

PROGRAM GUIDE



**PROTEIN
INDUSTRIES
CANADA**

GETTING STARTED

If you are working in the agriculture, food or feed processing, precision agriculture, data technology or any other industry that can contribute to the growth of the value-added processing sector and have great idea or creative solution to help secure Canada's position as a global leader in the production of plant protein – this is the place to start!

Protein Industries Canada (PIC) is an industry-led, not-for-profit organization created to position Canada as a global source of high-quality plant protein and plant-based co-products. We are one of Canada's five Innovation Superclusters.

PIC will work with industry partners to create co-investment projects that have the potential to transform the agriculture and food production sector, allowing Canada to secure its position as a global leader in the production of plant-based products and co-products.

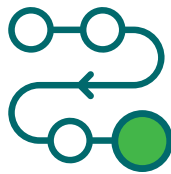
PIC Will Invest in Projects Within One of Four Main Areas



CREATE



GROW



MAKE



SELL

THE CREATION OF A SUPERCLUSTER

PROTEIN INDUSTRIES CANADA

The Innovation Supercluster Initiative (ISI) is an exciting strategy created by the Government of Canada, which aims at driving commercially successful innovation, fostering growth and creating jobs across Canada. Over the next four years, up to \$950 million will be invested into small and medium enterprises and larger companies, establishing Canada as a global leader in five industry sectors: Digital Technology, Plant Protein, Advanced Manufacturing, AI-Powered Supply Chains, and Oceans.

The Innovation Superclusters Program Guide lists five themes of activity eligible for Innovation Supercluster Initiative funding:

TECHNOLOGY LEADERSHIP

Activities in this area include advancing platform technologies central to future competitiveness and building a technology advantage for the Supercluster.

Activities in this area may include:

- Collaborative technology leadership projects that enhance the productivity, performance and competitiveness of Members (such as collaborative R&D projects);
- Demonstration or prototype development projects with benefits for multiple firms;
- Development of production methods and processes involving industry and academic partners;
- Private sector-led commercialization projects.

PARTNERSHIPS FOR SCALE

Activities in this area include projects that serve a target group of Members to support their growth, including increased domestic demand for Supercluster products and services or by facilitating expansion.

Activities in this area may include:

- Linking start-ups with strategic partners;
- Offering business mentoring, consulting and coaching;
- Supply chain development or integration efforts for Supercluster SMEs with local anchor firms;
- Working with public entities that provide access to capital and financing.

DIVERSE AND SKILLED TALENT POOLS

Activities in this area include projects that involve industry in the enhancement of regional labour force skills and capabilities or address industry talent needs.

Examples of projects may include:

- A recruitment campaign to repatriate Canadian talent to the Supercluster;
- Development of curricula linked to industry's needs and workforce integration programs for students;
- Development and promotion of specialized certifications in areas of technology leadership;
- Retraining programs for existing workforce;
- Assessment of industry workforce's current or anticipated needs;
- Building awareness of industry demand for skilled talent across stakeholder groups.

ACCESS TO INNOVATION

Activities in this area may include:

- Projects that provide a benefit to a range of Members through investments in assets, services or resources;
- Support for access to specialized technical services;
- Installation of and access to dedicated laboratory or cutting-edge equipment;
- Acquisition and assertion of jointly held intellectual property.

GLOBAL ADVANTAGE

Activities in this area include projects that position the Supercluster as world-leading in its field, enabling firms to seize market opportunities and attract international investments and partnerships.

Activities in this area may include:

- Supercluster promotion;
- Investment attraction to the general region of the Supercluster;
- Studies to identify new global markets for Supercluster products and services;
- Participation in or leadership of trade missions to key markets;
- Development of regulatory or policy proposals to enhance technological advantage;
- The development and promotion of new international standards that incorporate the Canadian approach.

WHAT IS A SUPERCLUSTER?

Clustering is the concept of working together — sometimes with unconventional partners, or with a company that is elsewhere on the value chain — to enhance innovation, leading to new discoveries or overcoming challenges. For example, it could be collaborating on research on yellow pea protein content that leads to improved processing efficiency, using data to improve on-farm decision making, to make use of the starch and other co-products that result from fractionation as food ingredients, or to produce products such as adhesives or food packaging materials. By working together, risk is shared, strengths are leveraged, and innovation is accelerated.

The supercluster initiative is more than just investing money; it is about doing business differently — leveraging strengths to drive innovation, overcome barriers and explore new opportunities.

COLLABORATION ACCELERATES INNOVATION

WHY PLANT PROTEIN?

