recipient agrees to comply with all federal, provincial, territorial, municipal and other applicable laws governing the Recipient and the Project, including without limitation, statutes, regulations, by-laws, rules, ordinances and decrees. This includes legal requirements and regulations relating to environmental protection and the successful implementation of and adherence to any mitigation measures, monitoring or follow-up program, which may be prescribed by federal, provincial, territorial, municipal bodies. The Recipient will certify to the Minister that it has done so.
- 10.3 The Recipient will provide the Minister with reasonable access to any Project site, for the purpose of ensuring that the terms and conditions of any environmental approval are met, and that any required conditions, mitigation measures, monitoring or program follow up have been carried out.
- 10.4 If as a result of changes to the Project or otherwise, should a subsequent assessment be required in accordance with CEAA for the Project, the Minister and the Recipient agree that the Minister's obligations under this Agreement will be suspended from the moment that the Minister informs the Recipient, until:
- (i) a decision statement has been issued to the Recipient or, if applicable, the Minister has decided that the Project is not likely to cause significant adverse environmental effects; and
  - (ii) if required, an amendment to this Agreement has been signed, setting out any conditions included in the decision statement. The Recipient agrees to comply with any such conditions.
- 10.5 **Aboriginal consultation.** The Recipient acknowledges that the Minister's obligation to pay the Contribution is conditional upon Her Majesty satisfying any obligation that Her Majesty may have to consult with or to accommodate any Aboriginal groups, which may be affected by the terms of this Agreement.

## 11. Indemnification and Limitation of Liability

- 11.1 The Recipient shall at all times indemnify and save harmless Her Majesty, its officers, officials, employees and agents, from and against all claims and demands, losses, costs, damages, actions, suits or other proceedings (including, without limitation, those relating to injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights) by



whomsoever brought or prosecuted, or threatened to be brought or prosecuted, in any manner based upon or occasioned by any injury to persons, damage to or loss or destruction of property, economic loss or infringement of rights, caused by, or arising directly or indirectly from:

- (a) the Project, its operation, conduct or any other aspect thereof;
- (b) the performance or non-performance of this Agreement, or the breach or failure to comply with any term, condition, representation or warranty of this Agreement by the Recipient, its officers, employees and agents, or by a third party or its officers, employees, or agents;
- (c) the design, construction, operation, maintenance and repair of any part of the Project; or,
- (d) any omission or other wilful or negligent act or delay of the Recipient or a third party and their respective employees, officers, or agents, except to the extent to which such claims and demands, losses, costs, damages, actions, suits, or other proceedings relate to the negligent act or omission of an officer, official, employee, or agent of Her Majesty, in the performance of his or her duties.

11.2 The Minister shall have no liability under this Agreement, except for payments of the Contribution, in accordance with and subject to the provisions of this Agreement. Without limiting the generality of the foregoing, the Minister shall not be liable for any direct, indirect, special or consequential damages, or damages for loss of revenues or profits of the Recipient.

11.3 Her Majesty, her agents, employees and servants will not be held liable in the event the Recipient enters into loan, a capital or operating lease or other long-term obligation in relation to the Project for which the Contribution is provided.

## **12. Default and Remedies**

12.1 **Event of Default.** The Minister may declare that an Event of Default has occurred if:

- (a) the Recipient has failed or neglected to pay Her Majesty any amount due in accordance with this Agreement;
- (b) the Project is not completed to the Minister's satisfaction by the Completion Date or the Project is abandoned in whole or in part;
- (c) the Recipient makes a materially false or misleading statement concerning support by Her Majesty in any internal and/or public communication, other than in good faith;
- (d) the Recipient becomes bankrupt or insolvent, goes into receivership, or takes the benefit of any statute, from time to time in force, relating to bankrupt or insolvent debtors;
- (e) an order is made or the Recipient has passed a resolution for the winding up of the Recipient, or the Recipient is dissolved;
- (f) the Recipient has, in the opinion of the Minister, ceased to carry on business or has sold all or substantially all of its assets;
- (g) the Project is carried out at locations, other than those mentioned in Annex 1 - Statement of Work;
- (h) the Recipient has submitted false or misleading information, or has made a false or misleading representation to the Agency, the Minister, in this Agreement or in its application for the Contribution;
- (i) the Recipient has not, in the opinion of the Minister, met or satisfied a term or condition of this Agreement;
- (j) the Recipient has not met or satisfied a term or condition under any other contribution agreement or agreement of any kind with Her Majesty;
- (k) the Recipient is not eligible or is otherwise not entitled to the Contribution; or,
- (l) the Recipient has not complied with the monitoring, audit and evaluation requirements, specified in this Agreement.

