

BC TECH FUND LIMITED PARTNERSHIP

LIMITED PARTNERSHIP AGREEMENT

as of October 13, 2016

TABLE OF CONTENTS

ARTICLE 1 DEFINITIONS AND INTERPRETATION	2
1.1 Definitions.....	2
1.2 Determinations	12
1.3 Interpretation.....	12
1.4 Schedules	13
ARTICLE 2 FORMATION OF THE PARTNERSHIP AND UNITS.....	13
2.1 Formation.....	13
2.2 Name	14
2.3 Place of Business	14
2.4 Fiscal Year	14
2.5 Units.....	14
2.6 Issuance of General Partner Interest	14
2.7 Manager’s Commitment	14
2.8 Equality of Units.....	15
2.9 Minimum Commitment	15
2.10 Offering of Units.....	15
2.11 Subscription	15
2.12 Ineligible Holders.....	16
2.13 Admittance as Limited Partner	16
2.14 No Certificates	16
2.15 Closings and Maximum Commitments	16
2.16 Term of the Partnership	16
ARTICLE 3 PURPOSE AND OPERATION OF THE PARTNERSHIP	17
3.1 Partnership Purpose and Investment Objective	17
3.2 Prohibited Investments.....	18
3.3 Investment Restrictions.....	18
3.4 System Building Activities	20
3.5 Investments After End of Investment Period.....	21
3.6 Exclusion.....	22
3.7 Indebtedness.....	22
3.8 Formation of New Fund.....	23
3.9 Conflicts of Interest.....	24
3.10 Non-Arm’s Length Transactions	25
3.11 Time and Attention; BC Presence.....	25
3.12 Interim Review of Partnership.....	27
ARTICLE 4 CAPITAL OF THE PARTNERSHIP AND ALLOCATIONS OF NET INCOME OR LOSS.....	27
4.1 Capital and Commitments.....	27
4.2 Capital Account Allocations	27
4.3 Capital Calls.....	28
4.4 Contents of Capital Call.....	28

4.5	Contribution of Capital	29
4.6	Default in Payment of Called Amount.....	29
4.7	Payments to be Made at Subsequent Closings.....	31
4.8	Restrictions on Capital Calls.....	32
4.9	Determination of Net Income or Loss	33
4.10	Allocation of Net Income or Loss.....	33
4.11	Computation of Taxable Income or Loss of the Partnership	33
4.12	Tax Allocation	33
4.13	Tax Returns.....	34
4.14	Withdrawal of Capital, Interest and Negative Capital Accounts.....	34
ARTICLE 5 DISTRIBUTIONS		34
5.1	Distribution Policy	34
5.2	Priority of Distributions	36
5.3	Escrow and Clawback of Carried Interest Distributions.....	37
5.4	Necessary Adjustments.....	38
5.5	Recontribution of Certain Distributions.....	39
5.6	Valuation.....	40
ARTICLE 6 MANAGEMENT OF THE PARTNERSHIP		41
6.1	Powers and Duty of the General Partner.....	41
6.2	Management Agreement.....	43
6.3	No Transfer by General Partner or Manager	43
6.4	Management Fee.....	44
6.5	No Liability to Partnership or Limited Partners	45
6.6	Indemnification of General Partner and Others	46
6.7	Tax Status of Partnership.....	48
6.8	Partnership Expenses	48
6.9	No Commingling of Funds	49
6.10	Expenses of the General Partner and Manager	49
6.11	Expense Allocation Policy	50
6.12	Representations, Warranties and Covenants of the General Partner	50
6.13	Use of Name/Public Communications.....	51
ARTICLE 7 LIMITED PARTNERS.....		51
7.1	Limited Liability	51
7.2	No Participation in Management	51
7.3	Transfer of Units.....	51
7.4	Confidentiality of Information.....	53
7.5	Representations and Warranties of Each Limited Partner	55
7.6	Evidence of Status and Sale of Units.....	56
ARTICLE 8 INVESTMENT COMMITTEE AND LP ADVISORY COMMITTEE.....		56
8.1	Investment Committee	56
8.2	LP Advisory Committee	57

ARTICLE 9 TERMINATION, REMOVAL OF THE GENERAL PARTNER AND DISSOLUTION EVENTS	58
9.1 Duration	58
9.2 Termination of the Investment Period for Cause.....	59
9.3 Termination of Investment Period without Cause	60
9.4 Key Person Event and Other Termination Events	60
9.5 Early Termination of the Partnership by the Limited Partners for Cause.....	60
9.6 Early Termination of the Partnership without Cause.....	60
9.7 Removal of the General Partner for Cause	61
9.8 Removal of the General Partner without Cause.....	61
9.9 Effects of Removal of General Partner	61
9.10 Liquidation of the Partnership	62
9.11 Final Allocation and Distribution	62
ARTICLE 10 TAX MATTERS.....	62
10.1 Tax Considerations	62
10.2 Tax Liability Matters	65
10.3 Tax Matters Partner.....	66
10.4 Tax Elections Under the Code	67
ARTICLE 11 MEETINGS OF PARTNERS	67
11.1 Meetings of Partners	67
11.2 Requisitioned Meetings	67
11.3 Delivery of Notice.....	67
11.4 Contents of Notice	68
11.5 Place of Meetings.....	68
11.6 Quorum	68
11.7 Chair.....	68
11.8 Voting Rights	68
11.9 Proxies.....	68
11.10 Conduct of Meetings.....	68
11.11 Effect of Resolutions.....	69
11.12 Resolution in Lieu of Meeting	69
ARTICLE 12 BOOKS OF ACCOUNT.....	69
12.1 Partnership Records	69
12.2 Reports	69
12.3 Appointment of Auditor.....	70
12.4 Currency.....	71
12.5 Taxation	71
ARTICLE 13 QUALIFICATION OF LIMITED PARTNERSHIP; POWER OF ATTORNEY .71	
13.1 Qualification of Limited Partnership	71
13.2 Power of Attorney.....	72
13.3 Binding on Limited Partners	73
13.4 Execution of Documents on Behalf of Limited Partners	73

ARTICLE 14 NOTICES.....	73
14.1 Notices	73
ARTICLE 15 MISCELLANEOUS	74
15.1 Amendments	74
15.2 Right of Set Off.....	74
15.3 Successors	74
15.4 Legal Counsel	74
15.5 Entire Agreement	75
15.6 Assignment	75
15.7 Counterparts.....	75
SCHEDULE A -	Purpose and Principles
SCHEDULE B -	Long-Term System Building Plan
SCHEDULE C -	Initial System Building Plan
SCHEDULE D -	General Partner Investment Allocation Policy
SCHEDULE E -	General Partner Expense Policy
SCHEDULE F -	Form of Reports

**LIMITED PARTNERSHIP AGREEMENT OF
BC TECH FUND LIMITED PARTNERSHIP**

THIS AGREEMENT made the 13th day of October, 2016.

BETWEEN:

BC TECH FUND GP INC., a corporation existing under the laws of the Province of British Columbia,

(the “**General Partner**”)

AND:

B.C. RENAISSANCE CAPITAL FUND LTD., a corporation existing under the laws of the Province of British Columbia,

(the “**Initial Limited Partner**”)

AND:

Each party who from time to time becomes a limited partner in accordance with the terms of this Agreement

(each, a “**Limited Partner**”; and collectively, the “**Limited Partners**”)

RECITALS:

1. The parties wish to form BC Tech Fund Limited Partnership (the “**Partnership**”) as a limited partnership under the laws of the Province of British Columbia.
2. The Partnership wishes to admit as Limited Partners those investors whose subscriptions are accepted by the General Partner and who have collectively agreed on the purpose and principles of the Partnership set out in Section 3.1 of this Agreement.

NOW THEREFORE in consideration of the respective covenants and agreements of the parties contained herein and for other valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used in this Agreement, the following words and phrases have the respective meanings set out below and grammatical variations of such terms have corresponding meanings:

“**Act**” means the *Partnership Act* (British Columbia), as amended or replaced from time to time, and all regulations from time to time promulgated thereunder.

“**Additional Rights**” has the meaning set out in Section 15.5.

“**Affiliate**” means (a) in the case of any Person other than a Provincial Government Entity, any Person that would be deemed to be an affiliated entity of such Person under National Instrument 45-106 (as it exists on the date of this Agreement) of the Canadian Securities Administrators, and (b) in the case of a Provincial Government Entity, any other Provincial Government Entity; provided that, for the purposes of this Agreement, the Partnership shall be deemed not to be an “Affiliate” of the General Partner or any of its Affiliates.

“**Agreement**” means this limited partnership agreement and all schedules attached, amendments and supplements to this agreement.

“**Applicable Taxes**” means any value added taxes, sales taxes, use and other similar taxes of whatever name or description, now or hereafter imposed, levied, rated, charged or assessed by any federal, provincial, municipal or local government, including goods and services tax and harmonized sales tax payable under Part IX of the *Excise Tax Act* (Canada).

“**Auditor**” has the meaning set out in Section 12.3.

“**BC Limited Partner**” means the Initial Limited Partner, or any other Provincial Government Entity which is, at the applicable time, a Limited Partner.

