

Crown Corporation

B U S I N E S S P L A N S

FOR THE FISCAL YEAR 2014–2015

Nova Scotia Business Incorporated

Business Plan 2014–2015

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Message from the Minister, the Chair, and the CEO

Nova Scotia does business in a global economy where industries are changing, technology is evolving, sectors are developing, and trading patterns are shifting.

We know that amid this change Nova Scotia's economic growth depends on more trade and more investment. That is why NSBI's work in its core business areas — trade development, investment attraction, business financing, and venture capital — is important for the province as a whole.

NSBI's ability to provide value to our private sector clients and contribute to the economic growth of Nova Scotia continues to be rooted in driving net new activity to the province by emphasizing new foreign direct investment (FDI) and maximizing international trade opportunities.

In 2013–2014, the province, NSBI, Nova Scotia Community College, universities, and IBM worked together to grow IBM's business here. Workers in Halifax and in Sydney are now employed with IBM, and our graduates will have more access to the benefits of partnership with this company. The academic partners and IBM are developing new curricula, gearing up new R&D projects, and putting new technology investment from IBM into our post-secondary institutions.

NSBI's clients, like IBM, are doing export-intensive, highly productive work that creates opportunities for supplier development through strategic partnerships and joint ventures with local companies.

NSBI's 2014–2015 business plan supports the creation of a competitive economic environment focused on sector development and business growth in Nova Scotia.

To achieve this, NSBI will continue to be driven by the following five key strategic pillars, which are defined in this business plan:

1. Results and Impact
2. Clients Success
3. People
4. Operational Effectiveness
5. Engagement

In collaboration with our partners, NSBI continues to work directly with businesses to help them compete successfully at home and around the world and support sustainable economic growth in Nova Scotia.

Sincerely,

The Hon. Michel P. Samson
Minister of Economic and Rural Development and Tourism

Janice Stairs
Chair of the Board, Nova Scotia Business Inc.

Ron Smith
Interim CEO, Nova Scotia Business Inc.

Mission

Through business development, NSBI drives a strong, prosperous, and globally competitive Nova Scotia.

Vision

To proactively deliver business development solutions that drive value to our clients and contribute to the economic growth of Nova Scotia.

NSBI will focus its resources to ensure that Nova Scotia companies are competitive on a national and international stage and are able to expand into new markets and that Nova Scotia is competitive as a jurisdiction in which to do business.

Values

Professionalism – We conduct ourselves in accordance with the highest standards.

Excellence – We strive to achieve and deliver the highest quality in everything we do.

Accountability – We establish specific goals and are transparent.

Creativity – We are adaptable and seek to be innovative.

Mandate

Created in 2001, NSBI is the lead business development agency for the Province of Nova Scotia. In conjunction with various partners, NSBI brings Nova Scotia businesses to the world and attracts global investment to Nova Scotia.

The Nova Scotia Business Incorporated Act requires the corporation to fulfill the following:

The object of the Corporation is to promote economic development in the Province through

- (a) business development, retention and expansion,
- (b) the establishment of new businesses in the Province, and
- (c) trade development and expansion,

in accordance with strategic directions established by the Department and the strategic plan of the Corporation. 2000, c. 30, s. 15.

As such, NSBI works with the Departments of Economic and Rural Development and Tourism (ERDT), Labour and Advanced Education, and other partners to provide programs and services that support businesses — large and small — across the province.

To deliver on our mandate, NSBI, working with our partners, is committed to

- working with businesses in Nova Scotia to showcase their products and services in a global marketplace and to increase export activity
- supporting the growth and development of sectors

- supporting the creation of employment for Nova Scotia’s highly skilled workforce, youth, and immigrants
- helping regions prepare themselves to support the growth of their local companies and attract the right type of investments
- assisting Nova Scotia businesses in becoming more productive, innovative, competitive, and profitable
- proactively targeting companies that fit with Nova Scotia’s value proposition, and leveraging all available tools to support these companies in locating in Nova Scotia
- being the first point of contact for export-oriented commercial entities requiring business financing for retention and expansion

development professionals who work to attract sustainable, export-oriented, value-added business investment to the province.