- 12.2 **Notice and Rectification Period.** Except in the case of default under Subsection 12.1 (d) (e) and (f), the Minister will not declare that an Event of Default has occurred unless he has given prior written notice to the Recipient of the occurrence, which in the Minister's opinion constitutes an Event of Default. The Recipient shall, within such period of time as the Minister may specify in the notice, either correct the condition or event or demonstrate, to the satisfaction of the Minister, that it has taken such steps as are necessary to correct the condition, failing which the Minister may declare that an Event of Default has occurred.
- 12.3 **Remedies.** If the Minister declares that an Event of Default has occurred, the Minister may immediately exercise any one or more of the following remedies, in addition to any remedy available at law:
- (a) terminate the Agreement, including any obligation by the Minister to make any payment under this Agreement, including any obligation to pay an amount owing prior to such termination;
  - (b) suspend any obligation by the Minister to make any payment under this Agreement, including any obligation to pay an amount owing prior to such suspension; and
  - (c) require the Recipient to repay forthwith to Her Majesty all or part of the Contribution, and that amount is a debt due to Her Majesty and may be recovered as such.
- 12.4 The Recipient acknowledges the policy objectives served by the Minister's agreement to make the Contribution, that the Contribution comes from the public monies, and that the amount of damages sustained by Her Majesty in an Event of Default is difficult to ascertain and therefore, that it is fair and reasonable that the Minister be entitled to exercise any or all of the remedies, provided for in this Agreement and to do so in the manner provided for in this Agreement, if an Event of Default occurs.

### 13. **Project Assets and Intellectual Property**

- 13.1 The Recipient shall retain title to, and ownership of any assets (excluding any Foreground Intellectual Property), the cost of which has been contributed to by the Minister under this Agreement and shall not sell, assign, transfer, encumber, pledge, grant a security interest or otherwise dispose of same, without the prior written consent of the Minister. As a condition of such consent, the Minister may require the Recipient to repay Her Majesty the whole or any part of the Contribution paid to the Recipient hereunder.
- 13.2 Title to any Foreground Intellectual Property shall vest exclusively in the Recipient. The Recipient shall take appropriate steps to protect the Foreground Intellectual Property and shall, upon written request, provide information to the Minister in that regard. The Recipient shall not agree to:
- (i) any exclusive and/or irrevocable licenses of the Foreground Intellectual Property; or
  - (ii) the sublicensing of the Foreground Intellectual Property in any license agreement except where the Recipient will be entitled to receive royalties directly or indirectly from such sublicense.

### 14. **Miscellaneous**

- 14.1 The Recipient represents and warrants that no member of the House of Commons or Senate of Canada shall be admitted to any share or part of this Agreement or to any benefit arising from it, that are not otherwise available to the general public.
- 14.2 The Recipient confirms that no current or former public servant or public office holder, to whom the *Values and Ethics Code for the Public Service*, the *Values and Ethics Code for the Public Sector*, the *Policy on Conflict of Interest and Post-Employment* or the *Conflict of Interest Act* applies, shall derive direct benefit from the Agreement, including any employment, payments or gifts, unless the provision or receipt of such benefits is in compliance with such codes and the legislation. Where the Recipient employs or has a major shareholder, who is either a current or former (in the last twelve (12) months) public office holder or public servant in the federal government, the Recipient shall demonstrate compliance with these codes and the legislation.

#### 14.3 The Recipient represents and warrants that:

- (a) it has not paid, nor agreed to pay to any person, either directly or indirectly, a commission, fee or other consideration that is contingent upon the execution of this Agreement, or upon the person arranging a meeting with a public office holder;
- (b) it will not pay, nor agree to pay to any person, either directly or indirectly, any commission, fee or other consideration that is contingent upon the person arranging a meeting with a public office holder;
- (c) the Recipient or any persons who are or have been engaged by the Recipient to communicate or arrange meetings with public office holders, regarding the Project or this Agreement, are in full compliance with all requirements of the *Lobbying Act*; and
- (d) any persons who may be engaged by the Recipient to communicate or arrange meetings with public office holders, regarding the Project or this Agreement, will at all times be in full compliance with the requirements of the *Lobbying Act*.

