

**BRISTOL GATE US EQUITY FUND LP**

**FIFTH AMENDED AND RESTATED  
LIMITED PARTNERSHIP AGREEMENT**

**Dated as of October 9, 2015**

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**BRISTOL GATE US EQUITY FUND LP**

**FIFTH AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT**

This Agreement (the “**Agreement**”) is made as of October 9, 2015.

**AMONG**

**BRISTOL GATE DIVIDEND GENERAL PARTNER INC.**, a corporation governed by the laws of the Province of Ontario

(hereinafter referred to as the “**General Partner**”)

- and -

**A. Peter Simmie**, a resident of the City of Toronto, Province of Ontario

(hereinafter referred to as the “**Initial Limited Partner**”)

- and -

Each party who from time to time executes this Agreement or a counterpart hereof as a subscriber for or transferee of one or more Units or who otherwise becomes a Limited Partner in accordance with the terms hereof

(such persons being hereinafter collectively referred to as the “**Limited Partners**” and individually referred to as a “**Limited Partner**”)

**WHEREAS:**

1. the General Partner has formed a limited partnership under the laws of the Province of Ontario by the filing and recording of the Declaration under the Act under the name “Bristol Gate US Dividend Growth Fund LP”;
2. in connection with the formation and organization of the Partnership, to facilitate the admission of Limited Partners and to set forth the ongoing arrangements regarding the Partnership, the General Partner and the Initial Limited Partner entered into a limited partnership agreement dated as of July 11, 2008, as amended and restated on April 24, 2009 and as further amended and restated on May 17, 2010, April 23, 2014 and July 31, 2014 (the “**Limited Partnership Agreement**”);
3. the Partnership changed its name to “Bristol Gate US Equity Fund LP” pursuant to an amendment to the Declaration under the Act filed on April 10, 2014;
4. the parties hereto wish to amend and restate the Limited Partnership Agreement pursuant to subsection 13.1(d) of the Limited Partnership Agreement to change the redemption

provisions for the benefit of Limited Partners and to make certain non-material amendments;

**NOW THEREFORE, THIS AGREEMENT WITNESSES THAT**, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration (the receipt and sufficiency whereof is hereby acknowledged), the parties hereto agree as follows:

## **ARTICLE 1 DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement and in the recitals hereto, unless the context otherwise requires:

- (a) “**Act**” means the *Limited Partnerships Act* (Ontario);
- (b) “**Advisor**” shall have the meaning ascribed thereto in subsection 7.1(a);
- (c) “**Affiliate**” means any Person who is an affiliate (as that term is defined in the *Securities Act* (Ontario)) of the General Partner;
- (d) “**Agreement**” means this fifth amended and restated agreement and all amendments and supplements hereto and all restatements and replacements hereof;
- (e) “**Auditor**” means the auditor appointed pursuant to Section 11.2;
- (f) “**business day**” means any day on which banks in Toronto, Canada are all open for business and such other days as the General Partner may in its sole discretion designate;
- (g) “**Contributed Capital**” means, at any time, with reference to a Limited Partner, the amount of money or value of other property contributed by such Limited Partner or his predecessor to the Partnership upon subscription for his Units, less the amount of Contributed Capital withdrawn by such Limited Partner or properly returned to such Limited Partner on a redemption of Units or otherwise or by any distributions made to such Limited Partner;
- (h) “**Declaration**” means the declaration filed under the Act in respect of the Partnership, as amended from time to time;
- (i) “**General Partner**” means Bristol Gate Dividend General Partner Inc., or, if it ceases to be the general partner of the Partnership, any successor general partner appointed in the manner provided herein;
- (j) “**GST**” means the Goods and Services Tax imposed under the *Excise Tax Act* (Canada);
- (k) “**HST**” means the Harmonized Sales Tax imposed under the *Excise Tax Act* (Canada);
- (l) “**IFRS**” means International Financial Reporting Standards;

- (m) “**Initial Limited Partner**” means A. Peter Simmie, a resident of the City of Toronto, Ontario;
- (n) “**Investment Advisory Agreement**” shall have the meaning ascribed thereto in subsection 7.1(c);
- (o) “**Limited Partner**” means a person who is recorded in the Register as the holder of one or more Units, and may include, from time to time, but only for purposes specified in this Agreement, a person who was a Limited Partner at any time in the same or previous fiscal year;
- (p) “**Net Asset Value of the Partnership**” at any time has the meaning ascribed thereto in Section 4.13, “**Net Asset Value**”, as it pertains to a class or series, is the amount calculated pursuant to subsection 3.2(d); and “**Net Asset Value per Unit**” means, where there is only class and series of Units, the Net Asset Value of the Partnership divided by the number of outstanding Units as at such time, or, where there is more than one class or series of Units, “**Net Asset Value per Unit**” is the amount calculated pursuant to subsection 3.2(d);
- (q) “**Net Profit**” of the Partnership for any period means (i) subject to Section 4.10, the sum of Partnership income earned by the Partnership, dividends received by the Partnership, and all realized and unrealized capital gains of the Partnership accrued during such period, less (ii) realized and unrealized capital losses of the Partnership together with all fees and expenses of the Partnership for such period determined with reference to Section 6.2 and Section 7.2; provided that if the foregoing results in a negative amount, such amount shall be referred to herein as “**Net Loss**” of the Partnership;
- (r) “**Offering Memorandum**” means the current private placement memorandum, confidential offering memorandum or any other offering document of the Partnership setting forth, *inter alia*, the investment objectives of the Partnership, as may be amended or supplemented from time to time;
- (s) “**Ordinary Resolution**” means a resolution approved by more than 50% of the votes cast by those Limited Partners holding Units who vote on the resolution, in person or by proxy, at a meeting of Limited Partners, or at any adjournment thereof, called and held in accordance with this Agreement, or a written resolution signed by Limited Partners holding more than 50% of the Units then outstanding, as provided in this Agreement;
- (t) “**Partners**” refers collectively to the General Partner and the Limited Partners, and a reference to a “**Partner**” shall be to any one of them;
- (u) “**Partnership**” means Bristol Gate US Equity Fund LP;
- (v) “**Person**” means an individual, corporation, company, body corporate, partnership, or trust or any trustee, executor, administrator or other legal representative or any legal entity including, without limitation, pension and profit sharing trusts;

- (w) “**Proportionate Interest**” means, at any time with reference to a Limited Partner, the proportion which the Net Asset Value of Units held by the Limited Partner at such time as recorded in the Register bears to the total Net Asset Value of the Partnership;
- (x) “**Register**” means the register of Limited Partners maintained pursuant to Section 3.7;
- (y) “**Resolution**” means an Ordinary Resolution or a Special Resolution;
- (z) “**Special Resolution**” means a resolution approved by not less than 66 2/3% of the votes cast by those Limited Partners holding Units who vote on the resolution, in person or by proxy, at a meeting of the Limited Partners, or at any adjournment thereof, called and held in accordance with this Agreement, or a written resolution signed by Limited Partners holding not less than 66 2/3% of the Units then outstanding, as provided in this Agreement;
- (aa) “**Unit**” or “**Class A Unit**” or “**Class H Unit**” means a limited partnership interest in the Partnership entitling the holder of such interest as recorded in the Register to the rights provided in this Agreement; and
- (bb) “**Valuation Date**” means any day that is a business day.

## **1.2 Interpretation**

For all purposes of this Agreement, except as otherwise expressly provided for, or unless the context otherwise requires:

- (a) “**this Agreement**” means this limited partnership agreement as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof;
- (b) the table of contents, headings, articles and sections hereof are for convenience of reference only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (c) all accounting terms not otherwise defined herein have the meanings ordinarily assigned to them in accordance with, and all computations made pursuant to this Agreement shall be made in accordance with, IFRS applicable from time to time applied on a consistent basis;
- (d) any reference to a currency herein is a reference to Canadian currency and the financial statements of the Partnership shall be reported in that currency (however, certain records of the Partnership and reports to Limited Partners from time to time may be recorded or reported in such currency or currencies as the General Partner may in its sole discretion determine is appropriate in the circumstances);
- (e) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto

and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulations made pursuant thereto;

- (f) any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity; and
- (g) words importing gender shall include the masculine, feminine and neuter gender, as applicable, and words in the singular include the plural and vice versa.

## **ARTICLE 2 THE PARTNERSHIP**

### **2.1 Name**

The Partnership shall carry on business under the name "Bristol Gate US Equity Fund LP" or such other name as the General Partner, acting reasonably, may determine from time to time. The name of the Partnership shall be changed to a name that does not include "Bristol Gate" if the name of the General Partner does not also include the name "Bristol Gate". The General Partner shall notify the Limited Partners of any change in the name of the Partnership in which case all relevant provisions of this Agreement shall be deemed to be amended to give effect to the new name. The Partnership may be referred to by its French form of name (as determined by the General Partner) where required by law.