“**Business Day**” means a day, other than a Saturday, Sunday, or a statutory or civic holiday in the Province of British Columbia.

“**Call Date**” has the meaning set out in Section 4.4(c).

“**Call Percentage**” has the meaning set out in Section 4.3.

“**Called Amount**” has the meaning set out in Section 4.4(e).

“**Capital Account**” has the meaning set out in Section 4.2.

“**Capital Call**” has the meaning set out in Section 4.3.

“**Capital Call Default**” has the meaning set out in Section 4.6.

“Capital Contribution” means, with respect to any Limited Partner at any time, the amount of capital actually contributed to the Partnership pursuant to a Capital Call or deemed to have been contributed by such Limited Partner to the Partnership pursuant to this Agreement at such time.

“Carried Interest Distributions” has the meaning set out in Section 5.2.

“Cause Event” means:

- (a) the determination by a court or by a regulatory authority that the Manager, the General Partner or any Senior Investment Professional has committed a material breach of Canadian or U.S. securities Laws;
- (b) the entering into by the Manager, the General Partner or any Senior Investment Professional of a settlement with a securities regulatory authority in which such Person admits to a material breach of Canadian or U.S. securities Laws that has a material adverse effect on the Partnership;
- (c) the charge or conviction of the Manager, the General Partner or any Senior Investment Professional in respect of a criminal offence prosecuted by indictment, a felony violation, or any offence that involves a finding of theft, misappropriation of property, fraud, embezzlement or breach of trust;
- (d) the commission of an act or omission of a material nature involving fraud, wilful misconduct or breach of fiduciary duty by any one of the Manager, the General Partner or any Senior Investment Professional as finally determined by a court of competent jurisdiction;
- (e) a fundamental breach by the Manager or the General Partner of the Management Agreement or this Agreement which, if capable of being remedied, has not been remedied within thirty (30) days after written notice of the breach is given by a Limited Partner to the Manager or the General Partner, as applicable, other than a breach which would result upon the occurrence of any event described in the definition of Other Termination Event;
- (f) the Manager or the General Partner files a voluntary petition in bankruptcy, is involuntarily dissolved or commences its winding up or has a trustee, liquidator, receiver or receiver-manager or any Person with similar powers appointed in respect of its property;
- (g) any acquisition of shares or other ownership interests of the General Partner or the Manager as a result of which one or more Prohibited Persons acquires direct or indirect control (alone or together with one or more other Persons acting jointly or in concert with such Persons) over a majority of the voting shares or other voting interests of the General Partner or the Manager (which, for greater certainty, shall not include a change in control solely as a result of one or more Persons ceasing to be shareholders or owners of the General Partner or Manager); or

- (h) termination of the Manager pursuant to Section 10.5 of the portfolio management agreement with the B.C. Renaissance Fund Ltd. dated as of the date hereof.

“**Cause Event Notice**” means a written notice provided by the General Partner to the Limited Partners on the occurrence of a Cause Event, containing all facts reasonably necessary to allow the Limited Partners to understand the circumstances surrounding such Cause Event.

“**Certificate**” means the certificate of limited partnership of the Partnership filed under the Act establishing the Partnership as a limited partnership, as amended from time to time.

“**Clawback Date**” has the meaning set out in Section 5.3(b).

“**Code**” means the United States Internal Revenue Code of 1986, as amended.

“**Commitment**” means, with respect to a Partner, the aggregate amount of cash agreed to be contributed as capital to the Partnership by such Partner.

“**Confidential Information**” means:

- (a) information or materials relating to the Partnership, any Portfolio Fund or Portfolio Company, the General Partner, the Manager, or any of their respective Affiliates that are not generally known to the public; and
- (b) any other information or materials which the General Partner, the Partnership, any Portfolio Fund or any Portfolio Company, or the Manager are required by Law or agreement to keep confidential.

“**Conflict Parties**” means the General Partner, the Manager, the Senior Investment Professionals, Other GP Entities and their respective Affiliates.

“**Contributed Percentage**” means, in respect of each Partner, the aggregate Capital Contributions of the Partner divided by its Commitment, expressed as a percentage.

“**Control**”, a Person is considered to Control another Person if (a) the Person directly or indirectly holds securities of such other Person, or has the right to vote or direct the voting of securities of such other Person, to which are attached more than 50% of the votes that may be cast to elect directors of such other Person or (b) the Person has the power to control and direct the management and policies of such other Person, directly or indirectly, whether through ownership or control of voting securities, voting rights, contract or otherwise.

“**Defaulting Limited Partner**” has the meaning set out in Section 4.6.

“**Direct Investment**” means an initial venture capital investment or a follow-on investment by the Partnership, directly or indirectly through an intermediary holding entity, in a Qualified Investee Company.

“**Direct Investment Percentage**” shall mean the proportion obtained by dividing (i) the aggregate cost amount of all Direct Investments made on or before the date of such calculation

(together with capitalized Partnership Expenses related thereto), by (ii) the aggregate cost amount of all Direct Investments and all capital advances by the Partnership to Portfolio Funds made on or before the date of such calculation (together with capitalized Partnership Expenses related thereto).

“**Disclosure Notice**” has the meaning set out in Section 7.4(a).

“**Excluded Limited Partner**” has the meaning set out in Section 3.6(a).

“**Family Entity**” means, in respect of a Senior Investment Professional, (a) a trust, the sole beneficiaries of which are the Senior Investment Professional and/or family members of such Senior Investment Professional, or (b) a corporation all of the shares in which are owned or Controlled by the Senior Investment Professional and/or family members of such Senior Investment Professional.

“**Financial Institution**” means a “financial institution” as such term is defined in Section 142.2(1) of the Tax Act, or any replacement of such definition.

“**First British Columbia Principal**” has the meaning set out in Section 3.11(a).

“**Fund Investment**” means an investment made by the Partnership in a Qualified Venture Capital Fund.

“**Fund Investment Percentage**” shall mean the proportion obtained by dividing (i) the aggregate amount of all capital advances by the Partnership to Portfolio Funds made on or before the date of such calculation (together with capitalized Partnership Expenses related thereto), by (ii) the aggregate cost amount of all Direct Investments and all capital advances by the Partnership to Portfolio Funds made on or before the date of such calculation (together with capitalized Partnership Expenses related thereto).

“**Funded Commitment**” means, in respect of a Limited Partner at any particular time, the aggregate amount of all Capital Contributions previously made by such Limited Partner to the Partnership, including for greater certainty, any Capital Contributions made on account of Partnership Expenses, less: (i) any amount distributed to such Limited Partner in connection with any Subsequent Closing pursuant to Section 4.7 and, (ii) any return of Capital Contributions to such Limited Partner pursuant to Section 4.3 or Section 4.7(b)(ii).

“**GAAP**” means generally accepted accounting principles as recommended from time to time by the Chartered Professional Accountants of Canada or any successor institute.

“**General Partner**” means BC Tech Fund GP Inc., in its capacity as general partner of the Partnership, and any successor general partner of the Partnership or permitted assignee of the General Partner.

“**Indemnitee**” has the meaning set out in Section 6.6.

“**Ineligible Holder**” means:

- (a) a “non-resident” of Canada for purposes of the Tax Act or a partnership which is not a “Canadian partnership” as defined in section 102 of the Tax Act;
- (b) a Financial Institution;
- (c) a Person that is a “tax shelter” as defined in subsection 237.1(1) of the Tax Act or an entity which is, or an interest in which would be, a “tax shelter investment” (as defined in the Tax Act) or which is acquiring a Unit as a “tax shelter investment” as defined in the Tax Act;; or
- (d) a “Prohibited Person” as set out in paragraph (a), (b), (d) or (e) of the definition of “Prohibited Person” in Section 1.1.

“**Initial Closing Date**” means October 13, 2016 or such other date as determined by the General Partner and the BC Limited Partner.

“**Initial Limited Partner**” has the meaning set out on page 1 of this Agreement.

“**Interest**” means in respect of a Partner at any time, the rights, obligations and interest of the Partner in the Partnership at such time, as set out in this Agreement.

“**Interim Review**” has the meaning set out in Section 3.12.

“**Investment Committee**” has the meaning set out in Section 8.1.

“**Investment Period**” means the period from the Initial Closing Date to and including the date that is the earliest to occur of (a) the fifth anniversary of the Initial Closing Date (provided that the General Partner may extend such date for up to two successive one year periods with the approval of the Limited Partners by Special Resolution); (b) the date that such period is deemed to have ended pursuant to Section 9.4 in connection with a Key Person Event; (c) the due date for the initial drawdown of committed capital by a Subsequent Fund; and (d) the date specified by the General Partner by notice provided to the LP Advisory Committee at such time as 90% of the aggregate Commitments have been drawn down, committed to Fund Investments, committed for investment pursuant to binding written agreements or reserved for follow-on investments or reasonably anticipated Partnership Expenses.

“**Key Person**” means each of Tom Kennedy, Richard Nathan, and Gerri Sinclair (and any individual approved as a replacement Key Person by the LP Advisory Committee upon the request of the General Partner).

“**Key Person Event**” has the meaning set out in Section 3.11(b).