Using a proactive approach, these business development professionals promote the competitive advantages of doing business in Nova Scotia on the global stage. The team targets companies in specific sub-sectors and markets that fit with the province’s unique strengths, and differentiators, which together make up Nova Scotia’s value proposition. The approach is about seeking mutually beneficial relationships with companies that can operate profitably in Nova Scotia, and Nova Scotia can realize the benefits of good corporate citizens, new investment, and increased payroll.

The Investment Attraction team leverages other relevant provincial and federal economic development offerings to deliver the ideal client solution and to remain competitive with other jurisdictions. They work directly with federal, provincial, and municipal government partners to attract inward investment to Nova Scotia. NSBI’s Investment Attraction team acts as the project lead and the point of contact for potential investors.

For Nova Scotia to be competitive in the global pursuit of investment, incentives are offered to potential investors to enhance the business case of operating in Nova Scotia. One such incentive is the payroll rebate, a performance-based incentive offered to eligible companies expanding in, or locating to, Nova Scotia (see Appendix 1).

Core Business Areas

NSBI’s core client-facing business functions (Investment Attraction, Trade Development, Venture Capital, and Business Financing) are proactively focused on business development. These divisions work in concert with corporate-wide teams — which include Corporate Strategy and Intelligence, Marketing and Communications, Human Resources, Corporate Services, and Corporate Office — to achieve NSBI’s goal of bringing Nova Scotia businesses to the world and attracting global investment to Nova Scotia.

Investment Attraction

The NSBI Investment Attraction team comprises sector-focused business

Trade Development

NSBI’s trade development team focuses on helping Nova Scotia companies be more competitive globally. Organized by sector, with geographic sub-specialties,

the trade development team works with businesses, universities, and other institutions throughout the province that have exportable products, services, or technologies, or a need for sourcing external capital or inputs.

Partnering with provincial and federal government departments, agencies, and industry associations, NSBI's trade development team are experts at taking companies, universities, and other institutions to global markets to meet with potential buyers, partners, or suppliers. This work is done primarily by leading delegations on international trade missions or to trade shows, and through providing assistance through NSBI's Export Prospector program or the provincial government programs we administer, such as the Go-Ahead program and the new Global Business Accelerator program.

Equally important is the role that our trade team plays in working with companies across the province to help them become better prepared to trade internationally. Our trade development executives work with companies of all sizes, and at all stages of the international business development journey, on items such as product development/ adaptation for specific markets, pricing, packaging, required certifications, market entry strategies, and with the assistance of our Trade Market Intelligence (TMI) service, market diversification strategies and targeting. Particularly important is the work that NSBI does with companies that are new to international trade, as we aim to increase the number of businesses in the province that are trading outside our borders and to create more prosperity in all regions of our province.

Venture Capital

NSBI venture capital actively invests in companies that have a sustainable competitive advantage, truly disruptive technology, strong management, and measurable sales based on high-growth revenue models. The venture capital team provides capital, strategic direction, and advice to help promising Nova Scotia companies achieve their full potential and provide a return on investment. NSBI's venture capital practice is a complement to Innovacorp investments and offers a continuum of investment for innovative companies that have demonstrated potential for further growth.

NSBI's venture capital group currently manages over \$58 million in allocated capital across 12 companies. The NSBI venture capital fund provides investments from \$1 million to \$15 million with co-investors to help companies throughout the province further business growth, product development, and market expansion. NSBI's venture capital's strategic investment focus is in mid- to late-stage firms in technology-heavy industries.

Business Financing

The NSBI Business Financing group uses its knowledge of local industries and financing options to assist Nova Scotia companies in accessing capital required to meet their growth potential. The group accomplishes this goal by providing facilitation services, incentives, and direct access to capital to assist clients focused on export, competitiveness, productivity, growth, and expansion. Direct access solutions may include loans, guarantees, and trade-related financing. Incentives are provided through payroll rebates (see Appendix 1) to companies in Nova Scotia.

NSBI financing is designed to supplement other financing options available in the marketplace that might not fully meet the needs of companies. Trade financing helps Nova Scotia companies deliver on international trade-related opportunities. Payroll rebates offered by business financing are used to incent incremental growth of Nova Scotia-owned companies and to maintain and support companies in priority sectors.