14.4 The Recipient acknowledges that the representations and warranties in this section are fundamental terms of this Agreement. In the event of breach of these, the Minister may exercise the remedies set out in Subsection 12.3.

### 15. General

15.1 **Debt due to Canada.** Any amount owed to Her Majesty under this Agreement shall constitute a debt due to Her Majesty and shall be recoverable as such. Unless otherwise specified herein, the Recipient agrees to make payment of any such debt forthwith on demand.

15.2 **Interest.** Debts due to Her Majesty will accrue interest in accordance with the *Interest and Administrative Charges Regulations*, in effect on the due date, compounded monthly on overdue balances payable, from the date on which the payment is due, until payment in full is received by Her Majesty. Any such amount is a debt due to Her Majesty and is recoverable as such.

15.3 **Set-Off.** Without limiting the scope of set-off rights provided in the *Financial Administration Act*, the Minister may set off against the Contribution, any amounts owed by the Recipient to Her Majesty under legislation or contribution agreements and the Recipient shall declare to the Minister all amounts outstanding in that regard, when making any claim under this Agreement.

15.4 **No Assignment of Agreement.** Neither this Agreement nor any part thereof shall be assigned by the Recipient, without the prior written consent of the Minister.

15.5 **Annual Appropriation.** Payment by the Minister of amounts due under this Agreement shall be conditional on there being a legislated appropriation for the Fiscal Year in which the payment is to be made. The Minister shall have the right to terminate or reduce the Contribution, in the event that the amount of the appropriation is reduced or denied by Parliament. In the event that any portion of the Contribution has been paid to the Recipient and the legislated appropriation for the Fiscal Year in which such payment is made is not obtained, the Minister shall have the right to recover the amount so paid from the Recipient.

15.6 **Successors and Assigns.** This Agreement is binding upon the Recipient, its successors and permitted assigns.

15.7 **Confidentiality.** Subject to the *Access to Information Act (Canada)*, the *Privacy Act*, the *Library and Archives Act of Canada* and Annex 4 – Federal Visibility Requirements, the Parties shall keep confidential and shall not disclose the contents of this Agreement or the transactions contemplated hereby, without the consent of all Parties.

15.8 **International Disputes.** Notwithstanding Subsection 15.7, the Recipient waives any confidentiality rights to the extent such rights would impede Her Majesty from fulfilling its notification obligations to a world trade panel for the purposes of the conduct of a dispute, in which Her Majesty is a party or a third party intervener.

15.9 **Governing Law.** This Agreement shall be subject to and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

15.10 **Dispute Resolution.** If a dispute arises concerning the application or interpretation of this Agreement, the Parties shall attempt to resolve the matter through good faith negotiation, and

may, if necessary and the Parties consent in writing, resolve the matter through mediation or by arbitration, by a mutually acceptable mediator or arbitration in accordance with the Commercial Arbitration Code set out in the schedule to the *Commercial Arbitration Act* (Canada), and all regulations made pursuant to that Act.