Western Canada is already known as an agricultural powerhouse. With more than 28 million hectares of arable land, accounting for more than 85 per cent of Canada's production base, Western Canada knows how to grow food and feed. And demand is increasing. By 2050, global food demand is expected to rise by 70 per cent as the world will see three billion more middle-class consumers — mostly in Asia — whose diets are shifting to include more protein.

Think about it this way: the world will need to produce as much food in the next 45 years as in the previous 10,000 years. Add that to shifting consumer trends — a move to more plant protein, consumers adopting a flexitarian diet, a growing demand for food to be produced sustainably, and increased demand for higher protein livestock feed, pet food and aquaculture feed — and it's apparent that the opportunities around plant protein are almost endless.

The global plant-based protein market is estimated at more than \$8B USD and is expected to reach \$15B USD by 2023, with an expected compound annual growth rate of 5.9 per cent. Over the next five years, human consumption of plant-based protein is projected to nearly double.

Western Canada is uniquely positioned to meet this need. We already grow the crops, but we also need to add more value to our primary production here at home. We need to leverage our strengths from across the value chain to produce new ingredients and new products. This will allow us to grow our markets — both in Canada and internationally — strengthening our economy, creating more jobs and growing Canadian businesses.

ABOUT PROTEIN INDUSTRIES CANADA

Our Vision is to position Canada as a leading global source of sustainable, high-quality plant protein and plant-based co-products, while substantially contributing to Canada's economic growth and international trade.

Our Mission is to inspire innovation and support collaboration to transform Canada's agriculture and food processing sectors.

Industry-driven

Protein Industries Canada is an industry-led, not-for-profit, value-chain consortium created to position Canada as a global source of high-quality plant protein and plant-based co-products. Protein Industries Canada will build on Canada's strengths to substantially increase global market share in novel protein (and co-product) fractions, ingredients, food and feed products, and technologies, contributing to Canada's economic growth and international trade balance. This will occur by mobilizing and enhancing Canada's agri-food innovation capacity in support of industry driven market priorities and needs.

Specific priorities, opportunities, gaps, projects and consortiums will be identified, created and driven by SMEs with involvement from universities, private research institutions, multi-national businesses and sector organizations.

All projects must be aligned with the objectives of Protein Industries Canada and the Innovation Supercluster Initiative. Protein Industries Canada responsibility is to support industry with resources, processes and protocols to ensure that funding is invested in a fair and transparent manner and that projects have access to the tools and supports they need, and to build capacity within the ecosystem.

Expected outcomes from the Supercluster include a new range of plant-derived foods, ingredients and feedstuffs of superior quality that can demand market premiums. Any project must directly contribute to the increased production of high-protein crops and the creation of plant-protein based ingredients and products.

Canada has an advantage in the fact that we produce unique, high-protein crops, specifically canola and pulses, and we can quickly adapt and scale new high protein crops. Our sustained advantage comes when we have continued access to the global market with products that come from these crops.

Co-investment

The Supercluster has been funded by the Government of Canada, via the Department of Innovation, Science, and Economic Development. Most of this funding will be co-invested into selected technology projects. The term "co-investment" refers to the fact that project consortia are required to also invest in the projects that they are proposing. PIC will invest up to 50 per cent of eligible costs of approved projects, through the amount the Supercluster invests in each project will depend on the proposed scope and impact.

AREAS OF INVESTMENT

Protein Industries Canada's value chain approach to innovation will lead to increased production and processing, new and expanded export markets, scaling of agriculture business, new training and employment opportunities, and growth in the Canadian economy.

Its objectives will be achieved through investment across four main program areas (pillars):



Create

Will focus on advanced breeding technologies and germplasm development. Investments will focus on improvements to protein content, quality and functionality with an aim to improve processing efficiency and the development of novel food ingredients.



Grow

Concentrates efforts on primary production and sustainability objectives using technologies related to data and predictive analytics, artificial intelligence, automation, and sensor technology to increase production efficiency, including nutrient and water use, as well as soil carbon sequestration and enhanced photosynthesis. These efforts will reduce cost, improve sustainability and increase understanding of the effects of production practices on protein quality and quantity.



Make

Is centred on improving processing by enhancing current processes or developing new technologies to increase efficiency, decrease energy consumption or develop entirely new products from existing commodities. Improvements in this area will allow companies to scale, attract investment into the sector and help meet the need for product consistency in both supply and quality.



Sell

Focuses on the development of new markets in the human, livestock, aquaculture and pet food sectors and serving these markets more effectively with improved logistics and traceability. This pillar builds on Canada's brand advantage as a food and ingredient supplier to better position SMEs to take advantage of the increased demand for plant proteins. This includes pre-competitive research, prototyping and testing, improved trade relationships and trade literacy. Investments will connect small and medium sized enterprises with multinational food and ingredient manufacturers and branded food companies through improved supply chains.