### **2.2 Filings**

The General Partner shall file any certificate, document or instrument required of the Partnership to be filed under the laws of the Province of Ontario or any other province or territory in Canada or of any State of the United States of America for any purpose which the General Partner deems advisable. The General Partner and each Limited Partner, at the request of the General Partner, shall execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement, to continue to qualify the Partnership as a limited partnership under the laws of the Province of Ontario, or to give effect to the continuation of the Partnership under applicable laws. The General Partner shall take all necessary action on the basis of information available to it in order to maintain the status of the Partnership as a limited partnership in the Province of Ontario and in any jurisdiction in which the General Partner deems it advisable so to do.

### **2.3 Fiscal Year**

The fiscal year of the Partnership shall end on December 31 each calendar year or such other date as the General Partner, acting reasonably, may determine from time to time. The General Partner shall notify the Limited Partners of any change in the fiscal year of the Partnership.

### **2.4 Business of the Partnership**

The Partnership will engage in making investments in accordance with the objectives, strategies and restrictions as determined by the General Partner, all as disclosed in the Offering

Memorandum from time to time. The financial instruments available for purchase and sale are not hereby limited and shall be within the discretion of the General Partner or the Advisor if one is appointed. Some or all of the Partnership's assets may from time to time be invested in cash or other investments as the Advisor may deem prudent in the circumstances. The business of the Partnership shall include all things necessary or advisable to give effect to the Partnership's investment objectives, strategies and restrictions. The General Partner may from time to time give notice in writing to the Limited Partners of any change in investment objectives, strategies or restrictions without having to obtain the approval of the Limited Partners and written notice will be given to the Limited Partners promptly after any such change.

## **2.5 Office of the Partnership**

The principal office of the Partnership shall be at 45 St. Clair Avenue West, Suite 601, Toronto, Ontario, M4V 1K9. The General Partner may, from time to time, change the location of the Partnership's principal office within the Province of Ontario. The General Partner shall give notice in writing to the Limited Partners of any change in the location of the principal office of the Partnership.

## **2.6 Status of Limited Partners**

Each Limited Partner covenants and agrees that he shall, at the request of the General Partner, sign such documents as the General Partner may reasonably require establishing the status or residence of the Limited Partner. Each Limited Partner represents and warrants that he is not:

- (a) a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada); or
- (b) a "non-resident", a "tax shelter" or a "tax shelter investment", or a Person an interest in which is a "tax shelter investment" or in which a "tax shelter investment" has an interest, within the meaning of the *Income Tax Act* (Canada); or
- (c) a partnership which is not a Canadian partnership for purposes of the *Income Tax Act* (Canada) and which does not have a prohibition against investment by the foregoing persons, and any Limited Partner whose status changes with respect to the foregoing or who fails to provide evidence satisfactory to the General Partner of such status when requested to do so from time to time shall be removed as a Limited Partner by the redemption of such Limited Partner's Units in accordance with Article 5. In addition, any Limited Partner that is or becomes a "financial institution" within the meaning of Section 142.2 of the *Income Tax Act* (Canada) shall disclose such status to the General Partner at the time of subscription (or when such status changes) and the General Partner may restrict the participation of any such Limited Partner or require any such Limited Partner to redeem all or some of such Limited Partner's Units.

## **2.7 Limitation on Authority of Limited Partner**

No Limited Partner shall in his capacity as a Limited Partner:

- (a) take part in the control of the business of the Partnership except to the extent permitted by the Act for a Limited Partner who does not wish to lose limited liability;

- (b) execute any document which binds or purports to bind the Partnership or any other Limited Partner;
- (c) hold himself out as having the power or authority to bind the Partnership or any other Limited Partner; or
- (d) undertake any obligation or responsibility on behalf of the Partnership.

## **2.8 Actions Against Property and Assets**

No Limited Partner shall, in his capacity as a Limited Partner, register any lien, caveat, charge or other encumbrance against the property or other assets of the Partnership, whether real or personal, or permit any lien, caveat, charge or other encumbrance affecting him personally to be recorded or to remain undischarged against such property or assets, nor shall any Limited Partner bring any action for partition or sale in connection with such property or assets.

## **2.9 Security Interests in Limited Partners' Units**

No Limited Partner may assign by way of mortgage or grant any other security interest in his Units without the prior written consent of the General Partner, which consent may be granted or withheld in the General Partner's sole discretion. The General Partner shall not be required to give any reason for the granting or withholding of such consent.

# **ARTICLE 3 THE UNITS**

## **3.1 Number of Units**

The capital of the Partnership shall be divided into an unlimited number of Class A and Class H limited partnership units, and one Class B general partnership interest. At the option of the General Partner, the Partnership may create and issue additional classes of limited partnership units with substantially the same rights as the Class A and H limited partnership units but which may be subject to different management, performance and other fees.

## **3.2 Nature of the Units**

- (a) Units may be designated by the General Partner as being Units of a series. Units of each series may be issued at a Net Asset Value per Unit as the General Partner may in its discretion assign, and the Net Asset Value per Unit of any one series need not be equal to the Net Asset Value per Unit of any other series. Units of each series may be subject to different management, performance and other fees. The General Partner may at any time name or rename each such series without otherwise affecting the attributes of such series. The classes and series of Units created and authorized for the Partnership and their attributes shall be as shown from time to time in the Offering Memorandum.
- (b) Each issued and outstanding Unit shall be equal to each other Unit with respect to all matters, including the right to receive distributions from the Partnership and otherwise, and no Unit shall have any preference, conversion, exchange, pre-emptive or redemption

rights in any circumstances over any other Unit (except as may be provided herein). Each holder of Units will be entitled to one vote for each whole Unit owned by him, her or it in respect of all matters to be voted upon by the Limited Partners.

- (c) Each issued and outstanding Unit of each series shall be equal to each other Unit of the same series with respect to all matters, including the right to receive allocations and distributions from the Partnership and otherwise.
- (d) Upon the designation of a new series of Units by the General Partner, the Net Asset Value per Unit for such series shall initially be as designated by the General Partner pursuant to subsection 3.2(a) above and the Net Asset Value of such series shall initially be such Net Asset Value per Unit multiplied by the number of Units of such series initially issued. After the initial issue of Units of a series, the Net Asset Value of such series on a Valuation Date shall be calculated by the General Partner having regard to the Net Asset Value of such series relative to the Net Asset Value of the Partnership on the previous Valuation Date (following payment of fees payable to the Advisor on such previous Valuation Date, and adjusted for subscriptions, redemptions, conversions and redesignations), the increase or decrease in Net Asset Value of the Partnership from the previous Valuation Date to the current Valuation Date, and any fees payable to the Advisor in respect of Units of such series. Net Asset Value per class and Net Asset Value per Unit for Units of a class shall be calculated in a similar manner, with necessary adjustments, if there is only one series (or no series designated) for such class. If there is more than one series in a class, then the Net Asset Value for such class shall be the aggregate of the Net Asset Values of all series in such class, and Net Asset Value per Unit shall be calculated in respect of each series only.
- (e) The General Partner may in its discretion from time to time convert or redesignate one or more Units of any one class or series as being Units of another class or series, or rename a series such that it has the same name as another series of the same class, provided that:
  - (i) in the case of a conversion or redesignation, the conversion or redesignation rate is based on the respective Net Asset Values of each such class or series such that the aggregate Net Asset Value on the date of conversion or redesignation of Units held after conversion or redesignation is equal to the aggregate Net Asset Value of the Units held immediately prior to such conversion or redesignation;
  - (ii) in the case of a conversion to another class of Units, the fees payable pursuant to Section 7.2 in respect of Units received on conversion are the same or lower than those payable on the Units held prior to such conversion unless such conversion is made with the consent of the Limited Partners affected or in accordance with policies outlined in the offering document given to such Limited Partners at the time of acquisition of the affected Units;

- (iii) in the case of a renaming of a series, the Net Asset Value per Unit of each series is identical (following, if necessary, the consolidation or subdivision of Units of one or both such series);
- (iv) any benchmark, high water mark or other criteria for determining fees payable are equivalent (relative to the respective Net Asset Values per Unit of each series) or more advantageous to the Limited Partners so affected;
- (v) all securities or tax regulatory filings necessary to be made in respect thereof are made in a timely fashion and within any statutory deadlines; and
- (vi) no Limited Partner is otherwise adversely affected thereby.

### **3.3     Unit Certificates and Confirmation of Trades**

The Partnership will not issue Unit certificates. However, on any purchase, transfer or redemption of Units, the General Partner shall issue confirmation slips indicating the nature of the transaction effected by the Limited Partner, the number, class and series (as applicable) of Units purchased or redeemed, the issue price or the redemption price, the number, class and series (as applicable) of Units held by such Limited Partner after such transaction and any other information required by law.

### **3.4     Subdivision of Units: Fractional Units**

The General Partner may consolidate or subdivide the Units from time to time in such manner as it considers appropriate. Fractional Units may be issued. The General Partner may consolidate or subdivide Units of any class or series in a manner that is different to the treatment of Units of another class or series only if the Net Asset Value per Unit of such class or series is adjusted such that the aggregate Net Asset Value of all Units of such class or series prior to such consolidation or subdivision is equal to the aggregate Net Asset Value of all Units of such class or series following such consolidation or subdivision. None of the rights described in this Agreement as being available to a holder of a Unit, including, without limitation, those rights described in Section 3.2, are available to the purported holder of a fractional Unit other than a proportional right to allocations and distributions and the right to payment on redemption or return of capital.