- 15.11 **No Amendment.** No amendment to this Agreement shall be effective unless it is made in writing and signed by the Parties hereto.
- 15.12 **No Agency.** No provision of this Agreement or action by the Parties will establish or be deemed to establish any partnership, joint venture, principal-agent or employer-employee relationship in any way, or for any purpose, between Her Majesty and the Recipient, or between Her Majesty and a third party. The Recipient is not in any way authorized to make a promise, agreement or contract and to incur any liability on behalf of Her Majesty, nor shall the Recipient make a promise, agreement or contract and incur any liability on behalf of Her Majesty, and shall be solely responsible for any and all payments and deductions, required by the applicable laws.
- 15.13 **No Waiver.** Any tolerance or indulgence demonstrated by one Party to the other, or any partial or limited exercise of rights conferred on a Party, shall not constitute a waiver of rights, and unless expressly waived in writing the Parties shall be entitled to exercise any right and to seek any remedy, available under this Agreement or otherwise at law. Either Party may, by notice in writing, waive any of its rights under this Agreement.
- 15.14 **Public Dissemination.** All reports and other information that the Minister collects, manages or has a right to receive or produce in accordance with this Agreement, or that the Recipient collects, creates, manages and shares with the Minister, shall be deemed to be "Canada Information". The Minister shall have the right, subject to the provisions of the *Access to Information Act*, to release to the public, table before Parliament, or publish by any means, any Canada Information, including such excerpts or summaries of the Canada Information as he may, from time to time, decide to make.
- 15.15 **No conflict of interest.** The Recipient and its consultants and any of their respective advisors, partners, directors, officers, shareholders, employees, agents and volunteers shall not engage in any activity where such activity creates a real, apparent or potential conflict of interest in the sole opinion of the Minister, with the carrying out of the Project. For greater certainty, and without limiting the generality of the foregoing, a conflict of interest includes a situation where anyone associated with the Recipient owns or has an interest in an organization that is carrying out work related to the Project.
- 15.16 **Disclose potential conflict of interest.** The Recipient shall disclose to the Minister without delay any actual or potential situation that may be reasonably interpreted as either a conflict of interest or a potential conflict of interest.
- 15.17 **Severability.** If for any reason a provision of this Agreement that is not a fundamental term of the agreement between the Parties is found to be or becomes invalid or unenforceable, whether in whole or in part, such provision or part thereof declared invalid or unenforceable shall be deemed to be severable and shall be deleted from this Agreement and all remaining terms and conditions of this Agreement will continue to be valid and enforceable.
- 15.18 **Business Information.** Notwithstanding anything else contained in this Agreement, the Minister shall be given the right to the use of any of the Recipient's publicly available business information about the Project (e.g. brochures, awareness, packages, etc.).
- 15.19 **Tax.** The Recipient acknowledges that financial assistance from government programs may have tax implications for its organization and that advice should be obtained from a qualified tax professional.

## 16. Notice

- 16.1 Any notice, information or document required under this Agreement shall be effectively given, if delivered or sent by letter or facsimile (postage or other charges prepaid). Any notice that is delivered shall be deemed to have been received on delivery; any notice sent by facsimile shall be deemed to have been received one (1) working day after being sent, any notice that is mailed shall be deemed to have been received eight (8) calendar days after being mailed.

16.2 All notices must be sent to the following addresses:

<b>To the Minister</b>	<b>To the Recipient</b>
Federal Economic Development Agency for Southern Ontario 101-139 Northfield Drive West Waterloo, ON N2L 5A6 <b>Attention: Investing in Regional                      Diversification</b>	GTA Region Investment Attraction o/a Toronto Global 225 King Street West, Suite 901 Toronto, ON M5V 3M2 Attention: Toby Lennox

16.3 Each of the Parties may change the address, which they have stipulated in this Agreement by notifying in writing the other party of the new address, and such change shall be deemed to take effect fifteen (15) calendar days after receipt of such notice.

**17. Special Conditions**

17.1 **Conditions Precedent.** As a condition precedent to the first disbursement of the Contribution:

- (a) the Recipient agrees to provide the Minister an officer’s certificate executed by an officer of the Recipient in the form prescribed by the Minister which includes certified copies of the Recipient’s constating documents, by-laws and resolution authorizing the entering into of this Agreement;
- (b) the Recipient shall arrange pre-authorized payments or such other method of payment, as requested in writing by the Minister; and
- (c) The Recipient shall provide to the Minister the following, to the Minister’s satisfaction:
  - (i) *Fully executed copies of the funding agreements with the Government of Ontario and participating Greater Toronto Area municipal governments for the 2016-2017 Fiscal Year;*

17.2 The Recipient represents and warrants that it has secured funding from the Government of Ontario and participating Greater Toronto Area municipal governments for the Project representing a minimum of two-thirds (66 ⅔%) of the total Eligible and Supported Costs of the Project.

17.3 As a continuing condition to ongoing disbursement of the Contribution by the Minister under this Agreement, the Recipient shall provide the Minister with any subsequent funding agreements from the Government of Ontario and the participating Greater Toronto Area municipal governments on or before April 1 to confirm the required matching funding is in place for each new Fiscal Year.

17.4 The Recipient agrees to provide to the Minister a sustainability plan for the project beyond the Completion Date. A preliminary sustainability plan shall be submitted to the Minister by September 30, 2017 and will consider other potential sources of funding. A final plan, to the satisfaction of the Minister, shall be submitted to the Minister by March 31, 2018 for implementation following the Completion Date.