Planning Context

Global Economic Environment

Nova Scotia is a small economy, and its economic performance is strongly influenced by others. Forecasts suggest that world-wide economic growth is expected to be higher in 2014. Economic recovery has taken a firmer hold in Nova Scotia's traditional markets of the United States and Europe. Both the Canadian and Nova Scotian economies are expected to have stronger growth in 2014 than 2013. Export growth will be aided by recovery in American demand and depreciation of the Canadian dollar. The lower Canadian dollar makes Nova Scotia more attractive in terms of travel and locating business activity here.

Within the government planning context, the release of the Nova Scotia Commission on Building Our New Economy (Ivany Commission) and the independent review of provincial economic development assistance programs, and the government's response, will impact economic development in Nova Scotia. At the time of writing, the full implication of what this means for Nova Scotia Business Inc. is not known. As a result, this business plan is

based on the status quo, which may change as more information becomes available.

Strategic Goals and Objectives

NSBI's ability to deliver value to its clients and contribute to the economic growth of Nova Scotia continues to be rooted in driving net new activity in the province. We will achieve this by attracting new foreign direct investment (FDI), helping Nova Scotia companies export, and providing loans and venture capital to companies positioned for growth in our province. In order for NSBI to deliver on its mandate and achieve its strategic goals, we continue to focus on the following five key strategic pillars: Results and Impact, Clients Success, People, Operational Effectiveness, and Engagement.

For 2014–2015, NSBI has outlined the following objectives under each pillar, which enable us to deliver on our strategic goals.

Results and Impact

Through our core business areas, NSBI continues to focus on driving net new activity by strategically identifying and targeting opportunities to attract new, and expand existing, companies and sectors. Using a scorecard, NSBI measures the effectiveness and success of our core business units in creating net new activity. Each unit's goals can be found below, and a detailed chart can be found later in the document.

Investment Attraction

Outcome	Measure	2014–15 Targets
Client investment in Nova Scotia (net new investment to the province)	# of projects completed by Investment Attraction clients	12
Economic benefit to Nova Scotia (payroll)	Average gross salary of new jobs forecasted to be created by Investment Attraction clients	\$45,000
Fiscally prudent incentive	Ratio of expected tax revenue to expected payroll generation	30% or greater

Trade Development

Outcome	Measure	2014–15 Targets
New exporters in Nova Scotia	# of new clients reporting their first export sale	20
Market penetration and diversification	# of clients introduced to new markets or further advanced in existing markets	375 clients
Increased export sales	Client-reported actual and forecasted export sales	\$300 million

Venture Capital

Outcome	Measure	2014–15 Targets
Incremental equity investment	# of Venture Capital projects authorized	3
Positive portfolio investment growth	Year over year portfolio valuation growth	1%
Positive return on investment to the province	# of new external strategic partnerships into NSBI's portfolio	4

Business Financing

Outcome	Measure	2014–15 Targets
Incremental value investment projects	# of Business Financing projects authorized and material facilitation services provided	15
Assistance with access to capital	# of clients served through the NSBI Business Financing referral process	175
Partner for financing solutions	Leverage of partner/client : NSBI ratio	Ratio of 0.5 to 1.0
Net economic benefit to Nova Scotia (loan interest and tax revenue)	Ratio of net economic benefit to province vs. write offs	TBD

In addition to the core business unit goals that are measured in the scorecard, NSBI will also deliver against other objectives

that support the Results and Impact pillar and allow us to fulfill our mandate.

For 2014–2015, NSBI will focus on the following key areas:

- Review and enhance NSBI’s incentives and financing tools to ensure that they effectively support developing sectors such as clean technology, life science, and oceans technology.
- Implement NSBI’s investment readiness initiative with community partners to better define Nova Scotia’s strategic assets, enhance the provincial value proposition, and identify potential investment and expansion targets in rural Nova Scotia.
- Deliver export-focused training to Nova Scotia companies and institutions that want to increase their knowledge of how to conduct business internationally through the Forum for International Trade Training (FITT) courses.
- Support the creation of regional labour market profiles by working with municipal and provincial government partners. These profiles will be used by international businesses considering a location in Nova Scotia and domestic companies to determine how Nova Scotia’s talented workforce can support their future growth.
- Review and enhance NSBI’s incentives and financing tools to ensure that they effectively support small and medium-sized businesses. For example, see Appendix 2: Management Development and Support Program.