### **3.5     Receipt**

The receipt of any money, securities or other property from the Partnership by a Person in whose name any Unit is recorded or by the duly authorized agent of such Person in that regard, or if such Unit is recorded in the names of more than one Person, the receipt thereof by any one of such Persons or by the duly authorized agent of any such Person in that regard, shall be a sufficient discharge (i) for the delivery of such money, securities or other property, and (ii) from all liability of the Partnership to see to the application thereof.

### **3.6 Registration**

Units may only be registered in the name of a single Person unless the General Partner decides otherwise. Registration of Units in the name of a Person shall be conclusive evidence that such Person is the legal owner of such Units until such time as the Units are redeemed or transferred in accordance with this Agreement.

### **3.7 Registrar and Transfer Agent**

The registrar and transfer agent of the Partnership shall be the General Partner or such other Person as the General Partner may designate by notice in writing to the Limited Partners. The registrar and transfer agent shall:

- (a) maintain a register (the “**Register**”) to record the following information for each Limited Partner:
  - (i) if the Partner is an individual, the Partner’s surname, the given name by which the Partner is commonly known, the first letters of the Partner’s other given names and the Partner’s residential address or address for service, including municipality, street and number, if any, and postal code;
  - (ii) if the Partner is not an individual, the Partner’s name and address or address for service, including municipality, street and number, if any, and postal code, and the Partner’s corporation number, if any;
  - (iii) the amount of money and the value of other property contributed or to be contributed by the Partner to the Partnership, including the class of units; and
  - (iv) any other information required by applicable law.
- (b) maintain such other records as may be required by law from time to time; and
- (c) cause transfers of Units to be recorded in accordance with the provisions of Section 3.9 or 3.10, if applicable.

The General Partner shall be authorized to make such reasonable rules and regulations pertaining to maintenance of the Register and the period of time during normal business hours that the Register is open for inspection as provided for in Section 3.8.

### **3.8 Inspection of Register**

The General Partner shall permit any Limited Partner or his agent duly authorized in writing to:

- (a) inspect and take extracts from the Register during normal business hours; and

- (b) to obtain a copy of the information set forth in the Register within a reasonable period of time after the date of filing of his written request therefore;

provided that such person agrees, in writing, that the information contained in the Register will be kept confidential and will not be used by such person except in connection with any matter relating to the affairs of the Partnership.

### **3.9 Transfer of Units**

Units are not transferable by a Limited Partner except with the written consent of the General Partner in its sole discretion and in compliance with all applicable securities legislation. Any such consent shall be subject to such conditions as the General Partner may determine, which conditions shall include, without limitation, the transferee giving such representations and warranties as the General Partner, in its sole discretion, determines is necessary and the transferring Limited Partner or the transferee agreeing to pay all reasonable legal fees and other expenses incurred by the General Partner and the Partnership in connection with such transfer. Under no circumstances will the General Partner permit a transfer to a Person listed in Section 2.6.

### **3.10 Successors in Interest of Limited Partners**

The General Partner shall cause to be recorded in the Register the name of any Person becoming entitled to any Units in consequence of the incapacity, death, bankruptcy or insolvency of any Limited Partner, or otherwise by operation of law, as the holder of such Units upon:

- (a) production of the proper evidence of such entitlement and such other evidence as may be required by law and upon compliance with the requirements of the General Partner;
- (b) the transferee agreeing in writing to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Agreement; and
- (c) the transferee delivering such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by law or by this Agreement.

### **3.11 Non-Recognition of Trusts or Beneficial Interests**

Except as required by law, no Person shall be recognized by the Partnership or any Limited Partner as holding any Unit in trust, and the Partnership and Limited Partners shall not be bound or compelled in any way to recognize (even when having actual notice) any legal, equitable, contingent, future or partial interest in any Unit or in any fractional part of a Unit or any other rights in respect of any Unit except an absolute right to the entirety of the Unit of the Limited Partner registered as holder of such Unit.

## **ARTICLE 4** **CONTRIBUTIONS, ALLOCATIONS AND DISTRIBUTIONS**

### **4.1 Subscription for Units**

Capital contributions by Limited Partners shall be made by way of subscriptions for Units. The initial subscription price for Units purchased pursuant hereto shall be \$10 per Unit until such time as the General Partner determines otherwise in its sole discretion. Thereafter, Units may be offered on each Valuation Date at the applicable Net Asset Value per Unit on such date. Upon acceptance of a subscription by the General Partner, in its sole discretion, the Units will be deemed to be issued on the business day next following such Valuation Date. If the General Partner has designated a new class or series of Units, the General Partner may in its discretion determine the opening Net Asset Value per Unit of such new class or series (for greater certainty, each class and/or series of Units may have a different Net Asset Value per Unit from that of the other classes and series from time to time). The General Partner is authorized and directed to do all things which it deems to be necessary, convenient, appropriate or advisable in connection therewith. Without limiting the generality of the foregoing, the General Partner may, in its sole discretion: (i) establish as a policy of the Partnership that initial capital contributions and/or additional capital contributions must exceed specified dollar amounts; (ii) grant exceptions to any such policy; (iii) change the minimum capital contribution requirements thereunder from time to time; and (iv) otherwise modify the Partnership's policies regarding acceptance levels of capital contributions.

### **4.2 Admission of Limited Partners**

No action or consent by the Limited Partners shall be required for the admission at any time or from time to time of additional Limited Partners.

### **4.3 Additional Capital Contributions**

The General Partner may, in its sole discretion, subject to applicable securities laws, accept subscriptions for additional Units in accordance herewith. Unless otherwise provided by law or this Agreement, in no event shall any Limited Partner be required to make any additional contribution to the capital of the Partnership in excess of that made or required for the purchase of such Limited Partner's Units.

### **4.4 General Partner Not Required to Subscribe**

The General Partner is not required to, but may in its sole discretion, subscribe for any Units or otherwise make any contribution to the capital of the Partnership.

### **4.5 Subscription Form**

A Person wishing to become a Limited Partner shall subscribe for Units by means of a subscription agreement and power of attorney in such form as may be satisfactory to the General Partner from time to time, and shall execute and deliver, under seal or otherwise, such other documents and instruments, including powers of attorney, as the General Partner may reasonably request. Subscription proceeds shall be held in trust by the General Partner pending acceptance

of the subscription. The acceptance of any such subscription in whole or in part shall be subject to the approval of the General Partner in its sole discretion. Subscription proceeds representing the portion of the subscription rejected by the General Partner shall be returned without interest.

#### **4.6 Limited Partner Accounts**

The General Partner shall keep or cause to be kept such individual accounts for each Limited Partner as may be required by applicable legislation or as the General Partner may deem necessary for the administration of the Partnership, including without limitation:

- (a) the Register of Limited Partners showing Contributed Capital for each such Partner;
- (b) a record showing the number, class and series of all Units purchased and/or redeemed by each Limited Partner, and the dates of such purchase and/or redemption, as well as the Net Asset Value of all Units held by such Limited Partner on each Valuation Date; and
- (c) a tax basis account which reflects Contributed Capital as well as all allocations for tax purposes under Section 4.7 to such Limited Partners.

#### **4.7 Allocations**

- (a) Limited Partners shall share in Net Profit and Net Loss of the Partnership, in accordance with their respective Proportionate Interests. A nominal amount of 0.1% of the Net Profit and Net Loss of the Partnership shall be allocated to the General Partner.
- (b) As of the end of each fiscal year, the income or loss and taxable capital gains (or allowable capital losses) of the Partnership (as determined for purposes of the *Income Tax Act* (Canada)) shall be allocated to the Partners, subject to those considerations set out below. Such allocations shall be from ordinary income or loss and taxable capital gains or allowable capital losses, if any. The General Partner may adopt and amend an allocation policy from time to time to allocate income or loss and taxable capital gains or allowable capital losses in such a manner as to account for Units which are purchased or redeemed throughout such fiscal year, the class and/or series of such Units, the tax basis of such Units, and the timing of receipt of income or realization of gains or losses by the Partnership during such year, among other factors deemed relevant by the General Partner. To such end, any Person who was a Limited Partner at any time during a fiscal year but who has redeemed or transferred all of his Units before the last day of such fiscal year may be allocated income or loss and taxable capital gains or allowable capital losses for purposes of the *Income Tax Act* (Canada). All determinations shall be made by the General Partner and shall, absent manifest error, be binding on the Limited Partners.

#### **4.8 Distributions**

The General Partner may make distributions from time to time in its sole discretion, however, no payment may be made to a Limited Partner from the assets of the Partnership if the payment would reduce the assets of the Partnership to an insufficient amount to discharge the liabilities of the Partnership to Persons who are not the General Partner or a Limited Partner.

#### **4.9 No Interest Payable on Contributed Capital**

No Limited Partner has the right to receive interest (other than interest reflected in the Net Profit of the Partnership) on his Contributed Capital. No Limited Partner is liable to pay interest to the Partnership on any Contributed Capital returned to the Limited Partner, unless required by applicable law or otherwise provided for in this Agreement.

