

COVID-19 GOVERNMENT RELIEF PROGRAMS - COMPARISON CHART

Note: Chart below illustrates summary details of new COVID-19 Government Relief Programs up to May 19, 2020. – For information purposes only

Program	Canada Emergency 75% Wage Subsidy	Canada Temporary 10% Wage Subsidy	Canada Emergency Business Account (CEBA)	BDC Working Capital Loan	BDC Co-Lending Business Credit Availability Program	EDC - Business Credit Availability Program (BCAP) Guarantee	Investissement Quebec - Concerted temporary action program for businesses	Investissement Quebec - Emergency Support for Small and Medium-Sized Businesses
Purpose	Help businesses keep and return workers to their payroll	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Help businesses cover their operating costs during a period where their revenues have been temporarily reduced.	Ad hoc and exceptional support for businesses affected by the repercussions of COVID-19.	To help businesses experiencing financial difficulties as a result of COVID-19
Targets and Exclusions	<ul style="list-style-type: none"> Corporations other than those exempt from tax or public institutions Individuals Registered charities NPOs Partnerships, all of the members of which are described above Indigenous government owned businesses Registered Canadian Amateur Athletic Associations Registered Journalism Organisations Private Colleges and Private Schools <p>of Excludes:</p> <ul style="list-style-type: none"> Public bodies (municipalities, local governments etc.) 	<ul style="list-style-type: none"> CCPC eligible to the Small business deduction Partnerships NPOs Registered charities Individuals <p>Excludes:</p> <ul style="list-style-type: none"> CCPC not eligible for the Small business deduction, public companies, trusts, and companies controlled by non-residents 	<ul style="list-style-type: none"> Corporations or NPOs registered in Canada 	<ul style="list-style-type: none"> Canadian qualifying SMEs <p>Excludes:</p> <ul style="list-style-type: none"> Bars, lounges or similar Gaming/gambling operations, pawnshops, rent-to-own firms, pay day loan or similar financial institutions. Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety. Businesses that promote violence, incite hatred or discriminate based on race, national or ethnic origin, colour, religion, gender, age or mental or physical disability. Any other entity as elected by financial institutions. 	<ul style="list-style-type: none"> Canadian qualifying SMEs <p>Excludes:</p> <ul style="list-style-type: none"> Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety. Businesses that promote violence, incite hatred or discriminate based on race, national or ethnic origin, colour, religion, gender, age or mental or physical disability. Any other entity as elected by financial institutions. 	<ul style="list-style-type: none"> Domestic businesses and Export-oriented Canadian businesses; <p>Excludes (assumed based on BDC working capital loan):</p> <ul style="list-style-type: none"> Bars, lounges or similar Gaming/gambling operations, pawnshops, rent-to-own firms, pay day loan or similar financial institutions. Businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety. Businesses that promote violence, incite hatred or discriminate based on race, national or ethnic origin, colour, religion, gender, age or mental or physical disability. Any other entity as elected by financial institutions. 	<ul style="list-style-type: none"> Businesses operating in Quebec that find themselves in a precarious situation and temporary difficulty as a result of COVID-19 <p>Excludes:</p> <ul style="list-style-type: none"> Weapons manufacturing or distribution. Games of chance and gambling, combat sports, bars, racing and other similar activities. Production and sale of tobacco and drugs along with services related to their use, except for projects involving pharmaceutical-grade products approved by Health Canada. Any activity whose main purpose is protected by the Canadian Charter of Rights and Freedoms. Any other activity that may offend public morals. Any other industry as elected by financial institutions. 	<ul style="list-style-type: none"> Companies from all business sectors NPOs Social economy enterprises carrying out commercial activities <p>Excludes:</p> <p>Applicants who are under the protection of the Companies' Creditors Arrangement Act or the Bankruptcy and Insolvency Act</p>
Eligibility and conditions	<ul style="list-style-type: none"> 15% drop for March 2020 and 30% drop for April and May 2020: <ul style="list-style-type: none"> in month over month revenues in 2019; or 	Having a payroll account with the CRA as of March 18, 2020. *Subsidy received will reduce the amount claimed under the	<ul style="list-style-type: none"> 2019 payroll between 20,000\$ and 1,500,000\$ based on 2019 T4SUM summary of remuneration paid; or 	<ul style="list-style-type: none"> Impacted directly or indirectly by COVID-19. Financially viable prior to the impact of COVID-19. 	<ul style="list-style-type: none"> Impacted directly or indirectly by COVID-19. Financially viable prior to the impact of COVID-19. 	<ul style="list-style-type: none"> Impacted directly or indirectly by COVID-19. Financially viable prior to the impact of COVID-19. May be subject to additional conditions per each financial institution. 	Businesses must show that their cash flow issues are temporary, and that the liquidity shortage stems from: <ul style="list-style-type: none"> A problem involving the supply of raw materials or 	<ul style="list-style-type: none"> Have held an active business in Quebec for at least one year Temporarily closed, likely to close, or shows signs of closure