Client Success

To NSBI, client success means delivering the most effective client solutions that enable the private sector to achieve their objectives, in turn providing economic benefits to Nova Scotia. With slow economic growth and increased competition for

investment, it is crucial for NSBI to work with the private sector and partners to identify and maximize the impact of key economic growth projects, contracts, and clients.

For 2014–2015, NSBI will focus on the following key areas:

- Provide market preparedness sessions to companies engaging in trade development activities.
- Create a business referral network that facilitates connections with key partners and companies and ensures that clients are aware of all support available to help them grow.
- Engage clients strategically to support their business development efforts, through participation in key events.
- Deliver and analyze client satisfaction surveys to help refine the account management system.
- Enhance our customer relationship management software to ensure we have a clear, accurate, and single-source view of intelligence about our clients so we can better support them.

People

This year, NSBI will be affected by a change in executive leadership, with the departure of the organization’s CEO in 2013–2014. As a result, the objectives outlined within the People pillar are focused on providing employees with the skills, information, and framework necessary to assist this organization throughout the transition and to remain a responsive, integrated, and accountable organization.

For 2014–2015, NSBI will focus on the following key areas:

- Provide leadership development opportunities to NSBI's senior management team (SMT) to assist the organization and its employees throughout the CEO transition.
- Improve the Performance Management system to ensure alignment between organizational goals and objectives and employees' day-to-day work.
- Refine and implement an employee engagement survey to reveal ways in which we can increase employee engagement to assist us in delivering on our mandate.
- Review and analyze the current compensation and classification strategy to ensure that the program will achieve our employee and organizational goals.

Operational Effectiveness

In 2014–2015, NSBI will continue to develop a culture of continuous improvement. We will focus on projects that allow NSBI to more effectively collaborate to minimize duplication of effort and resources and review internal processes that allow us to maximize our impact.

For 2014–2015, NSBI will focus on the following key areas:

- Refine and review how sector teams operate, define success, and identify opportunities to influence change, encourage growth, and overcome obstacles.
- Conduct post-transaction reviews to ensure that the transaction process is conducive to business needs and to determine if further process improvements are required.

- Continue to develop projects that involve sharing of information between government and economic development partners.
- Review and update all performance measures in the Corporate Scorecard to ensure that best practice measures are being used, and increase clarity as needed.

Engagement

NSBI will continue to enhance engagement initiatives, such as ConnectNS and Investment Readiness, as well as to seek new opportunities to drive success under this pillar. These initiatives enable NSBI to collaborate with partners and the private sector to identify and leverage opportunities. Our collective strength improves NSBI's organizational capacity and enhances our ability to support business.

For 2014–2015, NSBI will focus on the following key areas:

- Build on the success of the private-sector-based initiative, ConnectNS, by implementing LeaderConnect 2014 to provide local Nova Scotia companies with the opportunity to connect directly with a ConnectNS leader.
- Work with our economic development and municipal partners to facilitate the development of the Regional Enterprise Networks (RENS) and their work with business.
- Develop and implement the investment readiness initiative, which builds capacity within communities and provides tools and templates that enable regional economic development. This initiative better links NSBI's business development efforts to all regions across Nova Scotia.

Budget Context

By absorbing inflationary pressures and operating with a reduced operating budget, NSBI must continue to find efficiencies so that results are not negatively affected.

	Budget 2013-14 (\$000)	Forecast 2013-14 (\$ (\$000)	Estimate 2014-15 (\$ (\$000)
Revenue			
Provincial grants:			
Operating grant	9,924	9,924	10,017
Strategic investment funds	10,000	8,350	8,509
Loan valuation allowance	2,446	2,446	2,420
Gain on sale of properties	109	383	1,123
Capital/revaluation gain (loss)	0	5,573	1,630
NS Business Fund revenue: loans & equity	3,351	2,586	2,959
NS Business Fund revenue: real properties	389	428	662
Misc. revenue	2,422	3,122	2,639
Total revenue	28,641	32,811	29,958
Expenses			
Operating expenses	12,345	13,046	12,655
Strategic investments expenses	10,000	8,350	8,509
Provision for credit losses	2,446	6,560	2,637
NS Business Fund expenses: real properties	841	854	3,289
NS Business Fund expenses: loans & equity	2,639	2,372	2,094
Total expenses	28,272	31,182	29,184
Surplus (deficit) of revenue over expenses	369	1,629	774

Outcomes and Performance Measures

NSBI holds itself to the highest standards of corporate governance and accountability. As a results-driven organization, NSBI remains committed to measuring results that directly affect the goals of the organization. Under its five-year plan and using NSBI's five strategic pillars, the following key accountability metrics have been built.