“**Key Person Event Notice**” means a written notice provided by the General Partner to the Limited Partners on the occurrence of a Key Person Event, containing all facts reasonably necessary to allow the Limited Partners to understand the circumstances surrounding such event.

“**Law**” means any applicable law (statutory, common or otherwise), regulation, rule, order or judgment of any court or other regulatory authority.

“Limited Partner” means any registered owner of Units whose name appears on the Register, including any Person who has been admitted to the Partnership as a substituted or additional limited partner in accordance with this Agreement.

“Losses”, in respect of any matter, means all claims, demands, losses, damages, liabilities, deficiencies, taxes, fines, costs and expenses arising as a consequence of such matter, including all legal and other professional fees and disbursements, interest, penalties and amounts paid in settlement.

“LP Advisory Committee” has the meaning set out in Section 8.2(a).

“Management Agreement” means the management services agreement dated as of the date of this Agreement among the Partnership, the General Partner, and the Manager, as amended from time to time.

“Management Fee” has the meaning set out in Section 6.4.

“Manager” means Kensington Capital Advisors Inc., a corporation existing under the Laws of the Province of Ontario, or any successor (whether by amalgamation, continuance or otherwise) or permitted assignee to whom the Manager has assigned its interest pursuant to the terms of this Agreement and the Management Agreement.

“Managing Directors” means the Managing Directors of the Manager from time to time, being Tom Kennedy, Richard Nathan, Eamonn McConnell, John Walker and Suganya Tharmalingam as of the date of this Agreement.

“Meeting Notice” has the meaning set out in Section 11.3.

“Meeting Request” has the meaning set out in Section 11.1(b).

“Net Invested Capital” means:

- (a) in respect of Direct Investments, the aggregate cost amount of all Direct Investments by the Partnership which have not been disposed of or permanently written off (provided that, for the purpose of this definition, any investment that has been permanently written down by more than 50% of its initial cost amount shall be valued at its asset value, determined in accordance with Section 5.6) plus any amount reserved by the General Partner for follow-on investments in Portfolio Companies; and
- (b) in respect of Fund Investments, the aggregate amount of capital committed to Portfolio Funds by the Partnership less permanent returns of capital from Fund Investments.

“New Units” means any Units issued to a Subsequent Investor pursuant to a Subsequent Closing.

“Non-Arm’s Length Transaction” has the meaning set out in Section 3.10(a).

“**Non-Defaulting Limited Partners**” has the meaning set out in Section 4.6(a).

“**Ordinary Resolution**” means,

- (a) a resolution of Limited Partners approved by more than 50% of the votes cast by Limited Partners, in person or by proxy, at a meeting of the Partners (or any adjournment thereof) called in accordance with this Agreement; or
- (b) a written resolution signed by Limited Partners holding more than 50% of the votes attached to all of the Units that would have been entitled to vote on such resolution at a meeting of the Partners called in accordance with this Agreement.

“**Organizational Expenses**” means fees and expenses incurred by the General Partner or the Manager in connection with the organization of the Partnership and the offering of Units, other than expenses incurred by a Limited Partner.

“**Other GP Entity**” has the meaning set out in Section 3.9(b).

“**Other Termination Event**” means:

- (a) the Manager ceases to maintain an active investment office in British Columbia for more than 30 days in any 12-month period; or
- (b) the Partnership makes an investment in, or executes a written commitment to invest in, a fund that does not qualify as a Qualified Venture Capital Fund or a company that is not a Qualified Investee Company, in each case as determined at the time of initial investment or commitment provided, however, that if the Manager can demonstrate that it reasonably believed that such potential Portfolio Investment was a Qualified Venture Capital Fund or Qualified Investee Company, as applicable, after undertaking a reasonable due diligence review in connection with its investment or commitment, then such investment shall not represent an “Other Termination Event”.

“**Other Termination Event Notice**” means a written notice provided by the General Partner to the Limited Partners on the occurrence of an Other Termination Event, containing all facts reasonably necessary to allow the Limited Partners to understand the circumstances surrounding such event.

“**Partner**” means a Limited Partner or the General Partner.

“**Partnership**” has the meaning set out in the recitals to this Agreement.

“**Partnership Expenses**” has the meaning set out in Section 6.8.

“**Person**” means any individual, partnership, limited partnership, corporation, limited liability company, unincorporated organization or association, trust (including the trustees thereof, in their capacity as such), government (or agency or political subdivision thereof) or other entity.

“Portfolio Company” has the meaning set out in Section 3.1(c).

“Portfolio Fund” has the meaning set out in Section 3.1(c).

“Portfolio Investments” means Fund Investments and Direct Investments.

“Portfolio Investment Fees” means any and all fees, including directors' fees, consulting or monitoring compensation or other fees, received by the Manager, the General Partner or any of their respective Affiliates or any of their respective officers, directors or employees, in connection with any proposed Portfolio Investment by the Partnership or the making, managing or disposing by the Partnership of any actual Portfolio Investment, and any transaction, commitment, closing, break-up or co-investment fees received by the Manager, the General Partner or any of their respective Affiliates in connection with any proposed Portfolio Investment by the Partnership (whether or not completed), or the making, managing or disposing by the Partnership of any actual Portfolio Investment, in each case whether paid in cash or securities.

“Prohibited Investments” has the meaning set out in Section 3.2.

“Prohibited Person” shall mean any Person that, or in which 20% or more of the equity interests are held, directly or indirectly, by one or more Persons:

- (a) who is or are residents or nationals of a country which is not within the OECD or which is the subject of current sanctions issued by the United Nations, Canada, the European Union or the United States;
- (b) who is or are identified on the OFAC list of Specially Designated Persons or any similar list maintained by the United Nations, Canada, the European Union or the United States;
- (c) who has or have been convicted of a criminal offence that involves a finding of theft, misappropriation of property, fraud, embezzlement or breach of trust;
- (d) with whom it is prohibited to enter into a transaction under applicable Canadian, European Union or US Law; or
- (e) who is or are a foreign government or any agency of a foreign government.

“Province of British Columbia” means Her Majesty the Queen in right of the Province of British Columbia or the geographical territory of British Columbia, as the context requires.

“Provincial Government Entity” means the Province of British Columbia, an agency of the Province of British Columbia, a Crown corporation of the Province of British Columbia, or an entity or body, directly or indirectly, Controlled by the Province of British Columbia.

“Qualified Investee Company” means a Person that, at the time of the original investment by a Qualified Venture Capital Fund or the Partnership:

- (a) is an early stage operating company that has its primary business in the information and communications technology (ICT), digital media, life sciences/healthcare or clean tech sectors (as further detailed in Section 3.1(b));
- (b) has a substantial presence in British Columbia, which will be deemed to be the case if: (i) either its headquarters is located in British Columbia, or a significant number of its senior executive officers are residents of British Columbia; and (ii) either a substantial proportion of its operations are located in British Columbia, or a significant number of its full-time employees are located in British Columbia; and
- (c) is not a “reporting issuer” under applicable Canadian securities Laws or the equivalent in any other jurisdiction and the shares of which are not listed on any stock exchange.

“**Qualified Venture Capital Fund**” means a venture capital fund that has as its primary investment objective the making of early stage venture capital investments and follow-on investments in respect of such venture capital investments and which, at the time of the initial commitment by the Partnership, has the following characteristics:

- (a) unless otherwise approved by the LP Advisory Committee (i) if managed by a first time fund manager, has a minimum of fifty million dollars (\$50,000,000) in aggregate capital commitments (including any commitment made by the Partnership), or otherwise (ii) has a minimum of one hundred million dollars (\$100,000,000) in aggregate capital commitments (including any commitment made by the Partnership);
- (b) is either headquartered in British Columbia or has, or agrees to open, an office within British Columbia staffed on a full-time basis by one or more principals who reside in British Columbia and have investment decision authority (such as membership on the investment committee of such fund); and
- (c) agrees to invest at least an amount equal to the amount the Partnership commits to invest in the Qualified Venture Capital Fund, in Qualified Investee Companies,

but does not include: (A) a fund that has as its primary investment objective the making of investments in portfolio companies whose principal business is: (i) investing in, developing and/or managing real estate or related opportunities; or (ii) the exploration, exploitation, development, extraction and/or acquisition of resources (for greater certainty, a Qualified Venture Capital Fund may invest in portfolio companies that provide advanced manufacturing, services or technology to companies that carry on such businesses); (B) a fund that is itself a fund of funds; (C) a limited liability company that is treated as a partnership or disregarded entity for U.S. federal income tax purposes but is treated as a corporation for Canadian tax purposes; or (D) a fund that is a Financial Institution or a “SIFT Partnership” as defined in Section 197 of the Tax Act.

“**Register**” has the meaning set out in Section 12.1.

“**Reinstatement**” has the meaning set out in Section 9.4(b).

“**Representative**” has the meaning set out in Section 7.4(a).

“**Second British Columbia Principal**” has the meaning set out in Section 3.11(a).

“**Senior Investment Professionals**” means the Managing Directors and the Key Persons.