17.5 **Renewal of Representations.** It is a condition precedent to any disbursement under this Agreement that the representations and warranties contained in this Agreement are true at the time of payment and that the Recipient is not in default of compliance with any terms of this Agreement.

*Intentionally left blank*


**18. Acceptance**

**The Recipient agrees that unless the Minister receives a duly executed duplicate copy of this Agreement within thirty (30) calendar days of the date of execution by the Minister, this Agreement is revocable at the discretion of the Minister.**

**IN WITNESS WHEREOF the Parties hereto have executed this Agreement through authorized representatives.**

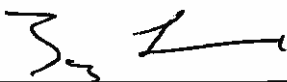
Project No.: **F37-809249**

**HER MAJESTY THE QUEEN IN RIGHT OF CANADA**

Per:   
Frank Lofranco, Vice President  
Federal Economic Development  
Agency for Southern Ontario

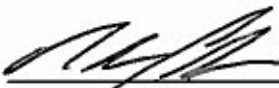
Date: NOV 22 2016

**GTA REGION INVESTMENT ATTRACTION o/a TORONTO GLOBAL**

Per:   
Toby Lennox, Interim CEO

Date: DEC 2/16

I have authority to bind the corporation.

Per:   
Mark Cohon, Board Chair

Date: DEC 2/16

I have authority to bind the corporation.

Per:   
Janet Ecker, Vice Chair

Date: Dec 2/16

I have authority to bind the corporation.

**Annex 1**

**INVESTING IN REGIONAL DIVERSIFICATION**

**THE PROJECT - STATEMENT OF WORK**

Project Location: Toronto, Ontario  
 Project Start Date: April 1, 2016  
 Project Completion Date: December 31, 2018

**Project Description/Purpose/Objective**

The purpose of the project is to enable the Recipient to accelerate operations with the objective to strengthen the Greater Toronto Area’s (GTA’s) competitiveness in foreign direct investment (FDI) attraction relative to other major global centres like San Francisco, Singapore, and Hong Kong as it pursues aggressive investment attraction strategies.

The Recipient will target internationally located corporations that can diversify strategic regional clusters, add value, create knowledge-intensive employment, facilitate the commercialization of innovation, and improve the overall performance of key GTA value chains. Targeted sectors include: advanced manufacturing, information and communication technology, creative-digital media, life sciences, pharmaceuticals, clean technology, energy and environment, food and beverage, and financial services.

FedDev Ontario funding will support the following key operating activities:

- o Identifying FDI leads and executing FDI investments throughout the GTA;
- o Marketing the GTA as a desirable FDI location (e.g., mission); and
- o Developing and managing a client relationship management (CRM) system.

As part of the project, the Recipient will provide the following:

- o Intelligence on planned in-market FDI attraction activities;
- o Number of identified FDI target companies;
- o Number of corporate calls conducted;
- o Number of FTE jobs created and maintained from FDI activities; and,
- o Dollar value (Canadian) of new investment in the GTA.

FedDev Ontario funding will leverage \$7.5 million from the Government of Ontario, and a collective \$6 million investment from the municipalities of Toronto, Mississauga, Brampton, Caledon and the regional municipalities of Halton, York and Durham to support project costs for the Recipient’s activities.

**Expected Results of the Project**

<b>Measurement</b>	<b>At Project End</b>
Number of new partnership/collaborations formed	10
Number of organizations supported by initiatives	9
Number of businesses supported through FDI support	100
Total value of cash investments in businesses, communities and organizations (total cash leverage)	\$1,500,000
FTE jobs created in the Recipient’s organization	8
FTE jobs retained in the Recipient’s organization	16
FTE jobs created from FDI activities	500

Job Occupation Categories	Number of Full-Time Equivalents*				Total
	Created		Maintained		
	Permanent	Temporary	Permanent	Temporary	
Management Occupations and Business and Finance Occupations	1	0	2	0	3
Professional Occupations in the Natural and Applied Sciences	0	0	0	0	0
Technical Occupations Related to the Natural and Applied Sciences	0	0	0	0	0
Occupations in manufacturing and utilities	0	0	0	0	0
Other Occupations (includes primary industry, trades, services)	7	0	14	0	21
<b>Total Number of Full-Time Equivalents</b>	<b>8</b>	<b>0</b>	<b>16</b>	<b>0</b>	<b>24</b>

\*Full-time equivalent (FTE) refers to the employment of one person full-time, or more than one person part-time, such that the total working time is the equivalent of one person working full-time. Full-time equivalents (FTEs) are measured in person years. Generally, full-time positions will involve between 35 and 40 hours in a regular work week. FTEs do not include contracted services.