Outcomes and Performance Measures

Investment Attraction: Attract and retain leading-edge, sustainable business investment

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Client investment in Nova Scotia (net new investment to the province)	# of projects committed by Investment Attraction clients	12	2008–09: 10 2009–10: 13 2010–11: 7 2011–12: 10 2012–13: 10 2013–14F: 10	Seek new sustainable businesses to relocate or expand in Nova Scotia
Economic benefit to Nova Scotia (payroll)	Average gross salary of new jobs forecast to be created by Investment Attraction clients ¹	\$45,000	2008–09: \$48,117 2009–10: \$44,071 2010–11: \$51,316 2011–12: \$44,938 2012–13: \$57,603 2013–14F: \$45,000	Attract and retain sustainable, export-oriented, value-added business investment
Fiscally prudent incentive	Ratio of expected tax revenue to expected payroll generation ^{2,3}	30% or greater	2008–09: 70.1% 2009–10: 56.9% 2010–11: 47.9% 2011–12: 50% 2012–13: 54.9% 2013–14F: 32%	Strategic use of payroll rebates to establish growth industries

1. Average gross salary includes employee gross salary plus employer-paid benefits.

2. Ratio of expected tax revenue to expected payroll generation is calculated by this formula: $(\text{maximum forecast direct tax recoveries} - \text{maximum forecast payroll rebate payout}) \div \text{maximum forecast payroll rebate payout}$.

3. Excludes expected return from all Project Management deals.

Trade Development: Promote the growth of new and existing businesses in Nova Scotia by enabling them to succeed with business opportunities in both domestic and international markets

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
New exporters in Nova Scotia	# of new clients reporting their first export sale	20	2011–12: 31 2012–13: 46 2013–14F: 35	Work with ERDT and other partners to engage companies not taking full advantage of international commerce
Market penetration and diversification	# of clients introduced to new markets or further advanced in existing markets	375 clients	2008–09: 269 2009–10: 287 2010–11: 326 2011–12: 441 2012–13: 501 2013–14F: 350	Deliver tailored trade development services, including trade market intelligence
Increased export sales	Client-reported actual and forecasted export sales	\$300 million	2008–09: \$155.7 million 2009–10: \$132.9 million 2010–11: \$140.3 million 2011–12: \$318 million 2012–13: \$417.9 million 2013–14F: \$325 million	Work with clients to focus on highest-potential markets and opportunities

Venture Capital: Provide access to capital for promising Nova Scotia companies to help them achieve their full potential

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Incremental equity investment	# of Venture Capital projects authorized ¹	3	2008–09: 5 2009–10: 4 2010–11: 4 2011–12: 6 2012–13: 4 2013–14F: 2	Deliver tailored equity financing solutions
Positive portfolio investment growth	Year over year portfolio valuation growth	1%	2012–13: 1.1% 2013–14F: 1%	Provide capital, strategic direction, and advice to help companies achieve their full potential
Positive return on investment to the province	# of new external strategic partnerships into NSBI's portfolio ²	4	2012–13: 4 2013–14F: 4	Provide capital, strategic direction, and advice to help companies achieve their full potential and provide a return on the invested capital

1. This measurement included both new investments and follow-on investments for existing clients.

2. Significant external investors to one of NSBI's portfolio companies include partners who invest significantly into a NSBI and also partners that create new opportunities — such as access to new markets, new technological synergies, or supply chain access — that have a significant positive impact on the portfolio company operation.