“**Short Term Investments**” means Canadian dollar deposits with or promissory notes, bills of exchange or other debt securities of or unconditionally guaranteed or accepted by the Government of Canada or by Canadian Schedule I chartered banks under the Bank Act (Canada), as amended, or by any province of Canada and maturing in one year or less from the time of investment by the Partnership; provided that in each such case, the short-term obligations of such issuer or guarantor shall have a rating at the time of purchase hereof of not less than R-1 (middle) from DBRS or the equivalent rating from another recognized rating agency.

“**Side Letter**” has the meaning set out in Section 15.5.

“**Special Resolution**” means,

- (a) a resolution of Limited Partners approved by not less than 66.67% of the votes cast by Limited Partners, in person or by proxy, at a meeting of the Partners (or any adjournment thereof) called in accordance with this Agreement; or
- (b) a written resolution signed by Limited Partners holding not less than 66.67% of the votes attached to all of the Units that would have been entitled to vote on such resolution at a meeting of the Partners called in accordance with this Agreement.

“**Subscription Agreement**” means the subscription agreement entered into between a Limited Partner and the General Partner providing for the subscription by such Limited Partner for Units.

“**Subsequent Closing**” has the meaning set out in Section 2.15(b).

“**Subsequent Closing Date**” means the date on which a Subsequent Closing occurs.

“**Subsequent Fund**” has the meaning set out in Section 3.8.

“**Subsequent Investor**” means any Person who subscribes for Units at a Subsequent Closing.

“**System Building Fee**” has the meaning set out in Section 6.4(c).

“**System Building Plan**” has the meaning set out in Section 3.4.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended or replaced from time to time, and all regulations from time to time promulgated thereunder, and for purposes of this Agreement any reference to a provision of the Tax Act or any regulation made thereunder shall include a reference to any amendment or successor provision thereto.

“**Tax Liability**” has the meaning set out in Section 10.2(a).

“**Term**” has the meaning set out in Section 2.16.

“**Third British Columbia Person**” has the meaning set out in Section 3.11(a).

“**Unfunded Commitment**” means, in respect of each Limited Partner as at any particular time, the amount, if any, by which the Commitment of the Limited Partner exceeds the Funded Commitment of such Limited Partner at the time.

“**Unit**” has the meaning set out in Section 2.5.

1.2 Determinations

- (a) Subject to Section 6.1 and except as otherwise provided in this Agreement, all decisions, determinations, judgments, elections and actions (including any exercise of any discretion) which may be made, and all consents which may be given, by the General Partner hereunder may be made or given by it in its sole and absolute discretion acting honestly, in good faith and in the best interests of the Partnership.
- (b) All calculations and determinations of income, gains and loss herein shall be made in accordance with GAAP consistently applied, all of which shall be binding upon the General Partner and the Limited Partners.

1.3 Interpretation

- (a) In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, and words importing gender include all genders.
- (b) All payments of monies shall be made by certified cheque or bank draft or wire transfer, and all references to dollar amounts in this Agreement are references to Canadian currency unless otherwise expressly specified.
- (c) The division of this Agreement into Articles and Sections and the insertion of headings and a table of contents are for reference purposes only and shall not affect the interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section, paragraph, clause or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless otherwise specified, any reference herein to an Article, Section, paragraph, clause or Schedule refers to the specified Article, Section, paragraph or clause of or Schedule to this Agreement.
- (d) This Agreement shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the Laws of Canada applicable in the Province of British Columbia and shall be treated, in all respects, as a British Columbia contract and each party attorns to the non-exclusive jurisdiction of the courts of British Columbia.

- (e) Unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends.
- (f) If any date on which any action is required to be taken under this Agreement is not a Business Day, that action shall be required to be taken on the next following Business Day.
- (g) The failure of any party to insist upon strict adherence to any provision of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to such provision or any other provision of this Agreement. No purported waiver shall be effective as against any party unless consented to in writing by such party. The waiver by any party of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent or other breach.
- (h) If any provision of this Agreement (or portion thereof) is determined by a court of competent jurisdiction to be unenforceable or invalid in any respect, that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this Agreement and such provision (or portion thereof) shall be severable from the remainder of this Agreement.

1.4 Schedules

The following Schedules are attached to and form part of this Agreement:

Schedule A -	Purpose and Principles
Schedule B -	Long-Term System Building Plan
Schedule C -	Initial System Building Plan
Schedule D -	General Partner Investment Allocation Policy
Schedule E -	General Partner Expenses Policy
Schedule F -	Form of Reports

**ARTICLE 2
FORMATION OF THE PARTNERSHIP AND UNITS**

2.1 Formation

Effective upon the filing of the Certificate with the Registrar of Companies, the General Partner and the Initial Limited Partner hereby form the Partnership as a limited partnership pursuant to and in accordance with the Act. To the extent required, an amended Certificate evidencing the admission of such additional Persons as Limited Partners of the Partnership will be signed, acknowledged and filed in accordance with the Act as at any Subsequent Closing.

2.2 Name

The Partnership shall carry on its activities under the name “BC Tech Fund Limited Partnership” or such other name as is mutually agreed upon by the BC Limited Partner and the General Partner.

2.3 Place of Business

The Partnership shall maintain an office and principal place of business in Vancouver, British Columbia (initially 1055 West Hastings Street, Suite 1700, Vancouver, BC V6E 2E9), or at such other place or places in the Province of British Columbia as the General Partner may from time to time designate.

2.4 Fiscal Year

The fiscal year end of the Partnership shall be the 31st day of December in each year. The first fiscal year of the Partnership shall end on the 31st day of December, 2016.

2.5 Units

The Interests of the Limited Partners in the Partnership shall be divided into and represented by an unlimited number of identical units issued in accordance with this Agreement (each a “**Unit**”). Each Unit will represent a pro rata share of the aggregate Interests of the Limited Partners in the Partnership as determined pursuant to this Agreement. One (1) Unit shall be issued for each one thousand dollar (\$1,000) Commitment made by a Limited Partner. Fractional Units may be issued.

2.6 Issuance of General Partner Interest

The commitment of the General Partner in respect of its Interest as General Partner shall be one hundred dollars (\$100) which shall be fully funded as at the Initial Closing Date.

2.7 Manager’s Commitment

As of the Initial Closing Date, the Manager or an Affiliate of the Manager and/or the Senior Investment Professionals and/or their respective spouses and Family Entities have, directly or indirectly, made aggregate Commitments of not less than the greater of (i) 1% of the aggregate Commitments at the time, and (ii) one million dollars (\$1,000,000), subject to Section 9.6 and Section 9.8, by subscribing for Units. Such Commitments shall be increased on each Subsequent Closing, to the extent necessary to ensure that the aggregate amount of such Commitments is not less than 1% of the aggregate Commitments at such time, and shall be subject to the terms of this Agreement, including the obligation to contribute Called Amounts pursuant to any Capital Call Notice and the default provisions pursuant to Section 4.6. No such Units may be sold, assigned, transferred, pledged, mortgaged, granted as security or otherwise encumbered or disposed of without the consent of the LP Advisory Committee except to an Affiliate of such Limited Partner or to the Manager, an Affiliate of the Manager, a Senior Investment Professional and/or their respective spouses or Family Entities, or in connection with a general security interest on overall

assets that is provided to a financial institution by the Manager or an Affiliate of the Manager in connection with a credit facility of the Partnership.

2.8 Equality of Units

Each Unit shall entitle the holder thereof to the same rights and subject the holder to the same obligations as the holder of any other Unit and shall be identical in all respects, except as expressly set out in this Agreement. Notwithstanding the foregoing, the Units acquired by the Manager or an Affiliate and/or the Senior Investment Professionals and/or their respective spouses and Family Entities in respect of the Manager's Commitment pursuant to Section 2.7 shall not have the right to vote on Ordinary Resolutions or Special Resolutions but shall otherwise have all other rights and entitlements of Units as set out in this Agreement including, for greater certainty, the right to the distributions set out in Article 5.

2.9 Minimum Commitment

The minimum Commitment by each Limited Partner shall be ten million dollars (\$10,000,000) except as set forth in Section 2.7 and provided that Commitments for lesser amounts may be accepted at the discretion of the General Partner with the prior written approval of the BC Limited Partner.

2.10 Offering of Units

The General Partner may raise capital for the Partnership by offering for sale and selling Units from time to time for a Commitment of one thousand dollars (\$1,000) per Unit. The General Partner may determine all other terms and conditions of such sale and may do all things in that regard for, in the name of and on behalf of the Partnership, including preparing and filing such offering or other documents as the General Partner determines to be necessary or desirable.

2.11 Subscription

Each Person, to be considered for admission as a Limited Partner, must deliver to the General Partner:

- (a) a completed and executed Subscription Agreement;
- (b) if the Person is a Subsequent Investor, a certified cheque, bank draft or wire transfer of funds for any amount specified by the General Partner as payable pursuant to Section 4.7; and
- (c) such other documents and instruments as the General Partner may reasonably request.

The General Partner shall have the right to accept or reject subscriptions in whole or in part. No Limited Partner shall be admitted to the Partnership unless such Limited Partner has executed and delivered a Subscription Agreement and authorized a counterpart of this Agreement to be executed by the General Partner on its behalf, all in form and substance satisfactory to the General Partner.