PIC will invest more than a \$150 million over four years. The funding will be split 20/20/40/20 between the four pillars.

TURNING AN IDEA INTO A PROJECT

Protein Industries Canada will co-invest in collaborative consortia that leverage strengths, address gaps and incent innovation across the value chain. Chosen projects will align to the four priority areas (create, grow, make and sell) and will demonstrate impact up or down the value stream.

The Supercluster's contribution, both in magnitude and in proportion, to an approved project will be determined by how, and the extent to which, project outcomes are aligned with its program areas and ISI themes, and the potential for transformation.

Projects can be both solicited and unsolicited. There may be instances when Protein Industries Canada issues a specific call for projects to fill an identified gap; however, members are encouraged to put forth projects at any time that are aligned with and contribute to the objectives of advancing the processing of plant protein.

Protein Industries Canada staff are available to support project consortia throughout the project proposal development process.

Eligibility

For a project to be considered eligible for investment, it must:

1. Be submitted by a consortium of at minimum two (2) PIC members, at least one of which is a Small or Medium Enterprise (SME) as defined by Statistics Canada as a business with 499 or fewer employees and less than \$50 million in gross revenues.
2. A consortium may include one academic or research institution. This is not mandatory, but is encouraged.
3. Two industry members are minimum for a consortium, but more are encouraged.
4. Each member of the consortium must contribute to the project in a meaningful way.
5. At least two members of the consortium must contribute financially to the project, investing in total together, at least 50 per cent of the total cost of the project. PIC generally will not fund projects at more than 50 per cent of eligible costs.
 - It will be up to the consortium members to determine the amount and nature of their respective contributions. The contribution of each consortium member does not need to be equal, but in total must make up at least 50 per cent of eligible project costs.
 - In-kind contributions from industry partners can account for up to 25 per cent of industry matching funds. In-kind contributions will be valued at fair market value.
6. All partners must be Canadian companies, or multi-national corporations who are legally entitled to do business in Canada with a significant Canadian business operation.
7. The project must be aligned with the objectives of PIC and the Innovation Supercluster Initiative.
8. All Projects are required to pay a project management fee to PIC. This fee will be four per cent of the total project cost.
9. The initiative must be incremental to the regular business of the participating organizations, meaning that the project:
 - Is not approved nor in progress and that financial commitments to it are distinct from investments that would have otherwise occurred;
 - Would not be possible without the participation of consortium partners;
 - Is new or would not be undertaken at the same scope or scale without the co-investment provided by the Supercluster.

What is meant when it says each member of the consortium must contribute in a “meaningful way”?

It is intended that every member of the consortium brings something to the table — usually financial, but it could also be background IP, experience in a certain market, research capabilities, a complementary business, etc. It is expected that each member will actively contribute to the project.

What is Meant by “Member?”

“Member” refers to a company or organization who has purchased their annual membership with Protein Industries Canada and are considered a member in good standing. There are two classes of membership: Industry Member and Non-Voting Members.

INDUSTRY MEMBER

Includes all Canadian or Canadian subsidiaries of for-profit businesses whose primary business is agriculture and/or agri-food industry or provides financial investment or services to the industry. Industry members are eligible to submit a project application and be a part of a project consortia.

NON-VOTING MEMBERS

Includes governments, associations, economic development organizations, business accelerators, not-for-profit entities, universities, colleges, research/technology centres, and other professional firms, banks, consultants. Non-Voting Members may be a part of a project consortia and contribute to a project but cannot be the lead applicant. Their contribution cannot contribute to the industry contribution of a project.

How Much Money is Each Project Eligible to Receive?

There is no set maximum that a project can receive, though PIC will generally not fund more than 50 per cent of eligible costs and will not fund more than the industry portion.

Projects can be submitted as multi-year projects, with the expected annual expenses broken down by year in the proposed budget.

PIC will reimburse consortia their portion of the investment once proof of eligible expenses have been submitted and reviewed. PIC may advance up to 25 per cent of the total project cost, up to a maximum of \$500,000 at the start of the project to the consortia to assist in initial costs. This advance counts towards PICs total contribution.

1. Eligible and Ineligible Costs

All eligible project expenses incurred prior to the signing of the Master Project Agreement (MPA) are not eligible for PIC reimbursement. All eligible project expenses must be recorded net of all taxes. This list includes but is not limited to GST, HST, PST, hotel taxes, airport taxes, tourism taxes and all foreign taxes.

Eligible Project Costs: Eligible Project Costs are defined as project costs that are directly related to a project and are eligible for reimbursement by PIC.