**Project Costs & Financing**

COSTS	Eligible & Supported <sup>1,2</sup>		Eligible & Not Supported	Ineligible	Total	
Labour <sup>4</sup>	\$ 5,520,000	92.00%	\$ 6,660,000	\$ 0	\$ 12,180,000	60.6%
Expertise	\$ 0	0.00%	\$ 4,126,750	\$ 600,000	\$ 4,726,750	23.5%
Other Non-Capital <sup>5</sup>	\$ 480,000	8.00%	\$ 932,000	\$ 1,500,000	\$ 2,912,000	14.5%
Capital	\$ 0	0.00%	\$ 281,250	\$ 0	\$ 281,250	1.4%
<b>Total</b>	<b>\$ 6,000,000</b>	<b>100.00%</b>	<b>\$ 12,000,000</b>	<b>\$ 2,100,000</b>	<b>\$ 20,100,000</b>	<b>100.0%</b>

FINANCING	Eligible & Supported		Eligible & Not Supported	Ineligible	Total	
FedDev Ontario	\$ 6,000,000	100.00%			\$ 6,000,000	29.8%
Other Federal-Global Affairs Canada- ICCI	\$ 0	0.00%	\$ 0	\$ 600,000	\$ 600,000	3.0%
Provincial- Ministry of Economic Development and Growth	\$ 0	0.00%	\$ 7,500,000	\$ 0	\$ 7,500,000	37.4%
Municipal	\$ 0	0.00%	\$ 4,500,000	\$ 1,500,000	\$ 6,000,000	29.8%
Private Sector	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	0.0%
Applicant Equity / Financing	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	0.0%
Other	\$ 0	0.00%	\$ 0	\$ 0	\$ 0	0.0%
<b>Total</b>	<b>\$ 6,000,000</b>	<b>100.00%</b>	<b>\$ 12,000,000</b>	<b>\$ 2,100,000</b>	<b>\$ 20,100,000</b>	<b>100.0%</b>

FedDev Ontario Contribution by Fiscal Year	Eligible & Supported Project Costs	FedDev Ontario Contribution (\$, reimbursement %)	
2016-17	\$ 1,090,000	\$ 1,090,000	100.00%
2017-18	\$ 1,910,000	\$ 1,910,000	100.00%
2018-19	\$ 3,000,000	\$ 3,000,000	100.00%
<b>Total</b>	<b>\$ 6,000,000</b>	<b>\$ 6,000,000</b>	<b>100.00%</b>



<b>STACKING CALCULATION</b>	<b>Eligible Capital Costs</b>	<b>Eligible Non-Capital Costs</b>
<b>Total Government Contributions</b>	\$ 0	\$ 6,000,000
<b>Total Eligible Costs<sup>3</sup></b>	\$ 0	\$ 6,000,000
<b>Stacking %</b>	100.0%	100.0%
<b>Stacking Limit</b>	100.0%	100.0%

Notes:

- 1) Eligible and Supported Costs include the amount of the harmonized sales tax (HST), net of any refund or eligible credits due from the Canada Revenue Agency.
- 2) The Recipient shall not redirect funding amount between cost categories without the prior written consent of the Minister.
- 3) Eligible Costs is the sum of Eligible and Supported Costs and eligible & not supported costs.
- 4) Eligible and Supported Labour Costs are supporting both salaried and contract staff that is directly attributable to the project from April 2016 to December 2018.
- 5) Eligible and Supported Other Non-Capital Costs are supporting 100% of rent from January 2017 to December 2018.

