

**BIOINDUSTRIAL INNOVATION CANADA
("BIC")**

DIVERSITY POLICY FOR BOARD OF DIRECTORS

1. PURPOSE

- To achieve and maintain diversity on the board of directors of BIC (the "**Board**").
- To ensure that the Board is comprised of individuals who possess the skills, qualities and experience to collectively contribute to effective Board governance.
- To assist the Board in identifying qualified individuals to become directors.
- To align with current best practices and expectations consistent with the 'for profit' sector as well other federal government initiatives as part of diversity, equality and inclusion.

2. GUIDING PRINCIPLES

BIC believes in equality, diversity and inclusion and values the benefits these elements will bring to the Board through identification and representation of the designated groups, namely gender-based, visible minorities, indigenous and native peoples and those living with special needs. Equality recognizes the relevance in contribution by both genders and is aligned with the fundamental principles of good corporate governance. Diversity (i) promotes the inclusion of different perspectives, backgrounds and ideas, (ii) mitigates against singular or traditional analyses and reviews, and (iii) ensures that BIC has the opportunity to benefit from all available talents, perspectives and cultures knowledgeable within BIC's focus for sustainable technologies. The promotion of a diverse and inclusive Board makes prudent sense and will make for better governance and a stronger BIC.

BIC believes in following a recruitment and formal nomination process in a transparent and accountable manner while striving to meet the target composition goals of the board, within the time frames selected, and with the appropriate focus on diversity, culture, skills, experience and geographic backgrounds. Barriers obstructing fulfillment of diversity, equality and inclusion objectives will be identified and addressed.

BIC requires all Board members to:

- Commit to adhere to BIC's vision and mission and principles of public service
- Act with honesty and integrity
- Understand a director's role and fiduciary duties and the role of the Board
- Think strategically
- Work as part of a team

- Communicate effectively
- Have, or commit to acquire, financial literacy appropriate for BIC’s scope of activities
- Be willing to devote the time and effort required to be an effective Board member including attendance at Board orientation, Board retreats, Board meetings, committee meetings, and organization events
- Be free of and avoid conflicts that would impede a director’s ability to fulfill his or her fiduciary duties from time to time.

3. APPLICATION

This policy applies to all directors elected to the Board in accordance with the articles and by-laws of BIC, and further aligns with employment and recruitment policies within BIC generally.

4. COMPOSITION OF THE BOARD

The Board shall consist of the number of directors as fixed from time to time by the members of BIC, with the objectives of significant, regional representation of established and emerging corporations, representation by industry stakeholders along the (sustainable) chemistry value chain and individuals from diverse backgrounds representative of the designated groups and as applicable within the skills sets required for BIC Board status, as have been highlighted under Schedules “A” and “B”.

BIC seeks to encourage and maintain a Board comprised of talented and dedicated directors with a diverse mix of expertise, experience, skills and backgrounds, with rotation of members from time to time to effectively manage term limits to effect a Board composition reflecting diversity, equality and inclusion. Evolution of the Board needs to recognize the transitioning of members in order to accommodate the implementation of diversity, equality and inclusion within a reasonable time frame. The skills and backgrounds collectively represented on the Board should reflect the diverse and inclusive nature of the Canadian social environment in which BIC operates, including relevant small to medium enterprises; feedstock industries and industry segments along the chemistry value chain; and research institutions. For purposes of Board composition, diversity includes, but is not limited to, skills, business experience, current activity in the sector, representation from established businesses, representation from emerging businesses, education and expertise; equally significant for recognition of diversity and inclusion in Board representation are age, gender, religion, language, sexual orientation, culture, ethnicity and indigenous status.

These general principles need to reflect not only BIC’s expectations, but also reflect changes and the evolution within the Canadian social mosaic of multi-culturalism and those impacted by the initiatives of diversity, equality and inclusion. In particular, BIC is committed to having a balanced board, representing gender parity together with significant representation of the other designated groups; for example, the expansion of prospective candidates comparable to suggestions of the “50 – 30 Challenge Initiative” introduced in early 2021 by the Government of Canada and similar initiatives, subject, nonetheless, to identification and selection of candidates with appropriate skills.

5. **PROCESS FOR NOMINATIONS**

(a) Nominations Subcommittee

The Board shall establish a nominations subcommittee for the purpose of assisting with the nomination process (the “Nominations Subcommittee”).

The size and composition of the Nominations Subcommittee shall be determined by the Board from time to time.