Labour Costs: Labour costs can be claimed as an eligible project expense for existing or new employees who are working directly on the project. Labour costs are calculated by multiplying the hourly rate by the number of hours the employee worked on the project.

Sub-contractors & Consultants: Sub-contractors and consultants required to complete work that is essential to the success of the project and for expertise or skills that do not exist within the project team are eligible project expenses. All costs must be claimed at Fair Market Value, must be in line with industry practices and charged at an hourly rate

Capital Equipment & Facilities: Capital costs related to equipment and facilities that can be directly linked the project and are vital for the success of the project are eligible project costs.

Equipment & Facility Costs: Rental costs, operation, and maintenance costs for equipment that can be directly associated to the project using an activity such as machine hours or number of days are eligible project expenses. Financing costs, administration and interest costs related to rental or lease of equipment are ineligible costs.

Materials & Supplies: Materials and supplies are claimed as eligible project expenses when the materials are consumed not when the materials are purchased.

Room or Facility Rentals: Costs for room or facility rentals that are separately dedicated to the project are eligible project costs

Travel: Travel costs that are incurred exclusively for the project are eligible project expenses.

Intellectual Property Costs: Reasonable intellectual property costs with a direct link to project activities and technologies are eligible costs

OTHER DIRECT PROJECT COSTS

Service Fees, Subscription & License Fees: Service fees, subscription and license fees that are specifically required for the project are eligible project expenses.

Conference Costs: Conference costs such as facility rental and telecommunication expenses can be considered eligible project expenses if the expenses are directly related to the project.

Market Studies and Research: Costs for market studies and research paid to a university or research facility are eligible project costs. Payments made to federal entities such as NRC are unfunded eligible project costs.

In-Kind Project Costs: In-kind project costs are eligible project expenses in any category that are not cash paid project expenses. In-kind project costs must be claimed at Fair Market Value and cannot include an allocation for overhead or administration expenses.

Foreign Project Costs: Foreign project costs for activities that occur outside of Canada must be pre-approved by PIC.

2. Unfunded Eligible Project Costs

Unfunded Eligible Project Costs are defined as eligible project costs that are not eligible for reimbursement by PIC.

Unfunded eligible costs include:

- Infrastructure costs (construction, repair and maintenance) that are directly related to the project;
- Expenses related to construction or the purchase of a building or land that haven't been approved by PIC in advance;
- Payments to federal entities such as the National Research Council;
- Any eligible project costs incurred before the date that the Master Project Agreement is signed by all parties.

3. Ineligible Project Costs

Ineligible Project Costs are defined as costs that are ineligible and must be excluded from the project costs and calculations.

Ineligible costs include:

- Capital, infrastructure or equipment costs that are unrelated to the project objects;
- Expenses related to construction or the purchase of a building or land except as outlined in the unfunded eligible project expense section;
- Fines and penalties;
- Provision for contingencies;
- Losses on investments, other projects, contracts, bad debts or expenses for collection charges;
- Federal and provincial income taxes, federal and provincial consumption taxes, excess profit taxes, airport taxes, tourism taxes, foreign taxes;
- Expenses and depreciation of excess facilities and assets;
- Depreciation of assets funded by PIC;
- Honoria, gifts, donation expenses, entertainment expenses and alcoholic beverages;
- Dues and memberships that are not direct project expenses;
- Extraordinary or abnormal fees for professional advice unless PIC's approval is obtained prior to incurring the cost;
- Discretionary health, dental, life, severance and separation packages;
- Discretionary employee pension or RRSP plans;
- Employee bonuses;
- Overtime costs unless preapproved by PIC;
- Costs related to the routine administration and operations of the recipients;
- Costs related to overhead incurred by the recipients;
- Costs for which the recipient is eligible for a rebate from federal, provincial, territorial or municipal government sources;
- Legal, accounting and consulting fees in connection with litigation or financial reorganization.

THE PROJECT PROCESS

The project application process is made up of three parts:



The Project Eligibility Form



The Expression of Interest (EOI)



The Project Proposal

We're here to help!

Protein Industries Canada has staff to help guide you throughout the Project Application Process. We will work in-step with consortia's through the project application process, from helping you understand if your project is eligible, identifying potential other partners you may want to work with, support in developing the EOI, working through IP, data and commercialization strategies and more. Our job is to help projects be successful.

Before you Start

THE PROJECT ELIGIBILITY FORM

The Project Eligibility Form is a quick check that should be completed prior to starting the EOI process. It outlines what is necessary in order to submit a project, as well as what is expected and necessary from project applicants. The form can be found on the Protein Industries Canada website and is a self-guided questionnaire that can help start the conversation with PIC.