2.12 Ineligible Holders

The General Partner will not admit any Person as a Limited Partner if such Person is an Ineligible Holder.

2.13 Admittance as Limited Partner

Upon acceptance by the General Partner of any subscription, in whole or in part, in accordance with this Agreement, all Partners shall be deemed to consent to the admission of the subscriber as a Limited Partner and the Partnership may issue Units to such subscriber. Each Person becoming a party to this Agreement by the General Partner executing this Agreement on its behalf pursuant to the power of attorney granted to the General Partner in the Subscription Agreement of such Person, shall be bound by the terms hereof and such Person shall become a Limited Partner upon the entering of its name in the Register. The General Partner shall cause the Register to be amended and shall file with appropriate authorities all such other documents as may be required by the Act or under any other applicable Law and shall cause the admission of the new Limited Partner to be reflected in all other relevant Partnership books and records.

2.14 No Certificates

No certificates representing Units will be issued to Limited Partners, however the General Partner will send to a Limited Partner within 10 Business Days of admission as a Limited Partner a confirmation in writing indicating the number of Units which have been issued to such Limited Partner.

2.15 Closings and Maximum Commitments

- (a) **Initial Limited Partner's Commitment.** The Initial Limited Partner has subscribed for a Commitment in accordance with this Article 2 in the aggregate amount of one hundred million dollars (\$100,000,000) and the General Partner has accepted such subscription. The Initial Limited Partner may subsequently subscribe for additional Commitments.
- (b) **Subsequent Closings.** At one or more subsequent closings (each a "**Subsequent Closing**"), the General Partner may accept subscriptions representing additional Commitments in accordance with this Article 2 during the period following the Initial Closing Date up to and until the first anniversary of the Initial Closing Date and thereafter only with the prior approval of the BC Limited Partner.
- (c) **Maximum Commitments.** The aggregate amount of Commitments which may be accepted by the General Partner shall not exceed the maximum aggregate amount of one hundred and fifty million dollars (\$150,000,000), except with prior approval of the BC Limited Partner.

2.16 Term of the Partnership

Subject to Article 9, the term of the Partnership shall continue until the 13th anniversary of the Initial Closing Date (the "**Term**"). The General Partner may extend the Term for up to two

successive one year periods with the approval of Limited Partners by Ordinary Resolution. Upon the end of the Term, the Partnership shall be dissolved and its affairs wound up in accordance with Article 9.

ARTICLE 3 PURPOSE AND OPERATION OF THE PARTNERSHIP

3.1 Partnership Purpose and Investment Objective

- (a) The purpose of the Partnership is to invest in Qualified Venture Capital Funds and Qualified Investee Companies in order to achieve superior long-term financial returns for Partners while strengthening and growing the venture capital market in the Province of British Columbia to fuel long term economic growth and diversification. Schedule A of this Agreement sets out additional detail on the purposes and principles of the Partnership.
- (b) The investment objective of the Partnership is to provide the Partners with superior long-term returns through direct and indirect venture capital investments across the British Columbia venture capital marketplace in sectors such as:
 - (i) information and communications technology (including the development, application, production or distribution of software and related services, electronic commerce, networking and telecom technologies, equipment and services, whether designed for consumers, enterprise, or network infrastructure),
 - (ii) digital media applications, content and related technologies and services,
 - (iii) life sciences/healthcare (including products and services in the biotechnology, agriculture, food products, advanced materials and medical devices sectors), and
 - (iv) clean tech and energy technologies (including products and services relating to renewable energy, alternative energy, energy efficiency, advanced materials, extraction technologies and air and water and water-related goods and services),while offering the possibility of reduced risk through portfolio diversification.
- (c) Subject to the restrictions on investment set out in Section 3.2 and in Section 3.3, the Partnership will make commitments to Qualified Venture Capital Funds (“**Portfolio Funds**”) and invest or co-invest, directly or indirectly through intermediary holding entities, in Qualified Investee Companies (“**Portfolio Companies**”).

3.2 Prohibited Investments

In connection with a Fund Investment, the General Partner will obtain from the applicable Qualified Venture Capital Fund a covenant that such Qualified Venture Capital Fund will not:

- (a) invest in an entity that is primarily engaged in the sale, marketing or provision of private sector gambling or gambling services (but may, for greater certainty, invest in video games and similar technologies, as well as software used therein which is incidental to the activity), pornography or other sexually explicit or exploitive business, or the production or sale of alcohol, tobacco or weapons, including firearms (but, for greater certainty, computer software, processors and similar technologies shall be deemed to not be weapons);
- (b) invest in an entity that manufactures, sells, distributes or otherwise promotes the sale or distribution of goods or services that are not legal in Canada;
- (c) make investments that do not comply with applicable Canadian Laws relating to economic sanctions and anti-terrorism;
- (d) invest in a “tax shelter” as defined in subsection 237.1(1) of the Tax Act or an entity which is, or an interest in which would be, a “tax shelter investment” (as defined in the Tax Act); or
- (e) invest in any interest in a non-resident trust that the General Partner reasonably believes, based on information available to it at the time of an investment would require the Partnership to include significant amounts in income in connection with such interest pursuant to Sections 91, 94 or 94.2 of the Tax Act.

(the investments described above are collectively referred to as the “**Prohibited Investments**”). The Partnership will also not make a Direct Investment in any Portfolio Company that would be a Prohibited Investment.

3.3 Investment Restrictions

- (a) The Partnership shall not:
 - (i) invest more than 25% of its aggregate Commitments in Direct Investments (including follow-on investments);
 - (ii) make an investment in a Qualified Investee Company as the sole investor;
 - (iii) invest in any Portfolio Company whose primary activity is: (i) investing in, developing and/or managing real estate or related opportunities; or (ii) the exploration, exploitation, development, extraction and/or acquisition of natural resources (for greater certainty, the Partnership may invest in Portfolio Companies that provide advanced manufacturing, services or technology to companies that carry on such businesses);

- (iv) make a commitment to or an investment in any Person that is not a Qualified Investee Company or a Qualified Venture Capital Fund, other than investments in Short Term Investments pursuant to Section 5.1(d) or Section 5.3(a);
 - (v) make any Portfolio Investment in which participation would cause a violation of any Law to which the Partnership or the BC Limited Partner is subject (including the *Special Economic Measures Act* (Canada), the *Criminal Code* (Canada), or the *United Nations Act* (Canada));
 - (vi) make any investment or expenditure for a “tax shelter” (as defined in the Tax Act); or
 - (vii) invest in any security that the General Partner reasonably believes, based on information available to it at the time of an investment (i) is an offshore investment fund property and (ii) would require the Partnership to include significant amounts in income pursuant to Section 94.1 of the Tax Act.
- (b) Unless otherwise approved by the LP Advisory Committee, the Partnership shall not:
- (i) commit to invest in any one Qualified Venture Capital Fund more than the lesser of (i) fifteen million dollars (\$15,000,000), and (ii) 15% of the aggregate capital commitments of such Qualified Venture Capital Fund;
 - (ii) invest more than ten million dollars (\$10,000,000) in total Direct Investments in any one Qualified Investee Company;
 - (iii) invest in a Qualified Investee Company pursuant to a financing round (which, for purposes of this Agreement will include all milestone payments that may be made pursuant to such financing) in which the aggregate amount to be invested by all investors in the round is more than ten million dollars (\$10,000,000);
 - (iv) make a Direct Investment that represents more than 20% of the total amount of a financing round for a Qualified Investee Company;
 - (v) make a Fund Investment or a Direct Investment in the secondary market unless the Partnership has an existing or is making a contemporaneous Fund Investment or Direct Investment, as applicable in such entity;
 - (vi) make a Direct Investment as the lead investor in a syndicate; or
 - (vii) invest in any Qualified Venture Capital Fund or Qualified Investee Company in which any Conflict Party has a direct or indirect investment or which otherwise deals with any such Person on a non-arm’s length basis and, for such purposes, any prospective Portfolio Investment that has previously received an investment (directly or indirectly) from another

fund managed by the Manager or an Affiliate thereof shall be deemed to be non-arm's length (but, for greater certainty, a prospective Portfolio Investment that: (i) is contemporaneously receiving an investment on the same terms from an Other GP Entity, or (ii) has received an investment from an arm's length venture capital fund in which an Other GP Entity has invested but no Other GP Entity has directly invested in such Portfolio Investment, shall not be deemed to be non-arm's length as a result of such investment).