#### **4.10 Reserves**

In determining the Net Profit of the Partnership and the income of the Partnership for purposes of the *Income Tax Act* (Canada), the General Partner shall make provision for adequate reserves for contingencies by retention of a reasonable percentage of proceeds from the sale of Units and/or the revenue of the Partnership in an amount as the General Partner, in its reasonable discretion, shall determine to be adequate.

#### **4.11 Debit Balance in Accounts**

The existence of a zero or negative balance in the account kept for any Partner shall not operate to terminate the Partnership.

#### **4.12 Repayments**

If the General Partner determines that the Partnership has paid to any Limited Partner an amount in excess of an amount to which he is entitled pursuant to Section 4.8, such Limited Partner shall forthwith reimburse the Partnership to the extent of such excess within fifteen (15) days after receipt by such Limited Partner of notice by the General Partner, accompanied by a report of the auditors of the Partnership confirming the accuracy of such notice. The Limited Partner shall be liable for interest on the excess amount paid at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers from the date of receipt by it of such notice and report to the date of refund of the excess amount if payment of such excess amount is not made by the Limited Partner within fifteen (15) days as aforesaid. The General Partner may set off and apply any sums otherwise payable to a Limited Partner against such amounts due from such Limited Partner, provided that there shall be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by a predecessor of such Limited Partner.

#### **4.13 Calculation of Net Asset Value**

- (a) As at the close of business on each Valuation Date, the net asset value (the "Net Asset Value") of the Partnership Units and the value of the Partnership's investment portfolio shall be determined by the General Partner in accordance with the methodology disclosed in the Offering Memorandum from time to time; for certainty, the costs and benefits of the Canadian dollar hedging program associated with the Class H Units shall be attributed only to those partners holding Class H Units.
- (b) Investment portfolio purchases and sales effected by the Partnership will be reflected in the computation of the Net Asset Value of the Partnership not later than the first computation of such Net Asset Value made after the date on which such transaction becomes binding.

- (c) In calculating Net Asset Value per Unit on any Valuation Date, Units to be redeemed shall be included on such date and Units to be issued shall be excluded on such date from such calculation.
- (d) Without prejudice to its general powers to delegate its functions, the General Partner may delegate any of its functions in relation to the calculation of Net Asset Value per Unit to any other Person.
- (e) The General Partner may make such other rules for calculating Net Asset Value as it deems necessary from time to time. In determining Net Asset Value, the General Partner may consult with and rely upon the advice of the Advisor and the Partnership's brokers, custodian, auditors, legal counsel or other service providers. In no event and under no circumstances will the General Partner, the Advisor, the Partnership's brokers, custodian, auditors, legal counsel or other service providers incur any individual liability or responsibility for any determination made or other action taken or omitted by them in good faith.
- (f) The Net Asset Value per Unit established by the General Partner in accordance with the provisions of this Section 4.13 shall, in the absence of bad faith or manifest error, be conclusive and binding on all Partners.

## **ARTICLE 5 REDEMPTION**

### **5.1 Redemptions**

- (a) Subject to the further provisions of this Section 5.1, each Limited Partner shall have the right to require his Units to be redeemed or repurchased by the Partnership on a Valuation Date.
- (b) In order to effect a redemption, a Limited Partner must give notice to the General Partner in such form as the General Partner may from time to time prescribe. Redemptions may only be made on a Valuation Date if the General Partner receives a written request for such redemption by 4:00 p.m. (Toronto time) on the business day prior to such Valuation Date. Any written request for the redemption of Units shall be deemed to constitute the entire notice to the Partnership in respect thereof and shall, unless the General Partner determines otherwise in its sole discretion, supersede all previous requests, communications, representations, understandings and agreement, written or verbal, between the Limited Partner and the Partnership with respect to the redemption of Units including, but not limited to, any prior notices of redemption.
- (c) The General Partner, in its sole discretion, may declare a suspension of the determination of Net Asset Value and the admission of Partners and the redemption of Units (in whole or in part) in such circumstances as it deems appropriate. These circumstances include, but shall not be limited to, such circumstances as may be set out in the Offering Memorandum from time to time. A suspension shall apply to all redemption requests received prior to the suspension but as for which payment has not been made as well as to all redemption requests received while the suspension is in effect. In such circumstances,

all Limited Partners shall have and shall be advised that they have the right to withdraw their redemption request. Subject to applicable laws, any declaration of suspension made by the General Partner shall be conclusive. The General Partner will advise the Limited Partners who have requested a redemption if redemptions will be limited or suspended on a requested Valuation Date. Redemption requests which are rejected as at a Valuation Date will be accepted on the next Valuation Date on which redemption requests are honoured.

- (d) Redemption requests are irrevocable unless they are not honoured on the relevant Valuation Date or a redeeming Limited Partner has been advised by the General Partner that they have the right to withdraw their redemption request, in which case they may be withdrawn within two (2) days of Valuation Date.
- (e) For Limited Partners holding more than one class or series of Units, the General Partner may adopt and amend a policy from time to time, on a basis which it determines to be fair and reasonable under the circumstances, to determine the order in which such Limited Partner's outstanding Units are redeemed, which policy shall be binding on the redeeming Limited Partner.

## **5.2 Redemption Proceeds and Deductions**

- (a) Limited Partners whose redemption requests have been honoured by the General Partner shall receive the proceeds of redemption (less applicable fees and deductions as provided herein) as soon as is practicable and in any event within fifteen (15) days following the relevant Valuation Date. If any redemption is requested without provision by the Partner of appropriate payment instructions, the General Partner may deposit in a separate bank account the amount redeemed. Upon such deposit, the Partner shall have no interest in or claim against the Partnership or its assets except the right to receive (subject to subsection (f) below) the moneys so deposited (without interest).
- (b) Upon redemption of Units by a Limited Partner in accordance with Section 5.1, such Limited Partner shall receive redemption proceeds equal to the Net Asset Value of such Units on the relevant Valuation Date.
- (c) Redemptions made within the first twelve (12) months of the subscriber's initial investment will be charged a penalty of 1.5% on the net asset value of the redeemed Units. Relief from this levy is at the General Partner's discretion.
- (d) In the sole discretion of the General Partner, payment of all or part of any redemption proceeds may be made by transfer of a pro rata portion of the Partnership's securities portfolio. In the event that the General Partner determines to pay all or part of any redemption proceeds by the transfer of securities then held by the Partnership, it shall provide the Limited Partner with prompt notice thereof and the redeeming Limited Partner shall have and shall be advised that they have the right to withdraw their redemption request or a portion thereof.
- (e) Notwithstanding any other provisions of this Agreement, the General Partner may, in its sole discretion, refuse to make a payment to a Partner if the General Partner suspects or is

advised that the payment of any redemption proceeds to such Partner may result in a breach or violation of any applicable laws or regulations (including, without limitation, any anti-money laundering or antiterrorism laws and regulations) by the Partnership or any other person in any relevant jurisdiction, or such refusal is necessary to ensure the compliance by the Partnership, the General Partner or any authorized agent with any such applicable law or regulation in any relevant jurisdiction. In such circumstances, and until otherwise instructed by the relevant authority, the General Partner may deposit such redemption proceeds in a separate bank account. If the General Partner is given permission to pay out such redemption proceeds to the relevant Partner, such Partner's only right against the Partnership shall be the right to receive the moneys so deposited (without interest).

- (f) As of the Valuation Date in respect of which a Limited Partner has redeemed the entire amount of his Units, the Limited Partner shall cease to be entitled to any rights under this Agreement (except for the right to receive any redemption proceeds), his, her or its name shall be removed from the Register with respect thereto and such Limited Partner shall cease to be a Partner with effect from such Valuation Date.

### **5.3      Redemption Fees**

No fees or charges shall be levied or imposed upon a redemption of Units unless the General Partner otherwise determines in its sole discretion, or redemption fees or charges are approved by the Limited Partners by Special Resolution.

### **5.4      Redemption at the Option of the General Partner**

Notwithstanding and without limiting any of the provisions of this Article 5, the General Partner shall have the right to require a Limited Partner to redeem all of the Units owned by such Limited Partner on a Valuation Date at the Net Asset Value per Unit thereof, by notice in writing to the Limited Partner given at least five (5) days before the date of redemption, which right may be exercised by the General Partner in its sole discretion.

## **ARTICLE 6 MANAGEMENT OF LIMITED PARTNERSHIP**

### **6.1      Authority of General Partner**

The General Partner shall have the power and authority to do such acts and things and to execute and deliver such documents as it considers necessary or desirable in connection with the offering and sale of the Units and for the formation and operation of the Partnership for the purposes stated herein. Subject to any provisions of this Agreement to the contrary, the General Partner shall carry on the business of the Partnership with full power and authority to administer, manage, control, conduct and operate such business and to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement, or document necessary for or incidental to carry out the objects, purposes and business of the Partnership for and on behalf of and in the name of the Partnership. No Person dealing with the Partnership is required to determine or inquire into the authority or power of the General Partner to take any action or make any decision on behalf of and in the name of the Partnership. The General Partner

shall devote so much of its time to the business of the Partnership as is reasonably required to operate and manage the business of the Partnership in an efficient manner but shall not be required to devote its entire time to the business of the Partnership.