Business Financing: Provide access to capital for new/existing businesses in Nova Scotia, with the intent of enhancing value-added growth for the province's economy

Outcome	Measure	2014–15 Targets	Trends	Strategies to Achieve Target
Incremental value investment projects	# of Business Financing projects authorized and material facilitation services provided ¹	15	2008–09: 8 2009–10: 14 2010–11: 17 2011–12: 6 2012–13: 6 2013–14F: 12	Deliver on the Business Financing groups 3-pillar service model by providing facilitation services, incentives, and direct access to capital for our clients
Assistance with access to capital	# of clients served through the NSBI Business Financing referral service ²	175	2013–14F: 150	Successfully function as the province's front-end service provider for financial assistance requests
Partner for financing solutions	Leverage partner/client : NSBI ratio	Ratio of 0.5 to 1.0	2008–09: 1.33 2009–10: 1.02 2010–11: 0.35 2011–12: 0.5 2012–13: 0.87 2013–14F: 1.1	Maintain co-investment philosophy
Net economic benefit to Nova Scotia (loan interest and tax revenue)	Ratio of net economic benefit to province vs. write offs ³	TBD	TBD	Implement the Management Development and Support initiative

1. This measure has been enhanced with the addition of material facilitation services.

2. This measure is new for 2014–15 and is documenting the work the Business Financing unit does referring potential clients to other partners and programs.

3. Ratio of net economic benefit to province vs. write offs is calculated by this formula: $(\text{interest revenue} + \text{tax revenue generated from payroll}) \div \text{write offs}$.

Appendix 1

Strategic Investment Funds Pursuant to NSBI Regulations Policies and Guidelines/Procedures, NSBI 2014–2015 Business Plan

	Payroll Rebate
Overview	<p>The Payroll Rebate is a discretionary, non-entitlement tool intended to promote targeted payroll generation and maintenance or creation of employment.</p> <p>This financial incentive may be used when it can be shown that an applicant's project generates an economic benefit to the province, which may include export development, investment in the province, or improved competitiveness of existing businesses, in one or more of the province's key economic sectors.</p>
Amount	<p>Rebates will be equivalent to between 5% and 10% of the applicant's gross payroll, depending on the applicant's strategic location or business sector and the economic benefit generated to the province. Additional rebate may be considered where the applicant is hiring individuals with specific skills or experience, new members of the Nova Scotia workforce or is increasing export activity.</p> <p>All other Nova Scotia provincial government assistance with respect to the project must be disclosed and may influence the rebate amount.</p>
Eligibility	<p>The applicant's business must be considered eligible according to NSBI's operating Regulations.</p> <p>Applications for assistance must be project-based. Projects are expected to create or maintain sustainable long-term employment. Cyclical peaks in employment will not be considered for assistance.</p> <p>By undertaking projects to improve their competitiveness or increase activity in export markets through either productivity improvements or investments in product development, companies may be eligible for a payroll rebate to maintain operations and payroll.</p> <p>Eligibility requires that all projects should result in the maintenance or creation of at least 20 jobs (FTEs) in Nova Scotia. Projects creating or retaining fewer than 20 FTEs will be considered when there is high strategic value or strong economic benefit.</p> <p>Companies that have previously received assistance under the program will not be eligible for additional assistance unless the project is either incremental to the peak FTE level attained by the company under the previously provided assistance or it encourages private investment and contributes to sector development.</p> <p>Projects that are considered to be competitively harmful to existing Nova Scotia business will not be considered.</p> <p>The Applicant will collect and remit employee payroll taxes in accordance with the Income Tax Act (Canada).</p>
Application Requirements	<p>Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company.</p> <p>Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk.</p> <p>Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.</p>

	Payroll Rebate
Criteria	<p>The company and the project must have reasonable prospects (business plan) for continued growth and success. The company should be profitable, with a proven track record. In addition, the project should be mainly export oriented and/or be in a strategic economic sector.</p> <p>The company must also demonstrate:</p> <ul style="list-style-type: none"> • strong management (corporate and local) • compliance with Environment Act, Occupational Health and Safety and Labour Standards Code (if already established in Nova Scotia) • economic benefit to the province (e.g., estimated number of jobs created/retained, linkages with other sectors, improved competitiveness, non-competition with Nova Scotia industries, import substitution) • an acceptable credit history
Performance Conditions	<p>Assistance is contingent on specific targets the company must achieve, which will typically be the creation or maintenance of (x) jobs by (date) with an average annual salary/wage of \$ (amount). These targets are expected to still be in place at the end of the rebate period.</p> <p>Companies may be required to achieve additional targets with respect to project completion including investment or export targets.</p> <p>The applicant must provide an annual report, which will typically be an auditor's report, certifying that the employment, wage and other targets have been achieved. The report must contain the following information:</p> <ul style="list-style-type: none"> • Incremental and/or maintained gross wage or payroll bill (including benefits) and the number of incremental and/or maintained employees and hours worked according to the Company's records on each anniversary date from the project commencement; • Gross wage or payroll bill (including benefits) and the total number of employees of the company on each anniversary date from the project commencement; • Incremental and/or maintained employees province of residence; and • Applicable export, investment and project details.
Payment Terms	<p>Rebates will be paid following provision by the company of all information required by NSBI to verify compliance with the terms and conditions of the payroll rebate agreement.</p> <p>In most cases, rebates will be paid annually on each anniversary from the project commencement;</p> <p>Payment term generally average five years.</p>