3.4 System Building Activities

- (a) The General Partner will develop and submit a draft system building activity plan to the BC Limited Partner for review on or before October 1 in each year commencing in 2017 (a "**System Building Plan**") which will summarize the system building initiatives, key actions, expected outcomes and performance measures for the Partnership's upcoming fiscal year and will be based on and consistent with the goals of the long-term system building plan attached as Schedule B (as amended from time to time by mutual agreement of the General Partner and the BC Limited Partner). The General Partner and the BC Limited Partner shall consult with each other as reasonably required to finalize the System Building Plan for each year of the Term on or before December 15th of the preceding year, and thereafter shall continue to develop and refine the System Building Plan in response to ongoing market developments and input from other stakeholders in the British Columbia venture market. The General Partner will use its reasonable best efforts to implement the system building activities set out in each System Building Plan within the applicable period governed by such System Building Plan in the manner described therein. Representatives of the General Partner shall meet quarterly with representatives of the BC Limited Partner to report on progress in implementing proposals set out in the System Building Plan and to consult with such representatives regarding any proposed changes considered necessary or desirable based upon feedback, experience and market developments.
- (b) The General Partner will provide an annual written report to the BC Limited Partner and, if requested by the BC Limited Partner upon providing reasonable notice, a presentation in person on system building activities conducted during the previous year detailing findings, observations and recommendations, which will be used to develop the following year's System Building Plan.
- (c) The BC Limited Partner will assess the activities conducted by the General Partner and Manager under the System Building Plan on a quarterly basis. In the event that the BC Limited Partner, acting reasonably, determines that the General Partner and the Manager have not substantially complied with the System Building Plan for the previous quarter then the BC Limited Partner will provide notice of such non-compliance to the General Partner and the Manager. In the event that the BC Limited Partner determines that such non-compliance has not been cured at the next quarterly assessment, the System Building Fee may be

reduced commencing with the immediately following quarter by an amount determined by the BC Limited Partner until such non-compliance has been cured, provided that:

- (i) The maximum reduction of the annual System Building Fee for non-compliance shall be fifty thousand dollars (\$50,000) for each of the major categories of actions to be taken by the General Partner or Manager under the System Building Plan;
 - (ii) Provided that the General Partner and Manager are acting in good faith to achieve the System Building Plan activities as a whole, there shall be no reduction of the System Building Fee for the first three years following the Initial Closing Date;
 - (iii) The maximum reduction of the System Building Fee in any specific quarter shall be fifty thousand dollars (\$50,000); and
 - (iv) In the event the System Building Fee is reduced for any major category of actions to be taken by the General Partner or Manager under the System Building Plan and remains reduced for two consecutive quarters, the General Partner may, after consultation with the BC Limited Partner, elect to permanently forfeit the applicable portion of the System Building Fee payable in connection with such category whereupon it will no longer be required, at any time in the future, to carry out the actions set out in such category and the System Building Plan then applicable shall be deemed amended accordingly.
- (d) The initial System Building Plan for the Partnership, which shall govern the period from the Initial Closing Date to December 31, 2017, is attached to this Agreement as Schedule C. It is expected that future System Building Plans shall be in a similar format to the form attached as Schedule C.

3.5 Investments After End of Investment Period

Except as provided in Section 4.8 or as otherwise approved by the LP Advisory Committee, the Partnership shall not:

- (a) make any Direct Investment (other than permitted Short Term Investments) after the end of the Investment Period, or
- (b) make a new capital commitment (or increase its existing capital commitment) to a Qualified Venture Capital Fund after the earlier of:
 - (i) the date three years following the Initial Closing Date; and
 - (ii) the end of the Investment Period.

3.6 Exclusion

- (a) The General Partner may exclude a Limited Partner, other than the BC Limited Partner, from funding its proportionate share of any Capital Call in respect of a Portfolio Investment if the General Partner determines in good faith that a violation of Law or a material delay, extraordinary expense or a materially adverse effect on the Partnership or any Portfolio Investment or any of their respective Affiliates is likely to result from such Limited Partner's participation in such Portfolio Investment; provided that, if the General Partner makes a determination that a violation of Law is likely to result from such Limited Partner's participation, the General Partner will provide such Limited Partner with a written opinion of counsel to support such determination (an “**Excluded Limited Partner**”). The General Partner will also provide prompt notice of any exclusion under this Section 3.6(a) to the BC Limited Partner.
- (b) In the event that any Limited Partner is an Excluded Limited Partner in respect of any particular potential Portfolio Investment, the General Partner may issue additional Capital Calls pursuant to Article 4 to those Limited Partners who have not been so excused or excluded to replace the capital contributions not made by Excluded Limited Partner(s), provided that no Limited Partner will be required to contribute an amount greater than its Unfunded Commitment.

3.7 Indebtedness

- (a) The Partnership may not borrow money other than for the purpose of (i) making or facilitating a Portfolio Investment or paying Partnership Expenses pending the making of a Capital Call and/or the receipt by the Partnership of the capital contributions required to be made by Limited Partners as a result of a Capital Call (which capital contributions shall be applied to repay such indebtedness immediately upon receipt thereof), and (ii) repurchasing the Interest of a Defaulting Limited Partner; provided that unless the approval of the LP Advisory Committee is obtained by the General Partner (A) no advance in respect of any such loan shall be outstanding for more than 30 days (for these purposes, any repayment under a loan facility will be deemed to repay the oldest advance under such facility), and (B) the aggregate of all such advances under all such loans outstanding at any time in respect of clauses (i) and (ii) above will not exceed the lesser of (x) 20% of the aggregate Commitments of all Limited Partners, and (y) 100% of the aggregate Unfunded Commitments of all Limited Partners, less reasonable reserves for Partnership Expenses (including the Management Fee and the System Building Fee).
- (b) In connection with any borrowings by the Partnership (including the guarantee of obligations of Portfolio Companies or their subsidiaries, as permitted by Section 3.7(d)), the General Partner is authorized to, directly or indirectly, pledge, hypothecate, mortgage, assign, transfer and grant security interests in any assets of the Partnership including the Unfunded Commitments of Limited Partners (and in connection therewith, the right to initiate Capital Calls, the right to collect the

Unfunded Commitments and all related rights hereunder) provided, however, that (i) no such pledge, hypothecation, mortgage, assignment, transfer or grant shall convey to the beneficiary thereof recourse against a Limited Partner beyond the obligation of the Limited Partner to make payments in respect of its Commitment as set forth in its Subscription Agreement and this Agreement, (ii) such assignment will not require a Limited Partner to make any payment in respect of the Limited Partner's drawdown obligations other than to an account of the Partnership in which a security interest has been granted in favor of a lender or other creditor of the Partnership), and (iii) such grant or assignment shall be by way of security only and not by way of absolute assignment.

- (c) No Limited Partner will be obligated to provide or deliver any guarantee, financial information, letters of credit or other document in connection with any borrowing by the Partnership, provided that, notwithstanding the foregoing, each Limited Partner shall execute and deliver such further instruments and documents and take such further actions as may reasonably be required for the purposes of effecting, perfecting and maintaining a pledge or grant of a security interest over the assets of the Partnership referred to in this Section 3.7.
- (d) The Partnership may guarantee obligations of Portfolio Companies and their direct and indirect subsidiaries but may not otherwise guarantee obligations of any third party. The amount of any such guarantee that does not limit recourse thereunder to the securities comprising the Partnership's Direct Investment in the Portfolio Company whose obligations (or whose subsidiary's obligations) have been guaranteed will be deemed to be: (a) outstanding indebtedness for the purpose of the Partnership's limitation on indebtedness under Section 3.7(a); and (b) a Direct Investment for the purpose of the Partnership's limitation on the aggregate amount of Direct Investments under Section 3.3.

3.8 Formation of New Fund

Without the prior approval of the LP Advisory Committee, none of the Manager, the General Partner, the Senior Investment Professionals nor any of their respective Affiliates shall take any steps in connection with the formation of, and closing of the sale of interests in, any new investment fund which is a venture capital fund-of-funds (a "**Subsequent Fund**") until the earliest of:

- (a) the date which is three (3) years following the Initial Closing Date;
- (b) the date the Investment Period expires or is terminated;
- (c) the date on which at least 80% of the sum of the aggregate Commitments have been drawn down, committed to Portfolio Investments or for investment pursuant to binding written agreements or reserved for follow-on investments or reasonably anticipated Partnership Expenses; and
- (d) the date the Partnership is dissolved or the General Partner is removed as general partner of the Partnership for any reason,

provided that the foregoing restrictions shall not prevent any such Person from taking any such activities in connection with a venture capital fund-of-funds formed under any initiative by the Government of Canada which is substantially similar to the Government of Canada's Venture Capital Action Plan, or is otherwise generally viewed as the successor program to such Venture Capital Action Plan. The General Partner shall also discuss in advance with the LP Advisory Committee any new activities in venture capital or expansion of their business in western Canada which any of the Manager, the General Partner, the Senior Investment Professionals or their respective Affiliates propose to undertake prior to the earliest date determined in accordance with this Section for a Subsequent Fund in order to manage any potential conflicts of interest with the Partnership.