## **6.2 Expenses**

- (a) The Partnership shall be responsible for and the General Partner shall be entitled to reimbursement from the Partnership for all costs actually incurred by it in connection with the business of the Partnership, including but not limited to administrative fees and expenses, accounting, audit and legal costs, insurance premiums, unitholder communication expenses, regulatory fees and expenses, all reasonable extraordinary or non-recurring expenses, custodian's fees, interest charges on funds borrowed by the Partnership and commissions or other charges for brokerage, banking and financial and securities information services provided to the Partnership.
- (b) Expenses other than the fees contemplated in Section 7.2 (plus applicable taxes) shall be deducted from the Net Asset Value of the Partnership and not from the Net Asset Value of any particular class(es) or series unless the General Partner determines that such expenses are properly attributable only to certain classes or series of Units.

## **6.3 Duties of General Partner**

The General Partner shall exercise the powers and discharge the duties of its office hereunder honestly, in good faith, and with a view to the best interests of the Partnership and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The General Partner shall be entitled to retain advisers, experts or consultants to assist in the exercise of its powers and the performance of its duties hereunder.

## **6.4 Power of Attorney**

Each Limited Partner hereby nominates, constitutes and appoints the General Partner, with full power of substitution, as his agent and true and lawful attorney to act on his behalf, with full power and authority, in his name, place and stead, to execute, ratify, confirm, acknowledge, deliver, file and record in the appropriate public offices in any jurisdictions where the General Partner considers it appropriate, any and all of:

- (a) this Agreement and any amendment, change or modification hereto from time to time made in accordance herewith, the Declaration and any other instruments or documents necessary or required to continue and keep in good standing the Partnership as a limited partnership in the Province of Ontario and elsewhere;
- (b) all documents on behalf of the Limited Partner and in the Limited Partner's name as may be necessary to give effect to the sale or assignment of a Unit or to give effect to the admission of additional or substituted Limited Partners or a transferee of Units as a new Limited Partner of the Partnership, as required by and/or subject to the terms and restrictions hereof;

- (c) all conveyances and other instruments or documents required in connection with the dissolution and liquidation of the Partnership subject to the terms and restrictions hereof, including cancellation of any declaration or certificate and the distribution of assets of the Partnership;
- (d) all other instruments and documents on the Limited Partner's behalf and in the Limited Partner's name or in the name of the Partnership as may be deemed necessary by the General Partner to carry out fully this Agreement in accordance with its term and/or to give effect to the business and affairs of the Partnership;
- (e) all elections, determinations, designations or other documents or instruments under the Income Tax Act (Canada) (including without limitation elections under section 97(2) thereof as it may be amended or replaced from time to time) or any other taxation or other legislation or laws of like import in respect of the affairs of the Partnership or of the Limited Partner's interest in the Partnership; and
- (f) execute and file with any government body any documents necessary and appropriate to be filed in connection with the business, property, assets and undertaking of the Partnership or in connection with this Agreement.

Each Limited Partner agrees that the ability of the General Partner to carry out its duties and discharge its obligations to the Partnership is dependent on the validity and survival of this power of attorney.

Without limiting the generality of this Agreement, it is expressly agreed and understood that the power-of-attorney granted herein is a power coupled with an interest and is irrevocable; it shall survive the assignment by the Limited Partner of the whole or any part of the interest of the Limited Partner in the Partnership, extends to the heirs, executors, administrators, successors, assigns and other legal representatives of the Limited Partner, shall survive the death or disability of the Limited Partner and may be exercised by the General Partner on behalf of each Limited Partner in executing such instrument with a single signature as attorney and agent for all of them. The Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney. If a court of competent jurisdiction (or an arbitrator in circumstances where the General Partner has agreed to be bound by such arbitrator's decision) determines that this power of attorney has been terminated, been duly revoked or has become invalid, any exercise of the power by the General Partner following such termination, revocation or invalidity shall be valid and binding as between the Limited Partner or the estate of the Limited Partner and any person, including the General Partner, who acted in good faith and without knowledge of the termination, revocation or invalidity.

The Limited Partner hereby releases the General Partner from all liability of any kind that may arise in consequence of any act or omission of the General Partner, so long as the General Partner exercises its authority under this power of attorney in good faith. The Limited Partner agrees to be bound by any representation or action made or taken by the General Partner pursuant to this power of attorney and, if requested, agrees to ratify any such representation or

action, including the execution of any documents necessary to effect such ratification. The Limited Partner hereby indemnifies the General Partner with respect to all liability that may arise under this power of attorney in consequence of any act or omission of the General Partner in the exercise of its authority hereunder, unless the General Partner is found by a court of competent jurisdiction in the Province of Ontario to have acted without good faith in exercising its authority under this power of attorney, and such indemnification shall remain effective for any entity that ceases to be General Partner in respect of any such act or omission that occurred while such entity was General Partner.

This power of attorney shall continue in respect of the General Partner so long as it is the general partner of the Partnership, and shall terminate thereafter, but shall continue in respect of a new general partner as if the new general partner were the original attorney. This power of attorney is in addition to any other power of attorney granted by the Limited Partner in connection with Units of the Partnership. This power of attorney shall survive the granting of any subsequent power of attorney by the Limited Partner. The Limited Partner agrees to take any action reasonably required by the General Partner to ratify any decision made or step taken by the General Partner pursuant to this power of attorney.

## **6.5 Specific Powers**

Without limiting the generality of the foregoing, it is acknowledged and agreed that the General Partner is authorized, at the appropriate time, on behalf of and in the name of the Partnership and without further authority from the Limited Partners:

- (a) to do all acts and things and to enter into all agreements on behalf of the Partnership in connection with the investments made and the investment strategies employed by the Partnership;
- (b) to place registered title to any assets of the Partnership in its name, in the Partnership's name, or in the name of any entity which the General Partner determines shall be the registered holder of the title to any assets of the Partnership either as a nominee or a trustee for the purpose of convenience or benefit of the Partnership;
- (c) to incur all reasonable expenditures;
- (d) to employ and dismiss from employment any and all employees, agents, contractors, advisors, managers, brokers, solicitors, accountants and auditors (subject to necessary unitholder approval) as the General Partner considers advisable in order to perform its duties hereunder;
- (e) to open bank accounts, brokerage and trading accounts and similar accounts for the Partnership in its own name or that of the Partnership, to designate, and from time to time change, the signatories to such accounts and to execute loan and credit agreements on behalf of the Partnership;
- (f) to generally do all things and take all steps in connection with the investments and other assets of the Partnership which would be customarily carried out by a reasonable owner of similar investments or assets in Canada;

- (g) to submit the Partnership to binding arbitration with respect to any matters pertaining to the assets and undertakings of the Partnership;
- (h) to pay out of the Partnership all taxes, fees and other expenses relating to the business and investments of the Partnership;
- (i) to act on behalf of the Partnership with respect to any and all actions and other proceedings brought by or against the Partnership;
- (j) to possess and exercise, as may be required, all of the rights and powers of a general partner as more particularly provided in the Act;
- (k) to borrow funds on behalf of the Partnership and to pledge the Partnership's assets to secure such borrowings;
- (l) to lend the securities owned by the Partnership to arm's length third parties on such terms as are commercially reasonable in the circumstances; and
- (m) to execute, acknowledge and deliver any and all other deeds, documents, and instruments and to do all acts as may be necessary or desirable to carry out the intent and purpose of this Agreement, including, without limitation, retaining any contractors to carry out any of the foregoing.

#### **6.6 Commingling of Funds**

The funds and assets of the Partnership shall not be commingled with the funds or assets of any other Person, including the General Partner, other than in connection with the ownership of property jointly or in common with others.

#### **6.7 Limitation on Reimbursement for Expenses of the Partnership**

The provisions of Section 6.2 shall not entitle the General Partner to reimbursement of any expense incurred in relation to any action, suit or other proceeding as a result of which it is adjudged to be in breach of any duty or responsibility imposed on it hereunder.

#### **6.8 Other Activities of the General Partner**

The Limited Partners acknowledge that the General Partner (including its Affiliates and their respective shareholders, directors, officers and employees) may invest for their own accounts, engage in investment management or advisory activities for others and may have interests in other investment entities whose investment objectives may be similar to those of the Partnership. Except to the extent necessary to fulfil its obligations under this Agreement, the General Partner (including its Affiliates and their respective shareholders, directors, officers and employees) is not prohibited or restricted from engaging in or devoting time and attention to the management of any other business, whether or not of a similar nature, or to rendering services of any kind to any other person.

## ARTICLE 7 MANAGEMENT SERVICES

### 7.1 Managing the Investments of the Limited Partnership

In order to engage professional management of the Partnership's capital and to obtain other administrative services, the General Partner may from time to time:

- (a) appoint a manager and/or advisor (the "**Advisor**") to manage the investments, undertaking and affairs of the Limited Partners and the Partnership;
- (b) retain Bristol Gate Capital Partners Inc. to act as the initial Advisor;
- (c) execute a management agreement and/or investment advisory agreement incorporating the terms set out in this Article 7 and such other terms and conditions as the General Partner deems appropriate (the "**Investment Advisory Agreement**");
- (d) monitor the management of the Partnership by the Advisor in order to verify that the Advisor is properly performing the services and discharging the duties, obligations and responsibilities owed to the Partnership pursuant to the Investment Advisory Agreement (and the General Partner shall be entitled, in discharging its monitoring duties in connection with the services provided by the Advisor, to rely on reports prepared for it by the Advisor); and
- (e) authorize the Advisor to exercise all or any of the powers conferred upon the General Partner by this Agreement (including for greater certainty, the powers conferred upon the General Partner by Article 6 hereof) to such extent and in such manner as the General Partner shall determine.

