



PROVINCE OF BRITISH COLUMBIA

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Eligible Business Corporation ANNUAL RETURN

Freedom of Information and Protection of Privacy Act (FIPPA) The information collected on this form is collected under the authority of the Small Business Venture Capital Act, RSBC 1996 c. 429 (Act) and is subject to the provisions of the FIPPA. The personal information will be used for the administration of the Act and the issuance of tax credits. For more information regarding this form and the FIPPA please contact the Investment Capital Branch, Box 9800 Stn Prov Govt, Victoria, BC V8W 9W1

THIS ANNUAL RETURN IS FOR THE EBC FISCAL YEAR THAT ENDED ON _____

Full Name of EBC

For the period covered by this Annual Return:

Yes No

- Did the EBC make any significant changes to its Eligible Activity? (If "yes", provide details).
Did the EBC acquire, cancel, redeem or transfer, except for those permitted under Regulation 3.1, any shares held by an Eligible Investor? (If "yes", provide details).
Did any Eligible Investor receive any dividends from the EBC? (If "yes", provide details).

Please indicate the following:

- 1. Number of employees at financial year end * _____ see page 2
2. Percentage of salaries/wages paid to employees reporting to work in B.C.** _____ see page 2
3. Percentage of assets and expenses in the qualifying activity _____ see page 2
4. Percentage of assets located outside B.C. _____

REQUIRED ATTACHMENTS

Pursuant to Section 28.97 of the Act, copies of the following documents must be attached to the EBC's Annual Return:

- EBC Central Securities Register
EBC Financial Statements (financial statements must be prepared by a CPA, or other person licensed or registered with an accounting association. EBCs that have raised \$500,000 or more in equity capital, must submit statements prepared under a Review Engagement; EBCs that have raised less than \$500,000 in equity capital can submit statements prepared under a Notice-to-Reader).
Annual Report filed with the Registrar of Companies.

CERTIFICATION

- The EBC has not used any equity capital, directly or indirectly, for any purposes prohibited by Section 28.93 of the Act;
All Regulation 14 events have been reported to the Administrator or Designate.

I am a Director or Officer of the EBC duly authorized to execute this Annual Return and a) have read Sections 26 and 35 of the Small Business Venture Capital Act and understand that it is an offence and that it may expose me to personal liability to make a false or misleading statement in this Annual Return; and b) to the best of my knowledge, all statements made and information provided in this Annual Return and attachments are true, correct and complete.

Table with 4 columns: Date, Position, Full Name, Signature. Row 2: Phone, E-Mail.

Qualifying Activities

The EBC must be **substantially engaged** in one of the six **qualifying activities** from the time of registration to five years after the date of the last investment for which an investor received a tax credit. See the program web-site for descriptions of each qualifying activity (www.equitycapital.gov.bc.ca). The six qualifying activities are:

1. Manufacturing and processing of goods produced in British Columbia;
2. Destination tourism;
3. Research and development of proprietary technology;
4. Development of interactive digital new media product;
5. Community diversification outside of the Lower Mainland and the Capital Region; and
6. Development of clean technologies.

Substantially Engaged in a Qualifying Activity

To be substantially engaged, more than 50 percent of the assets and expenses of the business are used in one or more of the prescribed qualifying activities.

$$\text{Formula: } \frac{\text{Qualifying Activity Assets}}{\text{Total Assets}} + \frac{\text{Qualifying Activity Expenses}}{\text{Total Expenses}} > 0.5$$

Where,

Qualifying Activity Assets = the value of assets of the small business used in B.C. in the prescribed business activity.

Total Assets = the total value of all assets of the small business.

Qualifying Activity Expense = the expenses of the small business incurred during the calculation period with respect to the portion of the prescribed business activity carried on in B.C.

Total Expenses = the total of all expenses of the small business incurred during the calculation period with respect to all operations of the small business.

* Employees = Number of employees who work at least 20 hours per week

** Employment costs = Total of all remuneration, benefits, employer's contributions, etc.