

INTELLECTUAL PROPERTY POLICY

Having regard to the Mission Statement, Vision Statement and Objectives of BIC, it is critical that the corporation have a policy with respect to development, management and ownership of intellectual property rights that arise throughout the investment process and assistance as provided to its investee companies. Such policy is also relevant for compliance with federal funding agencies which financially support BIC activities. For reference purposes, BIC's statements of Mission, Vision and Objectives are restated:

MISSION STATEMENT

Bioindustrial Innovation Canada provides critical investment, advice and services to business developers of clean, green and sustainable technologies. Our expertise in commercialization builds a stronger Canada.

VISION STATEMENT

To create jobs and economic value sustainably for Canada

OBJECTIVES/STRATEGIC PLAN

As a business accelerator with national board of director representation, BIC provides a sustainable organization to assist in the development of clean, green and sustainable technologies to support the commercialization of early stage companies while nurturing research and development of new emerging concepts that will be the next generation of start-up companies. BIC has executed on this two-pronged strategy through investments in companies in early stage and later stage development of their technologies.

While these initiatives are currently supported through equity investments from the Sustainable Chemistry Alliance Investment Fund which includes government financial support, BIC continues to pursue its longer term mandate for its sustainability and financial independence through successful exit strategies of its investee companies.

BIC's ROLE IN AND POLICY FOR INTELLECTUAL PROPERTY

- It is not the intention nor policy of BIC to take an ownership interest in or to intellectual property – its mission and mandate are to promote exploitation of intellectual property assets by those early stage and developing companies through the companies' use, application and commercialization of new technologies, software and patents, and where possible, synergize such applications through complementary uses.
- As part of BIC's due diligence efforts in selecting investment opportunities, a review of the status of existing and pending intellectual property assets relied upon or utilized by the investee company is undertaken to identify potential opportunities and applications that may co-exist with and possibly enhance other investments made by BIC, subject to the confidentiality requirements provided to any of the parties involved.
- The efforts to value the intellectual property assets serve an additional purpose for secured, convertible debt initiatives. BIC structures the investment to hold a registrable, security interest in such assets, which minimizes its risk and enhances its recovery options in instances where enforcement of the indebtedness becomes necessary.
- Realization on the security interest is intended to monetize the inherent, commercial value associated with such intellectual property, with either a comparable/competitive entity or with applications in complementary fields of use, in either instance providing a (partial) recovery of BIC's investment.

This framework of BIC also aligns with the current focus of the federal government and its various departments, including an initiative which seeks to maximize the efficacy of existing and often under-utilized intellectual property through synergistic relationships between industry, colleges, universities and research institutions, to target best practices in the ownership, utilization and exploitation of intellectual property. The expectation of this federal initiative is to work with small to medium enterprises to create awareness of and availability for a wide range of applications, and BIC's focus on intellectual property applications will play a critical and underlying role in advancing this mandate in the foreseeable future. As a federal initiative, BIC can potentially expand its impact and performance of policy objectives through complementary, synergistic relationships on a national basis.

Without taking an ownership interest in IP assets of its investee companies, BIC can identify additional opportunities and extend the breadth of complementary uses of intellectual property to encourage expansion within both similar and distinct fields of use, without compromising existing relationships or creating conflict of interest concerns within its investment strategy.