### 7.2 Fees

- (a) The Advisor shall be entitled to receive from the Partnership or Limited Partners management, performance and other fees payable in such amounts and at such intervals as the General Partner and the Advisor may agree to from time to time provided such fees are fully disclosed to the purchaser of Units affected thereby at the time of purchase. The fees charged by the Advisor may be greater in respect of one class and/or series of Units than for another class or series of Units and in such regard shall be calculated and deducted from the Net Asset Value of each respective class or series, if charged to the Partnership, in accordance with subsection 3.2(d).
- (b) The General Partner must give the Limited Partners not less than ninety (90) days' prior written notice of any proposed change to the amount and method of calculation of such fees, if any, if, as a result of such change, such fees will be paid more frequently or could result in increased fees being paid by the Partnership or the Limited Partners.
- (c) Any fees payable by a Limited Partner may be paid by redemption of the applicable number of Units held by the Limited Partner.

### **7.3 Termination of Investment Advisory Agreement**

The Investment Advisory Agreement will continue unless terminated in accordance with the terms thereof and in any event shall terminate upon the termination of this Agreement. In the event that Investment Advisory Agreement is terminated or the Advisor resigns, the General Partner shall carry out, or shall promptly appoint a successor to carry out, the activities of the Advisor.

### **7.4 Advisor Not a Partner**

It is not the intention of the parties hereto that the Advisor be a partner of the Partnership, and the appointment of the Advisor pursuant to Section 7.1, the carrying out by the Advisor of its obligations pursuant to the Investment Advisory Agreement and the payment of fees to the Advisor (including, if any, fees based on profits) are not intended to and shall not constitute the Advisor as a Partner.

## **ARTICLE 8 LIABILITIES OF PARTNERS**

### **8.1 Unlimited Liability of General Partner**

The General Partner shall be responsible and liable for the debts, obligations and any other liabilities of the Partnership in the manner and to the extent required by the Act and as set forth in this Agreement.

### **8.2 Limited Liability of Limited Partners**

- (a) Subject to the provisions of the Act, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount the Limited Partner contributes or agrees in writing to contribute to the Partnership, less any such amounts properly returned to the Limited Partner.
- (b) Notwithstanding anything to the contrary on this Agreement, where a Limited Partner has received the return of all or part of the Limited Partner's Contributed Capital, the Limited Partner is nevertheless liable to the Partnership or, following the dissolution of the Partnership, to its creditors for any amount, not in excess of the amount returned with interest (calculated at a rate per annum equal to the prime commercial lending rate of the Partnership's bankers), necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Limited Partner's Contributed Capital.

### **8.3 Dealings with Persons**

Before any material contract is entered into by the Partnership or by the General Partner (or agent duly authorized) on behalf of the Partnership or any loans are made to the Partnership, or to the General Partner on behalf of the Partnership, the General Partner (or agent, as the case may be) shall notify the other party or parties to such transaction that the personal liability of the Limited Partners to third parties is limited to their interest in the Partnership's assets. The

General Partner shall use its best efforts to insert, or to cause agents of the Partnership to insert, the following clause (or words to like effect) in any contracts or agreements to which the Partnership is a party or by which it is bound:

Bristol Gate US Equity Fund LP is a limited partnership formed under the *Limited Partnerships Act* (Ontario), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that the limited partner has already contributed to its capital. Recourse under this agreement shall be limited to the assets of Bristol Gate US Equity Fund LP and no action shall be taken against the investment manager of the Bristol Gate US Equity Fund LP or the limited partners to recover any amount in excess of the assets of the Bristol Gate US Equity Fund LP.

#### **8.4 Indemnification of Limited Partners**

The General Partner will indemnify and hold harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by such Limited Partner that result from or arise out of such Limited Partner not having limited liability as set out in Section 8.2, other than any lack of limited liability caused by or arising out of any act or omission of such Limited Partner.

### **ARTICLE 9 PARTNERSHIP MEETINGS**

#### **9.1 Meeting of Limited Partners**

A meeting of the Limited Partners may be called at any time by the General Partner and shall be called by the General Partner upon written request of Limited Partners holding not less than 20% of the outstanding Units. Any such request shall specify the purpose for which the meeting is to be held and any Resolutions which Limited Partners may vote on pursuant to this Agreement that are to be voted on at the meeting. Notice of meeting shall be given by the General Partner within fifteen (15) days of receipt of the request for same. Any meeting requested by such Limited Partners shall be conducted in accordance with the provisions of this Agreement. The expenses incurred in calling and holding such meeting shall be paid by the Partnership. Special meetings shall be held in the City of Toronto, Ontario or in such other city as the General Partner may determine.

#### **9.2 Notice of Meetings**

Notice of any meeting of the Limited Partners called by the General Partner shall be given to each Limited Partner entitled to vote at such meeting at his, her or its address shown in the Register, to the General Partner and to the Advisor. Any such notice shall be mailed by prepaid mail at least ten (10) days and not more than twenty-one (21) days prior to the meeting and shall state the time and place where such meeting is to be held. The notice shall specify, in general terms, the nature of all business to be transacted thereat in sufficient detail to enable the Limited Partners to make a reasoned judgment concerning each matter to be considered at the meeting. A copy of the text of any proposed Special Resolution shall accompany the mailing of the notice. Accidental failure to give notice to a Limited Partner shall not invalidate a meeting, any adjournment thereof or any proceeding thereat.

### **9.3 Quorum**

A quorum for a meeting of Limited Partners shall consist of Limited Partners present in person or represented by proxy holding in total not less than thirty percent (30%) of the Net Asset Value of the Partnership. If a quorum is not present on the date for which the meeting is called within one-half hour of the time fixed for the holding of such meeting, the meeting shall be adjourned to be held on a date fixed by the Chairman of the meeting, which date shall be not later than fourteen (14) days thereafter, at which adjourned meeting two or more Limited Partners entitled to vote at the meeting and present in person or represented by proxy shall constitute a quorum. Notice for adjourned meetings shall be given not less than five (5) days in advance and otherwise in accordance with the provisions for notice contained in Section 9.2 except that such notice need not specify the nature of business to be transacted (other than new business not previously disclosed). Any business may be transacted at the adjourned meeting which might properly have been transacted at the original meeting.

### **9.4 Powers Exercisable by Special Resolution**

The Limited Partners may by Special Resolution:

- (a) amend this Agreement pursuant to Section 13.2;
- (b) make an election under the *Income Tax Act* (Canada) and under any analogous provincial legislation in connection with the dissolution of the Partnership;
- (c) approve or disapprove the sale or exchange of all or substantially all the property and assets of the Partnership;
- (d) dissolve the Partnership;
- (e) amend or rescind any Special Resolution;
- (f) replace the Auditor; or
- (g) remove the General Partner pursuant to Section 10.2.

### **9.5 Voting**

Except as otherwise provided for herein, at all meetings of Limited Partners each Limited Partner or such Limited Partner's duly appointed proxy shall be entitled to one vote for each Unit recorded in his, her or its name on the Register on the date of the meeting. Each Resolution to be voted on at a meeting of Limited Partners shall be decided by a show of hands unless a poll is demanded by any Person entitled to vote at the meeting in which case a poll shall be taken by the Chairman of the meeting. The Chairman of the meeting shall not have a casting vote on any Resolution but shall be entitled to any voting rights he or she may have as a Limited Partner or as a proxy holder.

With respect to the voting on any Resolution, a declaration made by the Chairman of the meeting as to the results of the voting on any such Resolution shall be conclusive evidence thereof.

## **9.6 Proxies**

Any Limited Partner entitled to vote may vote in person or by proxy at any meeting of Limited Partners provided that a proxy shall have been received by the General Partner for verification two (2) days prior to the meeting or on the date of the meeting filed with the Secretary of the meeting. The form of proxy shall substantially comply in form and content with the rules pertaining to forms of proxy in the *Securities Act* (Ontario) and the regulations thereunder. A person appointed as proxy holder need not be a Limited Partner. Every proxy purporting to be executed by or on behalf of a Limited Partner shall be valid unless challenged by any Limited Partner or holder of another proxy prior to or at the time of its exercise, and the burden of proving invalidity shall rest on the person so challenging. Any challenge to the validity of any proxy shall be made in such form and shall contain such material as the Chairman of the meeting shall reasonably require and all the decisions concerning the validity of proxies shall be made by the Chairman of the meeting. Such proxy is effective until notice in writing, including a subsequent form of proxy, revoking such proxy is delivered to (i) the General Partner, or (ii) the Chairman of the meeting to which the proxy relates.