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	<ul style="list-style-type: none"> vs. average of January and February 2020. An election must be filed to use the January-February 2020 period as the reference period and must be applied for the whole period covered. If a target meets the conditions regarding the decrease in revenue in respect of a particular period then it is deemed to qualify for the immediate following period. The Government is looking at softening the 30% threshold. More details to follow. <p>Revenues are defined as follows:</p> <ul style="list-style-type: none"> From the sale of goods, rendering services and for the use by others of resources of the entity for business carried on in Canada Solely from arm's length sources. Exclude amounts on account of capital and extraordinary items. <p>An election can be made to use the cash method in calculating revenues instead of the accrual method for all qualifying periods</p> <p>Special revenue rules for corporate groups:</p> <ul style="list-style-type: none"> Entities whose revenues are all or 	Canada Emergency Wage 75% Subsidy	<ul style="list-style-type: none"> Payroll between \$0 and \$20,000 under certain conditions <ul style="list-style-type: none"> Applicant must have file a tax return in either 2018 or 2019 Must incur eligible non-deferrable expense between \$40,000 and \$1,500,000 (rent, property taxes, utilities etc.) Having a business operating account with a financial institution. <ul style="list-style-type: none"> The proceeds of the loan are to be used to pay operating expenses and cannot be used to pay dividends, refinance existing debt or increase management compensation, amongst other limitations. 				<p>products (goods or services)</p> <ul style="list-style-type: none"> An inability, or a substantially decreased ability, to deliver goods, products or services. 	<ul style="list-style-type: none"> In a state of maintaining, consolidating, or reviving its activities Can demonstrate a cause and effect link between their financial or operational difficulties and the COVID-19 pandemic <p>Financing will be based on the company's liquidity needs and is determined based on justified and reasonable expenses. It will have to compensate for the lack of liquidity caused by:</p> <ul style="list-style-type: none"> An incapability or a substantial reduction in the capacity to deliver products (goods or services) Supply difficulties with raw materials or products (goods or services)

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	<p>substantially all charged to other non-arm's length entities can benefit from the subsidy by taking into account the sales reduction of the other entities in accordance with a prescribed formula.</p> <ul style="list-style-type: none"> An affiliated group of companies (controlled by the same person, spouse of, or by same group of persons) can elect (all companies must elect) to determine their revenues on a consolidated basis. Conversely if a group of companies file consolidated statements, each company can determine their revenue separately provided all members do the same. <p>Special rules for not-for-profit organisations and charities:</p> <ul style="list-style-type: none"> Charities include revenues from a related business, gifts and other amounts received in the course of its ordinary activities. Not-for-profit revenues include membership fees and other amounts received in its ordinary activities. Both charities and non for profits may elect to exclude funding received from government sources 							

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	from the revenues for all the reference periods.							
Amount	<p>Subject to a formula but is in general the least of:</p> <ul style="list-style-type: none"> 75% of remuneration paid (max of 847\$ weekly); and The lesser of remuneration paid up to 847\$ weekly or 75% of pre-crisis weekly remuneration. <ul style="list-style-type: none"> No cap per Target. Remuneration for Canadian employees. <p>AND</p> <ul style="list-style-type: none"> Refund of employer contribution (QPP, QPIP, EI) for eligible employee in respect of a week in the Period covered, if the eligible employee is on leave with pay for that week. <ul style="list-style-type: none"> *Pre-crisis remuneration is the average weekly remuneration paid between January 1, 2020 and March 15, 2020. In certain cases, it will either be the foregoing OR the average weekly remuneration paid between March 1 2019 and May 31, 2019 	<ul style="list-style-type: none"> 10% of remuneration subject to caps <ul style="list-style-type: none"> up to 1,375\$ per employee and total per Target of 25,000\$ Remuneration for Canadian employees. 	Up to \$40,000 \$ under the form of an operating line of credit.	Up to 2,000,000 per borrower and related parties	New additional credit up to 6,250,000 \$ (Co-lender BDC 80% and financial institution 20%).	New additional credit up to 6,250,000 \$ with max EDC guarantee of up to 5,000,000\$ (financial institution 100%)	<ul style="list-style-type: none"> Loan guarantee: Preferred form of financing up to 70% of new advances from financial institution. Term loan: 50,000 \$ minimum with no max. 	N/A
Period covered	Salaries paid in 6monthly periods: <ul style="list-style-type: none"> from March 15 to April 11, 2020 (reference March) from April 12 to May 9, 2020 (reference April) 	March 18 to June 19, 2020	N/A	N/A	N/A	N/A	N/A	N/A