3.9 Conflicts of Interest

- (a) During the Investment Period, subject to Section 3.9(b), the General Partner and the Manager will present to the Partnership all opportunities to invest in Qualified Venture Capital Funds and Qualified Investee Companies that, in the reasonable determination of the General Partner and the Manager, fit the investment objectives of the Partnership. The General Partner shall not be required to present to the Partnership transactions that would be precluded or materially limited by the investment limitations or other requirements of the Partnership or any applicable Law. During the Investment Period, the General Partner and the Manager will, and will cause the Senior Investment Professionals to, disclose to the LP Advisory Committee if they are invested in a Portfolio Company or a Portfolio Fund, whether directly or through an Affiliate.
- (b) The Limited Partners acknowledge and agree that the General Partner, the Manager, the Senior Investment Professionals and their respective Affiliates have established and are managing, and/or may in the future establish and manage, pooled investment vehicles, private equity funds, venture funds, segregated accounts, managed accounts or other investment entities (each, an “**Other GP Entity**”) which may have as their investment objective making capital commitments to Qualified Venture Capital Funds and/or Qualified Investee Companies. Where the General Partner, in its reasonable discretion, determines that a potential Portfolio Investment would be suitable for the Partnership and one or more Other GP Entities during the Investment Period, the General Partner will allocate the opportunity to invest in that potential Portfolio Investment among the Partnership and each such Other GP Entity on a fair and equitable basis in accordance with its Investment Allocation Policy, a copy of which is attached as Schedule D. The General Partner may, with the prior approval of the LP Advisory Committee allocate an investment that is suitable for the Partnership in a manner that is not in accordance with its Investment Allocation Policy, in which case the General Partner shall promptly disclose to, and discuss with, the LP Advisory Committee the basis upon which the General Partner intends to allocate such investment. During the Investment Period, the General Partner may not make any material changes to its Investment Allocation Policy without the prior approval of the LP Advisory Committee.

- (c) The General Partner shall ensure that none of the Conflict Parties will enter into a contract, arrangement, or understanding with a Portfolio Company or knowingly invest directly or indirectly in any securities issued by an entity in which the Partnership either is actively considering making an investment or has an investment, except that none of the Conflict Parties shall be precluded from:
 - (i) receiving securities distributed directly or indirectly to them from the Partnership pursuant to Section 5.1;
 - (ii) receiving securities upon disposition or exchange of any securities referred to in Section 3.9(c)(i);
 - (iii) investing in any securities through a blind pool investment vehicle or a discretionary brokerage account in which a Person or entity other than the Conflict Parties makes investment decisions with respect to specific securities;
 - (iv) in the case of an Other GP Entity, making an investment permitted by Section 3.9(b); or
 - (v) as otherwise approved by the LP Advisory Committee.

3.10 Non-Arm's Length Transactions

- (a) The General Partner shall promptly notify the LP Advisory Committee of all transactions involving the Partnership, on the one hand, and any Conflict Party on the other hand ("**Non-Arm's Length Transactions**"); for certainty, any transaction specifically permitted by this Agreement shall be deemed not to be a Non-Arm's Length Transaction.
- (b) The General Partner will present all Non-Arm's Length Transactions to the LP Advisory Committee for its review and approval. The LP Advisory Committee shall have the authority to review and approve or disapprove of the appropriateness of any action or inaction on the part of the Partnership in respect of a Non-Arm's Length Transaction; provided, however, that neither the LP Advisory Committee nor any member thereof shall take part in the conduct of the business of the Partnership and shall have no authority to act for or on behalf of the Partnership.
- (c) The Partnership may not purchase any security from or sell any Portfolio Investment to one or more of the Conflict Parties or Limited Partners, or in each case their respective Affiliates, without the prior consent of the LP Advisory Committee.

3.11 Time and Attention; BC Presence

- (a) The Manager or one of its Affiliates shall open and, during the Term, maintain an active investment office in British Columbia and staff the office with at least one

Key Person (the “**First British Columbia Principal**”) who is a full-time resident of British Columbia and who is a managing partner or managing director who sits on the Investment Committee and has a personal investment in the Manager’s business that is consistent with other similarly positioned professionals of the Manager. From the Initial Closing Date until replaced in accordance with the terms and conditions of this Agreement, the First British Columbia Principal shall be Gerri Sinclair. In addition, within twelve (12) months after the Initial Closing Date, the Manager or an Affiliate of the Manager shall staff its British Columbia office with two additional investment professionals residing in British Columbia, at least one of whom is at a principal or higher level (the “**Second British Columbia Principal**”) while the other may be at a more junior level (the “**Third British Columbia Person**”).

- (b) The General Partner shall ensure that:
- (i) during the Investment Period, each of the First British Columbia Principal, the Second British Columbia Principal and the Third British Columbia Person shall devote a substantial majority of his or her business time and attention to the affairs of the Partnership (including without limitation the system building activities set out in Section 3.4) and business activities of Affiliates of the General Partner or the Manager which are consistent with the mandate of the Partnership;
 - (ii) during the Investment Period, each of the Key Persons other than the First British Columbia Principal shall devote a sufficient amount of his or her business time and attention to the affairs of the Partnership as the General Partner reasonably determines is consistent with the Partnership achieving its investment objectives;
 - (iii) during the twenty-four (24) month period following the Initial Closing Date, each of the Key Persons other than the First British Columbia Principal shall devote a minimum of 20% of his or her business time and attention to the affairs of the Partnership;
 - (iv) during the six (6) month period following the Initial Closing Date, Richard Nathan shall be physically present in British Columbia for an average of five (5) Business Days per month, and for an average of three (3) Business Days per month for the ensuing twelve (12) month period expiring at the end of the eighteen (18) month period following the Initial Closing Date; and
 - (v) during the six (6) month period following the Initial Closing Date, Tom Kennedy shall be physically present in British Columbia for an average of three (3) Business Days per month, and for an average of two (2) Business Days per month for the ensuing twelve (12) month period expiring at the end of the eighteen (18) month period following the Initial Closing Date.

Any failure by the Key Persons to satisfy covenants set out in this paragraph (b) shall be a “**Key Person Event**”.

- (c) From the end of the Investment Period until the end of the Term, the General Partner and the Manager shall ensure that each of the Key Persons devote a sufficient amount of his or her business time and attention to the affairs of the Partnership as the General Partner reasonably determines is consistent with the Partnership achieving its investment objectives.

3.12 Interim Review of Partnership

On or around the second and fourth anniversary of the Initial Closing Date, the BC Limited Partner will review the performance and progress of the Partnership with the General Partner and the Manager (each, an “**Interim Review**”). The purpose of each Interim Review is for the BC Limited Partner, the General Partner and the Manager to collectively provide feedback and discuss and consult on how the Partnership is meeting its Partnership purpose and investment objectives, as set out in Section 3.1 and Schedule A, and assess developments in the British Columbia venture capital market and economy and investment community (which may involve consulting with additional venture capital industry participants). The BC Limited Partner, the General Partner and the Manager shall collectively use the results of the Interim Review to refine the System Building Plan and related activities going forward, and to mutually consider whether any amendments are required or desirable to this Agreement in response to feedback, experience and market developments.

ARTICLE 4 CAPITAL OF THE PARTNERSHIP AND ALLOCATIONS OF NET INCOME OR LOSS

4.1 Capital and Commitments

The capital of the Partnership shall consist of the aggregate amount of Funded Commitments of the Limited Partners from time to time and the General Partner Interest. Each Limited Partner shall make contributions in respect of its Units to the capital of the Partnership equal to the aggregate amount of its Commitment specified in its Subscription Agreement. Subject to the terms and conditions of this Agreement, the General Partner shall from time to time determine the portion of Unfunded Commitment of each Limited Partner that shall be payable to the Partnership as at any applicable time. No Partner shall have the right to withdraw any or all of its Funded Commitment or to receive any distribution from the Partnership, except as expressly provided in this Agreement. No interest shall be paid to any Partner on any amount that it has contributed to the Partnership, except as expressly provided in this Agreement.

4.2 Capital Account Allocations

The General Partner shall maintain a separate capital account (a “**Capital Account**”) for each Partner and shall, on receipt of an amount in respect of the Commitment of a Partner or in the case of the General Partner, its General Partner Interest, credit the Capital Account of such Partner with such amount. The General Partner shall also credit to the Capital Account of each Partner the amount of all income and gains of the Partnership allocated to such Partner pursuant

to Section 4.10 and shall debit the Capital Account of such Partner with the amount of all expenses and losses of the Partnership allocated to such Partner and the amount of any funds and the fair market value of any property distributed from time to time by the Partnership to such Partner in accordance with this Agreement. Where allocations are made more often than annually, the relevant item of income, expense, gain, loss, credit, deduction, etc. being allocated shall be estimated and, if subsequent year-end or other adjustments affect allocations previously made, such adjustments shall be recorded when determined. The Interest of a Limited Partner shall not terminate by reason of there being a negative or nil balance in the Limited Partner's Capital Account. No Limited Partner shall be responsible for any losses of any other Partner, nor share in the income or, if applicable, allocation of tax deductible expenses attributable to any other Partner.