Our Regional Program Specialists can help guide you through the process and answer any questions you may have. The Project Eligibility Form will help project partners understand project requirements, ask questions and be comfortable with the process before beginning the EOI process.

EXPRESSION OF INTEREST (EOI)

Once you have worked through the Project Eligibility Form, the next step is the Expression of Interest (EOI). Each project should only have one application and consortia members must work together. The EOI template is available on the Protein Industries Canada website. It is a maximum of 10 pages, that:

- Identifies the members of the consortium, and their contributions (financial and otherwise) to the proposed initiative;
- Describes the challenge or opportunity the project will address;
- Provides a brief description of the proposed work plan's major activities;
- Identifies the expected investment from PIC and the matching industry contribution;
- Describes the anticipated outcomes of the initiative and their alignment with the objectives of the ISI and at least one of PIC's four pillars;
- Describes, in high-level terms, any possible IP or data created;
- Identifies risks and barriers that may impact the project being completed as planned.

PIC's Regional Program Specialists and IP Manager are available to provide support and assist in the development of the EOI as necessary. The EOI is an iterative process – with feedback provided by Regional Program Specialists as requested by the consortia. Once the EOI is finalized, it is submitted through the member portal portion of www.proteinindustriescanada.ca.

All EOIs will be reviewed, with the results communicated within four weeks of the EOI submission deadline.

There are three possible results of an EOI evaluation:

1. Approve. The consortium is invited to submit a full Project Proposal.
2. Conditional Invite. The project is aligned with Protein Industries Canada and ISI objectives, but may require additional information, or some changes. Once the requests for changes or additional information is met, the project will proceed to a full Project Proposal. A consortium may choose not to proceed if they do not agree with the requested changes.
3. Denied. The project is not aligned with Protein Industries Canada and ISI objectives or does not meet eligibility criteria. The project will not be considered in its current form.

Project Proposals

Once a project is approved it proceeds to the full Project Proposal phase. Successful applicants will be notified by email and will be invited to attend a kick-off meeting held via conference call.

PROJECT PROPOSAL

Once an EOI has been approved it moves to a full Project Proposal. A consortium has up to 60 days to submit a full Project Proposal. The 60 days starts after the initial “kick off” meeting with Protein Industries Canada. The Project Proposal may be submitted via the member portal on www.proteinindustriescanada.ca at any time during the 60-day window. Projects will be evaluated as they are submitted. There is no need to wait until the end of the 60-day window to submit the full project proposal.

Once you reach the full Project Proposal phase, Protein Industries Canada will ask every member of the consortium for at minimum, the last two years of accountant-prepared financial statements and their current organizational structure. Additional information may also be requested to substantiate the Project Proposal.

Proposals will be prepared using the provided Word and Excel templates. The Word template will not exceed 40 pages. Both parts of the application must be completed for a project to be evaluated. The proposal will provide information in greater detail than for the EOI. Specifically, the proposal will include:

- A descriptive title for the project;
- Contact information for all members of the consortium;
- A one-page summary of the project, understandable by non-experts that can be published if the project is approved;
- Detailed descriptions of the problem, gap or opportunity to be addressed by the project and the outcomes anticipated, including metrics;
- A detailed project work plan including milestones, by year;
- A description of the partners and the role of each in the project;
- A detailed project budget, by activity and by year, with justifications;
- Project management strategy;
- Financial information for each industry partner;
- An Intellectual Property Rationale;
- A data management plan;
- A strategy for commercialization of project outcomes;
- Identification of significant risks and barriers to successful completion of the project and a mitigation plan;
- Additional information at the discretion of the applicant; and
- Declaration of membership in PIC, financial commitment to the project, willingness to share the proposal with other funding agencies, of being a Canadian company or a multi-national with a significant Canadian operation, incrementality of research and development expenditures.

Intellectual Property (IP)

INTELLECTUAL PROPERTY

The diffusion of IP is a cornerstone to innovation and the Supercluster project. Protein Industries Canada recognizes that IP is an important topic for consortia members. That's why we have an IP Manager on staff to help consortia develop their IP strategy.

The project consortium is responsible for creating an IP Rationale for the project. An IP Rationale includes a description of background and anticipated foreground IP, and ownership, licensing and commercialization strategies that will enable diffusion of foreground IP to the ecosystem. Protein Industries Canada's IP Manager or a member of the Supercluster staff is available to assist in the completion of an IP Rationale. The IP Rationale submitted as part of a Project Proposal will be included as Schedule A in the Master Project Agreement. It is expected that project teams create a strong, collaborative IP rationale.