## Annex 2

**INVESTING IN REGIONAL DIVERSIFICATION****COSTING GUIDELINE MEMORANDUM****1.0 General Conditions**

- 1.1 Costs are Eligible and Supported Costs for the purposes of this Agreement only if they are, in the opinion of the Minister,
- (a) directly related to the intent of the Project;
  - (b) reasonable;
  - (c) appear in Annex 1 - Statement of Work;
  - (d) incurred in respect of activities, which are incremental to the usual activities of the Recipient; and
  - (e) incurred between the Eligibility Date and the Completion Date.
- 1.2 Costs submitted for reimbursement must be net of any refund or eligible tax credits (including HST).
- 1.3 Costs incurred by way of the exercise of an option to purchase or hire are eligible, only if the exercise of the option is at the sole discretion of the Recipient and the option has been exercised and the costs incurred between the Eligibility Date and the Completion Date.
- 1.4 The costs of all goods and services acquired from an entity which, in the opinion of the Minister, is not at arm's length from the Recipient, shall be valued at the cost which, in the opinion of the Minister, represents the fair market value of such goods or services, which cost shall not include any mark up for profit or return on investment.
- 1.5 No cost described in Subsection 1.4 above shall be eligible for inclusion in Eligible and Supported Costs, unless the Recipient causes the supplying entity to maintain proper books, accounts and records of the costs related to the Project, and to provide the Minister access to such books, accounts and records.

**2.0 Eligible Costs**

Where consistent with the approved Eligible and Supported Costs, as defined in Annex 1 - Statement of Work, the following criteria will be used in determining eligibility of costs:

**2.1 Travel Costs - Prime Transportation**

Eligible and Supported Costs incurred for travel are those, which are deemed necessary to the performance of the Project. To be eligible, travel costs must be clearly documented as to the purpose of each trip. Travel expenses, at economy rates, shall be charged at actual costs, but only to the extent that they are considered reasonable by the Minister.

Necessary return airfare, train fare or bus fare at economy rates for participating personnel, where a personal automobile is to be used, kilometre (mileage) allowance will be based on current Treasury Board of Canada Travel Directives. Eligible and Supported Costs shall be limited to the cost that would have been incurred and paid had normal public transportation at economy rates been used.

Food, accommodation and entertainment (hospitality) costs are not eligible.

**2.2 Audit of Project Costs Claimed**

If expressly approved in writing by the Minister, Eligible and Supported Costs may include the cost of professional accountants certifying the accuracy of any costs claimed.

**2.3 Consultants**

The direct costs of studies and/or services carried out by a private contractor or consultant are eligible.

Where a particular contractor or consultant has been specified in the Agreement, and the Recipient wishes to proceed with the Project using another contractor or consultant, prior consultation with the Project officer is advised to ensure eligibility.

The Minister shall not contribute to the cost of the services of any consultant that is not, in the opinion of the Minister, at arm's length from the Recipient.

#### 2.4 Calculation of Direct Labour

Labour and benefit costs claimed by the Recipient as direct Eligible and Supported Costs toward the Project will include only that time worked directly on the Project at the payroll rate and excludes indirect time, non-project related time, holidays, vacation, paid sickness, etc., except as noted below. Paid overtime, where considered reasonable in the opinion of the Minister, may be claimed. Time off in lieu of payment is not eligible. Time claimed will normally be expressed in hours.

The payroll rate is the actual gross pay rate for each employee (normal periodic remuneration before deductions). The payroll rate excludes all premiums (e.g. overtime), shift differentials and any reimbursement or benefit conferred in lieu of salaries or wages except those noted below.

Claims relating to the employer's portion of WSIB, statutory benefits (CPP, EI and vacation) and discretionary benefits (i.e., dental, extended health, disability and life insurance, pension plans, holiday and paid leave) negotiated as part of collective agreements or other salary and benefit packages shall be limited to the lesser of (i) actual cost and (ii) twenty percent (20%) of the payroll rate of each employee.

Benefits such as car allowances and other benefits beyond those listed above are not eligible.

#### 2.5 Sales Taxes

Eligible and Supported Costs include the amount of the harmonized sales tax (HST), net of any refund or eligible credits due from the Canada Revenue Agency.

In order to have the HST approved as an Eligible and Supported Cost on future claims, the Recipient will be required to provide documentation verifying the organization's status under the relevant tax legislation.

#### 3.0 Ineligible Costs

For greater certainty, any costs that do not qualify as Eligible and Supported Costs in accordance with section 1.0 of this Annex, shall be ineligible for inclusion in the Eligible Costs. By way of example only, ineligible costs include the following:

- (a) costs of land, building or vehicle purchase;
- (b) refinancing;
- (c) costs of intangible assets such as goodwill, whether capitalized or expensed;
- (d) depreciation or amortization expenses;
- (e) interest on invested capital, bonds, debentures, or mortgages;
- (f) bond discount;
- (g) losses on investments, bad debts and any other debts;
- (h) fines or penalties;
- (i) costs related to litigation;
- (j) non-incremental wages;
- (k) fees for administrators, including payments to any member or officer of the Recipient's Board of Directors;
- (l) opportunity costs;
- (m) food, accommodation and entertainment costs;
- (n) costs of membership in a professional body; and
- (o) lobbyist fees.