## **9.7 Conduct of Meetings**

The Chairman of any meeting of Limited Partners shall be an officer or director of the General Partner or an individual nominated in writing by the General Partner, failing which the Chairman of the meeting shall be any other Person approved by Ordinary Resolution at the outset of the meeting. Representatives of the General Partner and the Advisor may attend any meeting and may address the meeting. The General Partner shall have the right to authorize the presence of any Person at any meeting of Limited Partners regardless of whether such Person is a Partner. With the approval of the General Partner, such Persons shall be entitled to address the meeting. Any legal adviser of a Partner, any other Person authorized in writing by a Partner and the Auditors of the Partnership may attend any meeting of Limited Partners and shall be entitled to address the meeting on behalf of a Partner.

Officers and directors of the General Partner shall have the right to attend in their capacity as such at any meeting of Partners and shall be entitled to address the meeting on the matters properly before it, but the General Partner in its capacity as a general partner shall not have a vote at any such meeting.

## **9.8 Resolutions Binding**

Any Resolution passed in accordance with this Agreement at a meeting or in writing shall be binding on all Limited Partners and their respective heirs, executors, administrators, other legal representatives, successors and assigns, whether or not such Limited Partners were present or represented by proxy at the meeting at which such Resolution was passed, voted against such Resolution or elected not to sign a Resolution in writing.

Minutes of all Resolutions passed and proceedings taken at every meeting of Limited Partners shall be made and recorded in a minute book by the General Partner. Minutes, when signed by the Chairman of the meeting of Limited Partners, shall be *prima facie* evidence of the matters therein stated and, until the contrary is proved, every such meeting in respect of which minutes

shall have been made shall be taken to have been duly held and convened, and all Resolutions passed or proceedings taken as referred to in the minutes shall be deemed to have been duly passed and taken in accordance with this Agreement. The minute book shall be available for inspection by the Limited Partners at all meetings of the Limited Partners and at all other reasonable times during normal business hours at the principal office of the Partnership.

### **9.9 Rules of Procedure**

The General Partner may adopt reasonable rules of order for conducting all meetings of the Limited Partners, failing which the Chairman of any meeting may make such reasonable rulings as he may determine appropriate.

### **9.10 Written Resolutions**

A written resolution signed by the requisite number of Limited Partners shall be effective as an Ordinary Resolution or Special Resolution, as the case may be, as if it had been passed at a meeting in accordance with this Article 9, provided all Limited Partners are provided a copy of the proposed resolution (and all such other information they would have otherwise been entitled to pursuant to Section 9.2) as soon as is practicable and in any event prior to the effective date of such resolution.

### **9.11 Potential Loss of Limited Liability**

It shall be the responsibility of each Limited Partner to consult with legal counsel as to whether the passing of a Resolution by Limited Partners would or could be construed as participating in control of the business of the Partnership and the effect, if any, of such Limited Partner's participation in the passing of such Resolution would have on such Limited Partner's statutory limited liability, having regard to the Act, Section 2.7 hereof, and other relevant factors.

## **ARTICLE 10 REMOVAL OF GENERAL PARTNER**

### **10.1 Assignment of Interest of General Partner**

The General Partner may not sell, assign, or otherwise transfer its interest or rights as the General Partner in the Partnership except with the prior approval of the Limited Partners given by Ordinary Resolution. Notwithstanding the foregoing, the General Partner may assign its interest or rights as the General Partner in the Partnership to an Affiliate at any time without the approval of the Limited Partners provided that written notice of such assignment is given to all Limited Partners promptly after such assignment.

### **10.2 Removal of General Partner**

The General Partner may be removed as the general partner of the Partnership at any time by a Special Resolution of the Limited Partners, which Special Resolution shall also appoint a new General Partner and the removal of the General Partner shall be effective upon the date of such appointment, as specified in such Special Resolution. Upon the bankruptcy, dissolution or making of an assignment for the benefit of creditors of or by the General Partner or upon the

appointment of a receiver of the assets and undertaking of the General Partner, the General Partner will be deemed to have been removed as the General Partner of the Partnership effective the date thereof and an interim General Partner shall be appointed by the Limited Partner holding Units with the single largest aggregate Net Asset Value with effect as of the date of such removal and a new General Partner shall, in such instance, be appointed to replace the interim General Partner by an Ordinary Resolution within sixty (60) days of the bankruptcy, dissolution, assignment or appointment.

### **10.3 Reimbursement of Expenses to General Partner on Removal**

In the event of the removal of the General Partner under Section 10.2 at any time during the term hereof, the Partnership shall pay forthwith to the removed General Partner all amounts to be reimbursed under Section 6.2, costs incurred by the General Partner in creating and organizing the Partnership, plus the General Partner's allocation of Net Profit or Net Loss (as determined in accordance with Section 4.7) as at such date.

The General Partner shall be entitled to receive copies of all financial statements prepared with respect to the fiscal year of the Partnership in which removal occurs.

### **10.4 Transfer of Duties to New General Partner**

Upon the appointment of a new General Partner of the Partnership, the former General Partner shall do all things and take all steps to immediately and effectively transfer the management, control, administration and operation of the Partnership and assets, books, records and accounts thereof to the new General Partner including the execution and delivery of all deeds, certificates, declarations and other documents whatsoever which may be necessary or desirable to give effect to such change and to assign, transfer and convey all the undertaking, property and assets of the Partnership to the new General Partner of the Partnership. All costs and expenses associated with the foregoing shall be paid by the Partnership.

### **10.5 Release of General Partner**

Upon the removal of a General Partner, the Partnership shall release and hold harmless such removed General Partner from all actions, claims, costs, demands, losses, damages and expenses based upon events which occur in relation to the Partnership after the effective date of such removal, except where the same results from the fraud, wilful misconduct or gross negligence of such former General Partner.

### **10.6 Powers, Duties and Obligations of New General Partner**

In the event of the removal of the General Partner, the new general partner of the Partnership shall execute a counterpart hereof and shall from that time forward, for all purposes and in all ways, assume the powers, duties and obligations of the General Partner under this Agreement and shall be subject to the terms of this Agreement.

## **10.7 Change of Partnership Name**

In the event of the removal of the General Partner as general partner, the General Partner shall be entitled to have the name of the Partnership changed by deleting any reference to a distinctive part of the General Partner's name and by filing the appropriate declaration of change prior to the effective date of such removal.

# **ARTICLE 11 BOOKS, RECORDS AND FINANCIAL INFORMATION**

## **11.1 Books and Records**

- (a) The General Partner will keep and maintain, or cause to be kept and maintained, at its principal place of business or elsewhere, the books of account and records of the business of the Partnership and a Register. Each Limited Partner or his duly authorized representatives shall have access to such information during normal business hours, and may make copies of or take extracts from such books and records, subject to signing such confidentiality agreement as the General Partner may require and the Limited Partner may not use such information except in connection with any matter relating to the affairs of the Partnership.
- (b) Notwithstanding subsection 11.1(a), the General Partner may keep confidential from the Limited Partners for such period of time as the General Partner deems reasonable, any information (other than information regarding the affairs of the Partnership as is required to be provided to a Limited Partner under applicable partnership legislation) that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or that the Partnership is required by law or by agreements with third parties to keep confidential.

## **11.2 Appointment of Auditor**

The General Partner shall from time to time appoint an auditor for the Partnership, who shall be a member in good standing of the Chartered Professional Accountants Canada. The General Partner shall retain the Auditor to review and report to the Limited Partners on the financial statements of the Partnership for and as at the end of each fiscal year of the Partnership.

## **11.3 Annual Reports**

Within ninety (90) days after the end of each fiscal year of the Partnership, the General Partner will forward to each Limited Partner an annual report for such fiscal year consisting of:

- (a) audited financial statements of the Partnership as at the end of, and for, such immediately preceding fiscal year consisting of:
  - (i) a statement of financial position;
  - (ii) a statement of comprehensive income;

- (iii) a statement of changes in financial position;
  - (iv) a statement of cash flows; and
  - (v) all other statements as are required by IFRS;
- (b) a report of the Auditors on the financial statements referred to in (a) above;
- (c) a report on aggregate allocations to the Partners' Contributed Capital accounts and taxable income or loss and distributions of cash to the General Partner and the Limited Partners for such fiscal period; and
- (d) tax information to enable each Limited Partner or former Limited Partner to properly complete and file his tax returns in Canada in relation to his investment in Units.

#### **11.4 Monthly Net Asset Value Information**

The General Partner will forward to each Limited Partner monthly unaudited financial information respecting the Net Asset Value per Unit.

### **ARTICLE 12 TERMINATION OF PARTNERSHIP**

#### **12.1 Dissolution of the Partnership**

Notwithstanding any rule of law or equity to the contrary, the Partnership shall be dissolved only in the manner provided for in this Section 12.1 and each Limited Partner expressly waives his right to dissolve the Partnership or obtain dissolution in any way other than in the manner provided in this Section. The Partnership shall be dissolved upon the earlier of:

- (a) a date specified by the General Partner, which date shall not be less than sixty (60) days following the date on which the General Partner gives notice in writing to each Limited Partner of such dissolution of the Partnership;
- (b) the date which is sixty (60) days following the removal of the General Partner pursuant to Section 10.2, unless a new General Partner is appointed by an Ordinary Resolution prior to such date; and
- (c) the date which is sixty (60) days following the approval of a Special Resolution of the Limited Partners to dissolve the Partnership;

provided that, in either case, all of the Partnership's assets have been distributed pursuant to Section 12.3 and the Declaration has been cancelled in accordance with the Act.