BACKGROUND IP

To facilitate the successful implementation of Eligible Projects, project participants commit to enter negotiations with other Consortium Members, on request, for access on a non-exclusive basis, to background IP where such access is required for the completion of the Project. In establishing any license for background IP, project participants shall consider the extent to which background IP is required to make or use foreground IP from the project and ensure appropriate licenses are in place based on fair, reasonable and non-discriminatory terms which could include royalty-free arrangements. Project Participants shall own and control the use of their background IP. Project Participants may have restrictions on the use of their background IP, including but not limited to restrictions on sublicensing, reverse engineering, decompiling, and disassembly.

EXPECTED FOREGROUND IP

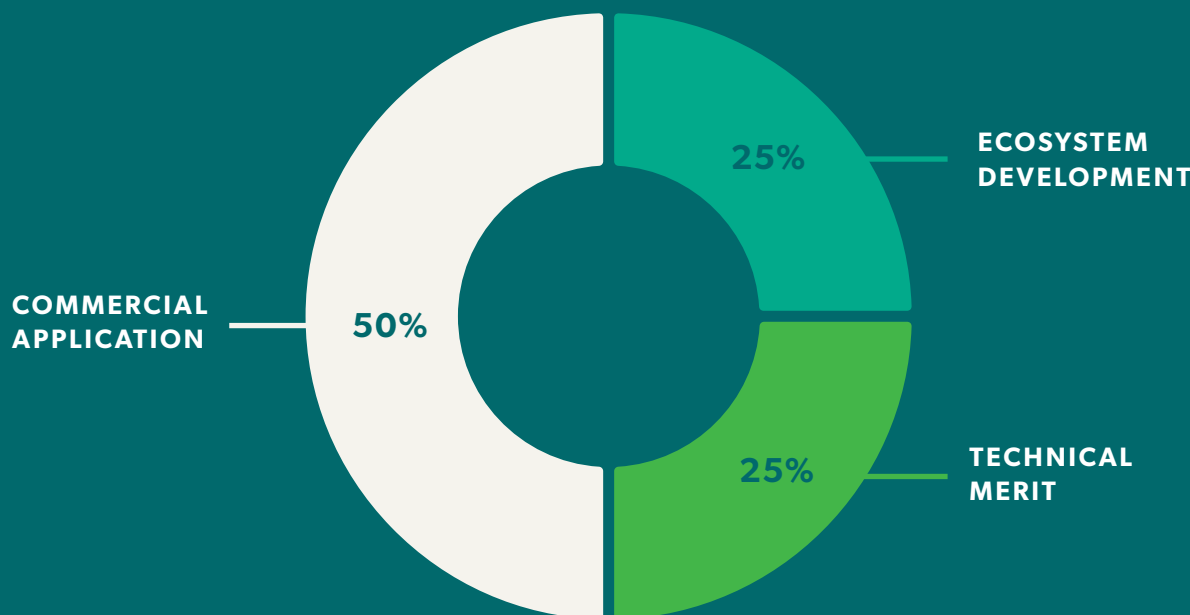
Consortium members will explore potential forms of IP protection including Copyright, trademarks, Plant Breeders' Rights and patent protection for foreground IP on a case by case basis. Consortium members are encouraged to consider anticipated improvements to background intellectual property when documenting expected foreground intellectual property.

ECOSYSTEM DIFFUSION

Consortium members are required to describe the upstream or downstream benefits of project foreground IP as they relate to the four pillars of the Protein Industries Canada program. As part of the IP Rationale, consortium members will define how they will create access opportunities to project technology and foreground IP for Protein Industries Canada members outside of the project consortium. Outside members with interest in project foreground IP may be customers or users of the technology, delivery partners for the technology, or researchers who will further development of the technology. Members of Protein Industries Canada are expected to enter into discussions on licensing, but there is no requirement to enter into a commercial relationship for foreground IP.

SCORING OF PROJECT PROPOSALS

All projects are evaluated by the Eligible Projects Selection Committee. Input from additional technical experts appropriate to the project will also be considered. Projects will be scored against criteria that align under three main areas, Ecosystem Development, Technical Merit and Commercial Application.



■ ECOSYSTEM DEVELOPMENT — 25%

The project will help build capacity amongst consortia partners and the larger industry by displaying:

- Meaningful collaboration between SMEs and private, academic and public sector organizations to strengthen collective capabilities and knowledge;
- The development of skills and capacities of project personnel;
- The employment of a diverse workforce to increase the participation and capacity of under-represented groups.

■ TECHNICAL MERIT — 25%

The project has strong scientific merit demonstrated by:

- Technical feasibility;
- A research plan that can achieve the stated objectives;
- A strong consortium of members each contributing in a meaningful way;
- Identifying and managing risks;
- Resolving an issue of technical uncertainty, resulting in new knowledge.