**Annex 3****INVESTING IN REGIONAL DIVERSIFICATION****REPORTING REQUIREMENTS**

1. **Reports.** The Recipient shall submit to the Minister a progress, job creation and a performance report on the Project, substantially in the form prescribed by the Minister and satisfactory to the Minister in scope and detail, in order to allow the Minister to assess the progress of the Project. Reports will be submitted quarterly for the period up to and including the 6-month period following the completion of the Project. Each report is due by the thirtieth (30<sup>th</sup>) calendar day following the end of the period to which the report relates. The Minister may reassess the reporting frequency from time to time at his sole discretion and notify the Recipient of any changes.
2. **Final Report.** In accordance with Subsection 6.5, the Recipient shall submit to the Minister a final report on the project, substantially in the form prescribed by the Minister and satisfactory to the Minister in scope and detail, in order to allow the Minister to assess the outcome of the Project.
3. **Financial Statements.** The Recipient shall submit to the Minister a copy of the Recipient's financial statements, accompanied by an externally prepared audit report or review report (as determined by the Minister) that has been issued by a licensed public accountant. These financial statements will be submitted within one hundred and twenty (120) calendar days of the Recipient's fiscal year end or within such longer period, as may be authorized in writing by the Minister.

## Annex 4

**INVESTING IN REGIONAL DIVERSIFICATION****FEDERAL VISIBILITY REQUIREMENTS**

1. The Recipient agrees that its name, the amount of the Contribution and a description of the general nature of the activities supported under this Agreement may be made publicly available by the Minister.
2. In order to promote the support received from Her Majesty, and to raise awareness of the Agency's *Investing in Regional Diversification* initiative, the Recipient agrees to the following requirements, to be implemented at the discretion of the Minister:
  - (a) Participate in and assist with coordination of a public announcement of the Agreement by the Minister in the form of an event and/or news release as provided by the Minister. The Recipient shall maintain the confidentiality of this Agreement until such public announcement;
  - (b) Coordinate a mutually agreeable venue, date and time, in light of the availability of the Minister, for public/media events outlining the Project achievements or initiatives undertaken by the Recipient and acknowledging the role of Her Majesty on these occasions. Unless agreed to in advance by the Minister, no event will take place without at least fifteen (15) business days' notice to the Minister;
  - (c) Upon completion of the Project, hold a public/media event, which will include the Minister outlining the achievements of the Project at a mutually agreeable venue, date and time. Unless agreed to in advance by the Minister, no event will take place without at least fifteen (15) business days' notice to the Minister;
  - (d) At the request of the Agency, participate in, coordinate and accommodate activities that showcase the results or expected results of the Minister's support, including but not limited to public showcase events, site visits, photo opportunities, production of promotional products (including but not limited to, photos and images, video, print and new media). This includes providing access to the Recipient's work site(s) to Agency staff. (without divulging any trades secrets or sensitive material - such as intellectual property or proofs of concept that may exist under or be in the patent process). The Recipient agrees to be contacted by the Minister for the purposes of preparing project success stories;
  - (e) When providing information on the products and services funded in whole or in part by this Agreement (including financial assistance for an enterprise or organization), specify that the financial assistance is made possible through a contribution from Her Majesty;
  - (f) Prominently display at the Project site in a manner prescribed by the Minister, promotional material or signage which may be provided by the Minister and installed at the Recipient's expense, communicating the nature of the funded activities and/or the involvement of Her Majesty; and
  - (g) Include the appropriate "Government of Canada" wordmark and Agency funding acknowledgement in all publications and advertising describing or promoting the products and services funded in whole or in part by this Agreement, including, but not limited to, electronic and print media. The Recipient will consult with the Minister in preparing the content and look of all such material, which must be approved in advance. The Recipient will provide the Agency with no less than ten (10) business days for the approval of all materials prior to its release.

The Minister may, by notice in writing given to the Recipient, require that recognition of the support provided by the Minister not be made in any public communication of the Recipient.