	Management Development and Support
Overview	<p>Management Development and Support is a discretionary, non-entitlement tool intended to assist Nova Scotia small and medium-sized businesses in addressing deficiencies in management capabilities, especially with respect to financial and operations management.</p> <p>Many small and medium-sized businesses have deficiencies in management and management information systems. This may include a lack of skills on the part of an owner-operator, lack of internal financial or operational expertise, or poor information systems. These issues can pose serious threats to growing companies and may prevent otherwise sustainable companies from accessing conventional forms of financing.</p> <p>The program is anticipated to have the following benefits:</p> <ul style="list-style-type: none"> • Decrease NSBI loan write-off rates by addressing management deficiencies of lending clients. • Improve the ability of Nova Scotia SMEs to attract conventional financing and reduce the need for government capital sources. • Improve the success rate of growing companies by providing critical support in the area of financial management before problems arise.
Amount	<p>Assistance to any one company or affiliated companies will not exceed \$25k per year.</p> <p>Total expenditures under the program will not exceed \$250k per year.</p>
Eligibility	<p>The applicant's business must be considered eligible according to NSBI's operating regulations.</p> <p>The company must be a lending or facilitation client of NSBI Business Financing.</p>
Application Requirements	<ul style="list-style-type: none"> • Completion of an application form. • Historical and/or projected financial statements of the company and any additional financial information that may be required by NSBI to assess the financial viability of the company. • Acceptable reports providing information with respect to the company's ownership, management, products, markets, and suppliers sufficient for NSBI to complete an evaluation of the company's operating risk. • Project plan, which may include project timelines, budgets, and anticipated impacts of the project on the company's competitiveness.
Criteria	<p>The company must have reasonable prospects (business plan) for continued growth and success.</p> <p>Qualified expenditures will include:</p> <ul style="list-style-type: none"> • Support for owner/operators in the area financial and operations management; • Funding for external consultation or support beyond that normally provided by external accounting professionals; • Cost share for investment in upgrading internal information systems; • Cost to establish a board, advisory board, or mentor support. <p>The program is intended to supplement assistance available through existing provincial or federal programs. The company may be directed to access other funding sources if applicable.</p> <p>The company must demonstrate compliance with Income Tax Act (Canada), Environment Act, Occupational Health and Safety and Labour Standards Code.</p>
Payment Terms	<p>NSBI will provide assistance to offset qualified expenditures with assistance disbursed directly to service or product providers.</p>

Appendix 2:

Nova Scotia Business Fund

The Nova Scotia Business Fund is the source of capital for NSBI's business financing and equity financing clients. The portfolio currently has approximately \$117 million outstanding to more than 80 companies located throughout the province. For 2014–2015, net new capital needed for NSBI to continue to meet the financing needs of Nova Scotia businesses is estimated to be \$12 million, with repayments of current outstanding investments estimated to be about \$8 million.

Guidelines for the Nova Scotia Business Fund provide direction for investment decisions and the make-up of the portfolio. These include the following:

- Annual sector investment targets:
 - traditional: 16%
 - knowledge-based (IT and life sciences): 20%
 - manufacturing: 45%
 - energy: 9%
 - ocean technology: 5%
 - other: 5%
- \$15 million maximum per company (investments exceeding this amount will be considered in exceptional circumstances)
- Maximum of 52% of the Nova Scotia Business Fund available for working-capital/equity investments (target of 5% maximum available for working capital and a target of 47% maximum available for equity investments)
- Borrowing rates established based on lending terms