The Nominations Subcommittee shall:

- Determine the number of Board vacancies to be filled each year, which shall include those current terms as expiring as well as those members who have fulfilled the term limits as set out under the By laws, with consideration for limiting the number of consecutive three (3) year terms that may be served by a director.
- Identify strategic needs, skills and respective diversity, equality and inclusion criteria to complement the Board on an annual basis;
- Establish a call for nominations as required;
- Develop an information package for potential candidates, and a screening tool for new member selection; and
- Develop and deploy an outreach strategy to recruit new Board members in accordance with this Policy.

(b) Identifying and Selecting Candidates

When identifying and selecting candidates for appointment to the Board, the Nomination Subcommittee shall:

- Adhere to the guiding principles and the desired composition of the board;
- Establish a broad candidate pool through a variety of communication strategies;
- Request potential candidates to provide an appropriate application package;
- Ensure short-lists identifying potential candidates meet the specific needs of the Board;
- Interview candidates using a consistent process; and
- Recommend candidates for election to the Board to the members of the Corporation prior to the annual meeting.

6. MONITORING PROGRESS

On an annual basis, the Nomination Committee will (i) assess the effectiveness of the nomination process at achieving the BIC’s diversity objectives; and (ii) consider and, if determined advisable, adopt measurable objectives for achieving the Board’s diversity mandate.

At any given time the Board may seek to adjust one or more objectives concerning Board diversity and measure progress accordingly.

7. AMENDMENT

The Board may amend this policy at any time.

Issue Date:	October 18, 2018	Authorized By:	Board of Directors
Review:	Tri-Annually		
Revised Date:	June ___, 2021		

The foregoing Policy has been confirmed by the Board of Directors as at June ___, 2021, as confirmed by:

James Grey
Chair of the Board

Schedule A
Board of Directors' Skills Matrix

List any key Board requirements for next three to five years – for example, construction and project management skills, if BIC will be completing a capital project. Consider extent to which backgrounds, culture, etc. can be ascertained.

		Knowledge, Skills and Experience																				
		Please indicate your knowledge, skills, and experience for each category																				
		Advance = 3	Intermediate = 2	Beginner = 1														None = 0				
Board Members	Name	Years on Board	Accounting	Board & Governance	Business Management	Marketing & Sales	Project Management	Diversity Issues	Operations and Manufacturing / Technical Expertise	Ethics	Finance / Investment Management / Fundraising	Government & Community Relations	Human Resources / Labour Relations / Performance Management	Strategic Planning	Research and Development	Legal / Regulatory Affairs	Political Acumen	Public Affairs, Communications and Stakeholder Engagement	Quality & Environmental Assessment	Information Systems / IT	Commercialization	
Total Rating																						

Schedule B

1. Skills, Experience and Knowledge

The Board will reflect a complementary mixture of skills, experience and knowledge. The skills, experience and knowledge the Board will consider in selecting directors include the following:

- *Feedstocks:*
 - Agricultural industry and agricultural biomass
 - Forestry industry and woody biomass
 - Waste management (recovery, recycle and reuse)
 - Petrochemicals (oil, natural gas and shale gas/shale gas liquids)
 - Aquaculture/ algae
- *Industry Segments along the Chemistry Value Chain:*
 - Fuels industry
 - Primary chemicals industry
 - Polymers and chemistry industry
 - Biochemistry industry
 - Advanced materials industry including finished products and composites
 - Advanced manufacturing industry with a focus on automotive, aerospace and consumer products
- *Government and Regions:*
 - Regional economic development and municipal political landscape
 - Federal government and political landscape in Ottawa
 - Regions across Canada including the political landscape in the Provinces. Regional priorities include:
 - i. British Columbia,
 - ii. Alberta,
 - iii. Prairies (Saskatchewan/Manitoba),
 - iv. Ontario,
 - v. Quebec, and
 - vi. The Maritimes
- *Professions:*
 - Private sector research
 - Farming, forestry, aquatic management
 - Research with academic institutions (colleges and universities)
 - Technology piloting, demonstration and scale-up to commercialization
 - Operations and manufacturing
 - Environmental impact assessment
 - Executive leadership within large multinational corporations
 - Finance and accounting, chartered accountant
 - Market development / marketing and sales
 - Governance within non-profit organizations
 - Entrepreneurship and successful start-up companies

- Investment banking, venture capital and angel investing
- Leadership in SME's
- Project Management
- Taxation and law
- *Ethical, legal and social implications*
 - Sustainability
 - Corporate Social Responsibility