

Large Employer Emergency Financing Facility (LEEFF)

General Overview:	<p>A Government of Canada COVID-19 pandemic response program implemented by Canada Enterprise Emergency Funding Corporation (CEEFC), in cooperation with Innovation, Science and Economic Development Canada (ISED) and the Department of Finance, to provide short-term financing of a minimum of \$60 million to existing and otherwise solvent large Canadian businesses eligible for the program (Qualifying Borrowers), for the purposes of preservation of employment, and continued operations and investment activities, until they can access more traditional market financing, and to position them for a rapid economic recovery.</p>	
Credit Facility Terms:	<ul style="list-style-type: none"> - Minimum principal amount of \$60 million - Provided by way of two facilities, advanced in tranches over 12 months: <ul style="list-style-type: none"> (i) an unsecured facility equal to 80 per cent of the principal amount, and (ii) a secured facility equal to 20 per cent of the principal amount - Duration of the unsecured facility will be five years - Duration of the secured loan facility will match that of the borrower's existing secured debt - Interest rate of the unsecured facility: <ul style="list-style-type: none"> - 5 per cent per annum during the first year - increases to 8 per cent per annum after the first year - increases by a further 2 per cent per annum each following year - may be paid in kind for the first two years of the loan - Interest rate of the secured facility will be based on the interest rate of the borrower's existing secured debt - Borrower may prepay the loan at any time without penalty - During the loan, the borrower will be subject to certain restrictions relating to: <ul style="list-style-type: none"> (i) dividends, capital distributions and share repurchases, and (ii) executive compensation 	<ul style="list-style-type: none"> - During the loan, the borrower must: <ul style="list-style-type: none"> (i) continue to perform its obligations under existing pension plans (ii) continue to perform its material obligations under applicable collective bargaining agreements (iii) publish an annual climate-related financial disclosure report, highlighting how corporate governance, strategies, policies and practices will help manage climate-related risks and opportunities, and (iv) contribute to achieving Canada's commitments under the <i>Paris Agreement</i> and goal of net zero emissions by 2050 - CEEFC may appoint an observer to the board of directors of the borrower - Borrower will need to satisfy certain conditions, including obtaining certain waivers and consents from its existing lenders - Canadian public company borrowers (or private subsidiaries of Canadian public companies) must issue warrants with the option to purchase the borrower's (or parent public company's) common shares totaling 15 per cent of the principal amount or receive cash equivalent of the value of the warrants - Private company borrowers will be required to provide CEEFC with additional fees comparable to the value of the warrants for public company borrowers
Eligibility Criteria of Qualifying Borrower:	<ul style="list-style-type: none"> - Large for-profit Canadian businesses or, in some cases, Canadian not-for-profit enterprises (such as airports), having a significant impact on Canada's economy, as demonstrated by: <ul style="list-style-type: none"> - significant operations in Canada, or - a significant workforce in Canada - Able to demonstrate approximately \$300 million or more in annual revenues, and - Require a minimum loan size of \$60 million 	<ul style="list-style-type: none"> - Companies seeking support must: <ul style="list-style-type: none"> - commit to minimizing the loss of employment and sustaining their business activities in Canada - demonstrate that LEEFF funding forms a part of their overall plan to return to financial stability - not be involved in active insolvency proceedings
Excluded Business Clients:	<ul style="list-style-type: none"> - Businesses in the financial sector - Enterprises that have been found guilty of tax evasion 	<ul style="list-style-type: none"> - Smaller enterprises that are eligible for other Government of Canada COVID-19 pandemic response programs
Application Process:	<ul style="list-style-type: none"> - Qualifying borrowers should send a standard inquiry form to leeff-cuge@cdev.gc.ca - A CEEFC representative will send applicants a non-disclosure agreement, an application form and instructions 	<ul style="list-style-type: none"> - Interested applicants may send an email to leeff-cuge@cdev.gc.ca (message content requirements apply) - Only emails from the enterprise's corporate domain will be accepted