



November 16, 2010

Dear colleague,

**Re: Update on BDC's Venture Capital Group**

Canada's venture capital sector is experiencing a number of difficulties that make it challenging for technology based entrepreneurs to access financing. BDC, with the support of an external consulting firm, has completed an extensive review of the national VC industry and our own operations in order to better understand how to resolve these issues and how BDC can make a better contribution.

Our conclusion is simple. There is a strong future for venture capital in Canada, and BDC can take a very active position in making this happen.

To do this, we've established a new strategic direction and business model for BDC Venture Capital.

Our strategy is four-pronged:

- Increase our ability to add value to portfolio companies by streamlining processes and increasing face-time with entrepreneurs;
- Create internal GPs which are more aligned with the VC sector;
- Catalyze the emergence of at scale, top-tier VC funds in Canada;
- Contribute to a healthy ecosystem by becoming a bridge to the angel community, developing global networks and mentoring entrepreneurs.

BDC has the financial ability to invest and will be actively seeking out opportunities, both in companies and fund investments. Both directly and indirectly, BDC intends to play a profitable, pivotal role in creating the next generation of global innovation champions.

We will also adjust our management structure to be more timely and responsive to company needs. Jacques Simoneau, Executive Vice President, Investments, who will be leaving BDC at year end, will help with this transition. I will be providing direct leadership to the team while an external search is concluded.

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We will make further announcements as we proceed. I would like to thank you for your continued commitment and support, and I look forward to implementing this exciting new strategy with you over the coming months.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, which appears to read 'Jean-René Halde', is positioned above the printed name.

Jean-René Halde  
President and Chief Executive Officer