■ COMMERCIAL APPLICATION — 50%

The project will have positive and lasting economic impact on the agriculture, food and feed sectors, by:

- Creating new companies, products, processes, services and employment opportunities;
- Supporting firms to scale, integrate into global value chains, transition to high-value activities and become global market leaders;
- Developing new markets or expanding of existing markets;
- Supporting the development of a Canadian brand in domestic and international markets;
- The sharing of results from PIC-invested projects to help stimulate learnings and innovations across the value chain;
- Creating opportunities for project participants and supercluster members not participating in the proposed project, to access anticipated foreground intellectual property arising from the project.

All Project Proposals will be evaluated within 10 weeks of being received.

Protein Industries Canada will work to review the projects as quickly as possible within the evaluation process, taking the time necessary to complete our due diligence.

There are three possible results of a project evaluation:

1. Approved as is
2. Conditional Approval
3. Rejected

THE ELIGIBLE PROJECT SELECTION COMMITTEE

The Eligible Project Selection Committee includes four independent industry experts plus Protein Industries Canada CEO and Chief Technology Officer. The Eligible Project Selection Committee evaluates and makes the final decision regarding co-investment into a project. The Eligible Project Selection Committee may approve the project as is, deny a project, approve with conditions or requests for further information, or approve only a portion or specific aspect of the project.

At no time prior to, during, or following a project evaluation, may a member of a consortium attempt to influence or have a conversation about their project with any member of the Eligible Project Selection Committee. Doing so may result in the project being disqualified.



TOGETHER, WE WILL BUILD
A SHARED COMPETITIVE
ADVANTAGE FOR CANADA.

OPPORTUNITY TO PRESENT TO THE ELIGIBLE PROJECT SELECTION COMMITTEE

Consortiums whose proposed project requests a co-investment of \$5 million or more from Protein Industries Canada, may be requested to be available to the Eligible Project Selection Committee to answer questions, provide clarification or further information. In most cases this will be completed via video-conference.

Congratulations — your project is approved.

Now what?

Once your project is approved, PIC will work with the members of the consortia to sign a Master Project Agreement (MPA). The MPA is a contract that all members of the consortia must sign before project expenses can be incurred.

The MPA is the legal framework for the execution of the project amongst the consortium and will include detailed statements of work, budgets, project plans and key milestones. The IP, data and commercialization plans included in the Project Proposal are attached to the MPA as schedules. Protein Industries Canada is a signatory to the agreement as a co-investor.

Once the MPA is signed, work can begin!

APPENDIX

Potential areas of innovation focus, by PIC program area (pillar).

Create

Creation of high-quality protein germplasm from Canadian crops.

Potential areas of focus for this pillar can include:

- Improvements in genetics for seed protein and nutrient content, nutritional quality and processing attributes through genomic and proteomic technologies and modern gene editing and plant breeding techniques;
- Use of modern plant breeding approaches and rapid DNA sequencing technologies to speed development of germplasm with desirable protein and protein-related attributes;
- DNA sequence modification via gene editing to introduce highly specific and desirable changes in seed protein genes;
- Near-term improvements in canola and pulse protein quantity and quality;
- Technology leadership projects which focus on development of production methods and processes involving numerous industry and academic partners.

Grow

Smart Production to improve yield, quality, value and integration within the supply chain.

Potential areas of focus for this pillar can include:

- Productivity improvements via farm production data collection, analysis, and producer decision making and knowledge management systems, through advancements in the use of production-related information technology for sustainable agriculture practices and land regeneration technologies;
- Application of plant and microbial genomics technologies to enhance water and nutrient use efficiencies and improve soil health;
- Development and application of plant phenotyping and imaging technologies for improved root systems, enhanced photosynthetic efficiency, and greater carbon sequestration;
- Crop sensing, informatics, software and advanced weather systems forecasting to enhance crop management and decision making for yield improvement and disease detection from planting through harvest and storage;
- Advanced data networks, artificial intelligence (AI), machine-learning systems, robotics and autonomous farm vehicle technologies for enhanced productivity, sustainability and profitability through improved agronomic practices and AI-enabled decision support tools for growers;
- Impact assessments and mitigation strategies to cope with climate change;
- Improved crop nutrition.

Make

Novel Process Technology and Product Development for further processing of crops.