#### **12.2 Liquidation of Assets**

- (a) In the event of the removal of the General Partner where no permanent replacement is appointed by an Ordinary Resolution within sixty (60) days as provided in subsection 10.2, the Limited Partner holding Units with the single largest aggregate Net Asset Value

may, with the consent of any other Limited Partners holding Units with an aggregate Net Asset Value of not less than 20% of the Net Asset Value of the Partnership (including Units held by the first mentioned Limited Partner), immediately appoint an interim investment adviser with effect as of the date of removal of the General Partner who shall administer the investments of the Partnership. Such interim investment adviser shall have all the powers of the General Partner and of the Advisor provided for hereunder and under the Investment Advisory Agreement for the sole purpose of causing the orderly winding up of the Partnership's assets and obligations. A meeting of Limited Partners may also be called and held as soon as is practicable in order to appoint a transition committee (made up of Limited Partners or their nominees) with the mandate to cause the orderly unwinding of the Partnership's assets and obligations. Any investment adviser and every member of a transition committee appointed hereunder shall be indemnified and held harmless by the Partnership for all actions, claims, costs, demands, losses, damages and expenses incurred by such Person(s) in their capacity as investment adviser or transition committee member, as the case may be, pursuant to this Agreement except where the same results from the fraud, wilful misconduct or gross negligence of such investment advisor or member of the transition committee.

- (b) In the event of the dissolution of the Partnership, the General Partner (or investment adviser or committee authorized by subsection 12.2(a)) shall wind up the affairs of the Partnership and the assets of the Partnership shall be liquidated and other security positions unwound in an orderly and prudent manner in anticipation of such dissolution. The General Partner (or investment adviser or committee authorized by subsection 12.2(a)) shall prepare or cause to be prepared a statement of financial position of the Partnership which shall be reported upon by the Auditor and a copy of which shall be forwarded to each Person who was shown on the Register as a Limited Partner at the date of dissolution. The General Partner (or investment adviser or committee authorized by subsection 12.2(a)) shall have full right and unlimited discretion to determine the time, manner and terms of any sale or sales of Partnership assets pursuant to such liquidation having due regard to the activity and condition of the relevant market and general financial and economic conditions.

### **12.3 Distribution of Proceeds of Liquidation of Assets**

In the event of the dissolution of the Partnership in accordance with subsection 12.1, the General Partner (or investment adviser or committee authorized by subsection 12.2(a)) shall distribute the net proceeds from liquidation of the assets of the Partnership in the following order:

- (a) to pay the expenses of liquidation and the debts and liabilities of the Partnership (including accrued fees, if any) or to make due provision for payment thereof;
- (b) to set up any reserves which the General Partner (or investment adviser or committee authorized by subsection 12.2(a)) may reasonably deem necessary for any contingent or unforeseen liability or obligation of the Partnership. The General Partner (or investment adviser or committee authorized by subsection 12.2(a)) may select a trust company to act in lieu of the General Partner and shall pay over to such trust company the reserve to be held by that institution for the purpose of disbursing such reserve in payment of any of

the contingencies and to distribute the balance remaining, after the expiration of whatever period the General Partner (or investment adviser or committee authorized by subsection 12.2(a)) in its sole discretion deems reasonable, in the manner hereinafter set forth;

- (c) to pay to the Limited Partners the Net Asset Value of any of their Units which remain outstanding; and
- (d) to pay the balance, if any, to the General Partner.

#### **12.4 Distribution upon Dissolution and Termination**

Subject to subsection 12.3, no Partner shall have any right to demand or receive property upon dissolution and termination of the Partnership other than to demand the return of his original capital contribution to the Partnership.

#### **12.5 Termination**

Upon completion of the liquidation of the assets of the Partnership and the distribution of all Partnership funds, the Partnership shall terminate and the General Partner (or investment adviser or committee authorized by subsection 12.2(a)) shall have the authority to execute and record a new Declaration as well as any and all other documents required to effect the dissolution and termination of the Partnership.

### **ARTICLE 13 AMENDMENT OF AGREEMENT**

#### **13.1 Amendment by General Partner**

The General Partner may, without prior notice to or consent from any Limited Partner, amend this Agreement:

- (a) in order to protect the interests of the Limited Partners;
- (b) to cure any ambiguity or clerical error or to correct or supplement any provision contained herein which may be defective or inconsistent with any other provision if such amendment does not and shall not in any manner adversely affect the interests of any Limited Partner;
- (c) to reflect any changes to any applicable legislation; or
- (d) in any other manner provided that such amendment does not and shall not adversely affect the interests of any Limited Partner in any manner.

Within fifteen (15) days following the date of any amendment to this Agreement made pursuant to this Section 13.1, the General Partner shall provide Limited Partners with a copy of the amendment together with a written explanation of the reasons for such amendment.

### **13.2 Amendment by Limited Partners**

The Limited Partners may, by Special Resolution and with the consent of the General Partner, amend this Agreement.

## **ARTICLE 14 NOTICES**

### **14.1 Notices**

Except as otherwise provided in this Agreement, any notice, direction, demand, request or document required or permitted to be given by any party to any other party pursuant to any provision of this Agreement shall be in writing and deemed to have been sufficiently given if signed by or on behalf of the party giving the notice and delivered, sent by prepaid ordinary mail or sent by facsimile or other telecommunications facility addressed to the other party's address as shown below:

- (a) the General Partner at 45 St. Clair Avenue West, Suite 601, Toronto, Ontario, M4V 1K9; telephone: (416) 921-7076; fax: (416) 921-3551; email: USEquityFund@bristolgate.com,

or to such other address as the General Partner may notify the Limited Partners; and

- (b) each Limited Partner, to the address of such Limited Partner as it appears on the Register, or to such other address as a Limited Partner may from time to time notify the General Partner or the registrar and transfer agent of the Partnership.

Any such notice (except notice of a meeting of Limited Partners), direction, demand, request or document shall be effective when received if sent by delivery, facsimile or telecommunications facility or, if sent by prepaid ordinary mail, on the third business day following the mailing thereof to the party or to an officer of the party to whom it is addressed. For such purposes no day during which there is an actual or imminent strike or other occurrence which shall interfere with normal mail service shall be considered a day. Any notice of a meeting of Limited Partners shall be deemed to have been given on the date on which it was mailed. Accidental omission to give any notice or communication or to make any payment or demand required or permitted to be given or made under this Agreement to any Limited Partner shall not affect the validity of such notice, communication, payment or demand to the other Limited Partners, nor the consequence resulting or being effected therefrom.

## **ARTICLE 15 GENERAL**

### **15.1 Competing Interest**

Each Partner is entitled, without the consent of the other Partners, to engage in or possess an interest in other business ventures of every nature and description, independently or with others,

including but not limited to any business of the same nature as, and in competition with, that of the Partnership, and is not liable to account to the other Partners therefor.

### **15.2 Transactions Involving Affiliates**

A director, officer, employee, or shareholder of the General Partner or any Affiliate thereof may be employed by or retained by the Partnership to provide goods and services to the Partnership, provided that, if paid or payable by the Partnership, the goods and services are provided on terms no less favourable than could be obtained in an arm's length transaction. The validity of any transaction, agreement or payment involving the Partnership and any Affiliate of the General Partner otherwise permitted by the terms of this Agreement shall not be affected solely by reason of the relationship between the General Partner and such Person.

### **15.3 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each Limited Partner irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

### **15.4 Severability**

Each provision of this Agreement is intended to be severable and if any provision is illegal or invalid, such illegality or invalidity shall not affect the validity of the Agreement or the remaining provisions and the remainder of this Agreement will remain in full force to the extent permitted by law.

### **15.5 Counterparts**

This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. This Agreement may also be adopted in any subscription form or similar instrument signed by a Limited Partner, with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments shall be construed together and shall constitute one and the same Agreement.

### **15.6 Time**

Time shall be of the essence hereof.

### **15.7 Further Assurances**

The parties hereto agree to execute and deliver such further and other documents and perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

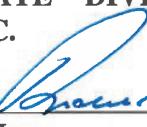
## **15.8 Assignment**

Subject to the restrictions on assignment and transfer herein contained, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and assigns.

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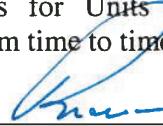
IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

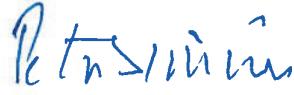
**BRISTOL GATE DIVIDEND GENERAL  
PARTNER INC.**

by:   
G. Richard Hamm

by:   
A. Peter Simmie

**BRISTOL GATE DIVIDEND GENERAL  
PARTNER INC.**, in its capacity as agent and attorney for the Limited Partners whose subscriptions for Units in the Partnership are accepted from time to time

by:   
G. Richard Hamm

by:   
A. Peter Simmie