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	<ul style="list-style-type: none"> from May 10 to June 6, 2020 (reference May) Another 3-month period ending August 29, 2020. More details to following on this additional 3-month period 							
Tenor and interest rate	N/A	N/A	<ul style="list-style-type: none"> Interest- free for the first year, government-guaranteed Repayment incentive / forgiveness of 25% of loan up to 10,000 \$ if balance repaid by or on December 31, 2022. If the loan cannot be repaid by December 31, 2022, it can be converted into a 3-year term loan at an interest rate of 5%. 	<ul style="list-style-type: none"> BDC's variable rate - 1.75%. 12-month initial capital postponement Thereafter 3-year repayment period <ul style="list-style-type: none"> 40% payable over two years after the initial postponement 60% payable in a balloon payment at the end of the term 	<ul style="list-style-type: none"> Commercial interest rate to apply. 10-year repayment period. 	<ul style="list-style-type: none"> Interest rate to be determined by the lending financial institution Repayment period to be determined by the lending financial institution. 	<p>Loan guarantee:</p> <ul style="list-style-type: none"> 1% flat fee (possibly payable at end of term) 12-month period Term loan: Minimum of 50,000 \$, no max 12-month initial capital postponement Thereafter, 3-year repayment period. Interest based on Qc bond rates + premium 	N/A
Availability of funds	Estimated by early May2020.	<ul style="list-style-type: none"> Reduction of Federal income tax deduction at source remittances due for the Period covered. No reduction of remittance for EI deductions and contributions. 	Processing time may vary. The sooner you contact an account manager, the sooner the funds may be available.	Processing time may vary. The sooner you contact an account manager, the sooner the funds may be available.	TBD	TBD	Processing time may vary. The sooner you contact an account manager, the sooner the funds may be available.	TBD
Other important considerations	<ul style="list-style-type: none"> Eligible entities must have had a CRA payroll account on March 15, 2020 Employers must pay the 75% subsidy to employees A SEPARATE application must be made for EACH month of the period covered. Any benefit from the 10% wage subsidy and the work-sharing program would generally reduce the amount available to be claimed under the Canada Emergency Wage Subsidy in that same period. Proper documentation of supporting calculations to be maintained. 	<ul style="list-style-type: none"> Associated CCPCs not sharing cap per Target. Proper documentation of supporting calculations to be maintained, including pay records, calculations, number of employees per pay. 		<ul style="list-style-type: none"> More information will become available shortly as the Program is rolled out. Security may be required. Personal guarantees may be required. Possible subordination of BDC to the financial institution's existing facilities. 	<ul style="list-style-type: none"> More information will become available shortly as the Program is rolled out. Security may be required. Personal guarantees may be required. Possible subordination of BDC to the financial institution's existing facilities. 	<ul style="list-style-type: none"> More information will become available shortly as the Program is rolled out. Security may be required. Personal guarantees may be required. Possible subordination of EDC to the financial institution's existing facilities. 	<ul style="list-style-type: none"> More information will become available shortly as the program is rolled out. Refinancing is prohibited. Security may be required. Personal guarantees may be required. 	More information will become available shortly as the program is rolled out.

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	<ul style="list-style-type: none"> • Introduction of anti-avoidance rules on qualifying revenues providing for full reimbursement of subsidy plus penalty of 25% therefrom and can be subject to a gross negligence penalty of an additional 50% • The individual who has principal responsibility for the financial activities of the eligible entity will have to attest that the application is complete and accurate in all material respects • Eligible remuneration to exclude any salary increase compared to the pre-crisis remuneration and any remuneration which one of the main purposes would be to increase the subsidy. 							
How to apply	<ul style="list-style-type: none"> • Through Canada Revenue Agency's My Business Account portal. • Application must be filed online, no later than September 30, 2020 	<ul style="list-style-type: none"> • Reduction of remittances to CRA (not MRQ) 	<ul style="list-style-type: none"> • By contacting your account manager at the financial institution holding your primary business account. 	<ul style="list-style-type: none"> • By contacting your account manager for existing clients. • By contacting BDC via email for non-client. 	<ul style="list-style-type: none"> • By contacting your account manager at the financial institution holding your primary business account. 	<ul style="list-style-type: none"> • By contacting your account manager at the financial institution holding your primary business account. 	<ul style="list-style-type: none"> • By contacting your account manager for existing clients • By contacting your account manager at your financial institution for non-client. 	<ul style="list-style-type: none"> • By contacting your Regional County Municipality (RCM), the office of your municipality or the organization responsible for managing the Local Investment Fund (FLI) in your RCM.

WHAT TO PREPARE

A common theme is to **have cash flow forecasts for the next 6 months at the minimum**. Financial institutions want to know viability of the business and proof that the company will run out of funds in current circumstances.

Documents to have ready that may be requested include but are not limited to:

- 3 most recent Financial Statements
- 2 most recent Financial Statements for related companies
- Most recent interim Financial Statements with prior year comparable
- Line of credit agreement with your bank if any
- Ownership Chart

Some questions financial institutions may ask when processing your application may include but are not limited to:

- What activity level do you anticipate operating at (i.e. complete or temporary shutdown, reduced capacity)?
- What is the key carrying costs (i.e. rent, insurance, salaries) for the next 6 months?
- Do you have other sources of funding available?
- Will this loan be enough to cover cash needs for next 6 months?
- What is your personal ability to inject funds if needed?
- What are your arrangements with key suppliers and customers on payment terms/support for next 6 months?