Potential areas of focus for this pillar can include:

- Process and applications research for enhancing existing methods and platforms and acceleration of new processing technologies for extraction and fractionation of protein and co-products;
- Protein functionality and bio-activity for the development of novel ingredient and food product formulation strategies;
- Novel separation technologies such as ionic liquids, sub- and supercritical fluids, Ohmic heating, pulsed electric field and other processes with significant IP opportunities;
- Processing solutions for pea, lentil and fababean starch-based sustainable and renewable industrial polymers for paper, paperboard, packaging, building and other composite materials;
- Advanced fermentation and distillation solutions for production of pea, lentil and fababean starch-based sustainable and pure beverage, denatured and specialty alcohols;
- Novel processing and fermentation solutions for production of pea, lentil and fababean starch-based amino acids, feed additives and supplements;
- Novel sustainable and clean label pulse protein extraction and isolation processes;
- Clean label, natural and eco-friendly technologies for wet fractionation processes.

Sell

Marketing and Commercialization for branding, sales and export.

Potential areas of focus for this pillar can include:

- Company-led initiatives and partnerships with government organizations and NGOs for the testing of product prototypes, branding and sale of plant protein and co-products, trade missions and other sales and marketing activities;
- Human resource development, enabling technologies related to marketing and commercialization efforts;
- Support for business-to-business global supply chain development initiatives, expansion, attraction, and fostering of industrial competitiveness;
- Investment attraction to facilitate foreign direct investment;
- Conference presentations to raise brand awareness of Canadian strengths in plant proteins and related co-product technologies and production;
- Market research and market intelligence studies.

FREQUENTLY ASKED QUESTIONS

How much money is available from PIC per project?

There is no upper limit with respect to total project costs. Generally, support from PIC will not exceed 50 per cent of eligible project costs and will not exceed total industry contributions. In-kind contributions from industry partners up to 25 per cent of industry matching funds will be considered at fair market value.

Are universities or academic institutions eligible to receive funds from PIC?

Universities and academic institutions may be a member of a consortium and receive money to do work via the project. However, universities on their own are not eligible. They must be part of a consortia along with one SME, and the research must have a commercial purpose.

How much of my project funding must come from industry?

Industry is responsible for, at minimum, 50 per cent of all eligible costs and 100 per cent of all ineligible costs. PIC will only match the industry contribution to eligible project costs, including up to 25 per cent in-kind contributions.

Who can fund a project from industry?

Organizations who can contribute to eligible costs toward the project include: any for-profit business, not-for-profit organizations that facilitate and fund research and development and whose funding is primarily received from the private sector (i.e. industry and sector organizations) and non-Federal crown corporations whose funding is derived from commercial activities.

Entities whose contributions do not qualify as industry funding include not-for-profit organizations not within the scope of those listed above, federal crown corporations, post-secondary institutions, and federal, provincial, territorial or municipal government sources. These organizations can still participate and contribute to a project; however, their funding will not be matched by PIC.

Can international companies be a part of a project?

Yes, international and multi-national companies can be part of a project, if they are legally entitled to do business in Canada and have a significant Canadian business operation. All investment into research must be spent in Canada. However, international partners are an important part of commercialization and the export of products.

For how many years will my project be funded?

Projects may be of one, two, three- or four-years duration. All work must be completed by March 31, 2023.

Will PIC fund capital items?

PIC will consider requests for capital items (equipment, instrumentation, etc.) necessary for R&D on a case-by-case basis. PIC funding for capital items will not exceed \$1 million per project.

Can PIC funds be used for training/education of employees and students?

Employee costs, including skill and capacity development are eligible costs. Employee benefits are not eligible.

Skill and capacity development for company employees, creation of a more diverse and inclusive workforce, and job creation are important goals of the Innovation Supercluster Initiative. Applicants also are encouraged to include education and training of students in their projects.

Why do you ask to see project proponents' financial statements?

Once you reach the full Project Proposal stage, Protein Industries Canada has the right to undertake a financial assessment of all consortia members. This is to make sure they can meet their stated commitments.

Our team will reach out to you and coordinate what financial information we require (such as your business registration number, accountant reviewed financial statements, etc.). As a co-investor in the project, this is a necessary step to provide us with the necessary assurance that the project can be successfully undertaken.

This financial due diligence is necessary to ensure that each participant can financially support their stated commitment. Your consortium partners will also be assessed to ensure that their capabilities, existing IP and talent pool are consistent with their potential project role.

All members of PIC are governed by non-disclosure and privacy agreements, meaning that any information you share is secure and only used for the intended purposes.

You often refer to the "ecosystem." What do you mean by that?

We are referring to the larger network of organizations — including suppliers, distributors, customers, competitors, government agencies, and so on — involved in the delivery of a specific product or service through both competition and cooperation. One of the Supercluster's objectives is to build capacity throughout the ecosystem.



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