4.3 Capital Calls

The General Partner may determine, at any time and from time to time, to make a request in writing (a “**Capital Call**”) to each Limited Partner that it contribute to the capital of the Partnership an amount, if any, such that, after such contribution, the Contributed Percentage of each such Limited Partner is equal to a specified percentage (the “**Call Percentage**”), provided that the General Partner shall only make a Capital Call when it reasonably anticipates that the Partnership requires such additional capital. The General Partner may make a Capital Call for the purpose of funding a potential Portfolio Investment, paying Partnership Expenses, or satisfying any other obligation of the Partnership, including without limitation any commitment, debt or otherwise, or for setting aside funds anticipated to be required for any such purpose. The General Partner will, within sixty (60) days of the applicable Capital Call, refund to the Limited Partners amounts called for the purpose of making Portfolio Investments but not used and the General Partner may, in its discretion refund to the Limited Partners amounts called for other purposes but not used, in each case, pro rata to the amounts of Capital Calls made by the Limited Partners. Any amount so refunded will be treated as never having been contributed to the Partnership and will be subject to recall by the Partnership. Notwithstanding the foregoing, if a proposed Portfolio Investment for which the Capital Call was made has not been completed within sixty (60) days of the applicable Capital Call but the General Partner, acting reasonably, believes the proposed Portfolio Investment shall be completed within an additional thirty (30) days, the General Partner shall not be obligated to refund any amounts called unless the proposed Portfolio Investment has still not been completed within such additional thirty (30) day period.

4.4 Contents of Capital Call

A Capital Call shall include:

- (a) the purpose(s) of the Capital Call and the amount to be allocated to each purpose. Specified purposes shall include among other things, the making of Portfolio Investments and the payment of Organizational Expenses and Partnership Expenses (including indemnification of the General Partner and/or other Indemnitees pursuant to Section 6.6);
- (b) in the case of the BC Limited Partner, where such Capital Call is made in connection with a proposed Portfolio Investment, a summary of the proposed

Portfolio Investment including a general description of the business of the Portfolio Fund or Portfolio Company;

- (c) the date upon which the Limited Partner is required to contribute the capital to the Partnership (the “**Call Date**”), which, except for a Capital Call made effective on the date of the initial issue of Units and solely in respect of such Units, shall be a date no earlier than five (5) Business Days following delivery of the Capital Call;
- (d) the Call Percentage, which percentage shall not be greater than 100%; and
- (e) the amount that each Limited Partner is required to contribute to the capital of the Partnership (the “**Called Amount**”).

4.5 Contribution of Capital

If the Contributed Percentage of a Limited Partner, including without limitation a Subsequent Investor, is less than the Call Percentage, that Limited Partner shall, on or prior to the Call Date, contribute to the capital of the Partnership, in money, an amount (being the Called Amount) such that, after such contribution, its Contributed Percentage is equal to the Call Percentage. A Limited Partner's contribution may be made by bank draft or certified cheque made payable to the Partnership or by electronic wire transfer to the bank account of the Partnership (with wire transfer fees to be borne by the Limited Partner).

4.6 Default in Payment of Called Amount

If any Limited Partner does not contribute to the Partnership its Called Amount by the Call Date and does not remedy such default within ten (10) Business Days after the General Partner gives notice to the Limited Partner to that effect (such defaulting Limited Partner hereinafter a “**Defaulting Limited Partner**” and such default a “**Capital Call Default**”) then, the General Partner will promptly provide written notice of such default to the LP Advisory Committee and, without prejudice to any other recourse against such Defaulting Limited Partner which the Partnership or any Limited Partner may have:

- (a) the Defaulting Limited Partner shall indemnify and hold harmless the General Partner, the Partnership and each of the other Limited Partners (the “**Non-Defaulting Limited Partners**”) in respect of any Losses sustained or incurred in connection with or arising as a result of such Capital Call Default including without limitation the costs of any valuation undertaken in connection with the sale of Units of the Defaulting Limited Partner, the deposits forfeited or damages payable by the Partnership as a result of its inability to complete any proposed transaction or meet any commitment, and lost profits resulting from the failure of the Partnership to invest in or sustain its investment in any Person;
- (b) the General Partner may determine to cancel the Capital Call entirely or to the extent of the Capital Call Default or to make an additional Capital Call to the extent of the Capital Call Default (ignoring the Called Amount which would otherwise be contributed by the Defaulting Limited Partner);

- (c) except where the Defaulting Limited Partner is the BC Limited Partner, the General Partner may offer such portion of a potential Portfolio Investment represented by the Capital Call Default to any one or more of the Non-Defaulting Limited Partners, the Affiliates of the General Partner or any other Person whatsoever, for direct investment by any or all of them in such proportions as the General Partner shall determine;
- (d) except where the Defaulting Limited Partner is the BC Limited Partner, the General Partner may determine to cancel the Units held by the Defaulting Limited Partner by notice to the Defaulting Limited Partner given at any time following the expiration of thirty (30) days after the date of the Capital Call Default, whereupon such Units shall be cancelled and the Defaulting Limited Partner shall cease to be a Limited Partner, without any Interest or right whatsoever in the Partnership or to receive any payment from the Partnership and without any return of capital or distribution of income, except as expressly provided in the Agreement, and the General Partner may allocate any amount previously maintained in the Capital Account of the Defaulting Limited Partner to the Capital Accounts of the Non-Defaulting Limited Partners;
- (e) the General Partner may set off against any distribution that would otherwise be made to a Defaulting Limited Partner pursuant to Article 5 hereof, the amount of any Losses incurred by the Partnership as a result of such Defaulting Limited Partner's Capital Call Default;
- (f) the General Partner may determine to suspend all distributions and other payments that would otherwise be made to a Defaulting Limited Partner and shall off-set any such amounts against the amount owing by such Defaulting Limited Partner pursuant to any Capital Call Default until the amount of the Capital Call Default is satisfied in full, and after which time, the General Partner shall have no further recourse against a Defaulting Limited Partner in respect of such Capital Call Default pursuant to this Section 4.6 or otherwise; and
- (g) whenever the vote, consent or decision of the holders of Units or Limited Partners is required or permitted pursuant to this Agreement, any Defaulting Limited Partner shall not be entitled to participate in such vote or consent, or to make such decision, and such vote, consent or decision shall be made as if such Defaulting Limited Partner were not a Limited Partner, provided that this Section 4.6(g) shall not apply to the BC Limited Partner. Notwithstanding this prohibition, any such vote, consent or decision shall be binding upon such Defaulting Limited Partner.

Notwithstanding the foregoing, in the event the BC Limited Partner is the Defaulting Limited Partner, then no other Limited Partner shall be required to make its corresponding Called Amount and shall not be construed as a Defaulting Limited Partner for failing to contribute its Called Amount.

4.7 Payments to be Made at Subsequent Closings

- (a) **Meaning of Pro Rata Share.** For the purposes of this Section 4.7, the pro rata share of any Subsequent Investor subscribing for New Units at any Subsequent Closing is that percentage which the number of New Units being acquired by the Subsequent Investor is of all Units outstanding immediately following the applicable Subsequent Closing.

- (b) **Capital Call Regarding Past Calls.**
 - (i) On any Subsequent Closing Date, each Subsequent Investor shall pay to the Partnership an amount equal to the aggregate of each Capital Call that would have been made of such Subsequent Investor from and including the Initial Closing Date to the Subsequent Closing Date (other than pursuant to this Section 4.7), if such Subsequent Investor had acquired the New Units on the Initial Closing Date and, if the General Partner determines that the Partnership will distribute capital under Section 4.7(b)(ii), the other Partners had contributed proportionately less. The amount paid by a Subsequent Investor pursuant to this Section 4.7(b)(i) shall be included in the Capital Contribution of the Subsequent Investor.

 - (ii) On each Subsequent Closing Date, the General Partner shall determine whether the Partnership will distribute capital to Limited Partners with respect to the issue of New Units on such Subsequent Closing Date, and the amount of capital to be distributed. If the General Partner determines that the Partnership will distribute capital, as soon as practicable following such Subsequent Closing Date, the General Partner shall distribute to each of the Partners (excluding any Subsequent Investors) the amount paid by all Subsequent Investors pursuant to this Section 4.7(b)(ii) which the General Partner has determined will be distributed, in proportion to their proportionate share of Funded Commitments immediately prior to the Subsequent Closing. Any amount distributed to a Partner pursuant to this Section 4.7(b)(ii) shall reduce the amount of the Capital Contribution of such Partner and be restored to the Unfunded Commitment of such Partner.

- (c) **Additional Payments.**
 - (i) On any Subsequent Closing Date, each Subsequent Investor shall contribute to the Partnership an amount equal to the amount calculated by multiplying the amount paid by such Subsequent Investor pursuant to Section 4.7(b) by an annualized percentage equal to 6% per annum, calculated and compounded monthly for the period which begins on and includes the date upon which capital was contributed pursuant to any past Capital Call to which such portion of that amount relates and which ends on the Subsequent Closing Date.

- (ii) No amount paid by a Subsequent Investor pursuant to this Section 4.7(c) shall be included in the Capital Contribution or Unfunded Commitment of such Subsequent Investor.
 - (iii) As soon as practicable following each Subsequent Closing Date, the General Partner shall cause the Partnership to distribute to each of the Limited Partners (excluding any Subsequent Investors), all amounts paid by Subsequent Investors pursuant to this Section 4.7(c) (other than the amounts representing the proportionate share of the Management Fee and System Building Fee, which shall be paid to the Manager) in proportion to their respective Commitments immediately prior to the Subsequent Closing.
- (d) **Adjustments by the General Partner.** The General Partner shall make such adjustments to the amounts to be paid, the amounts to be distributed and the Partners to whom distributions should be made pursuant to this Section 4.7 to the extent that the General Partner considers appropriate in respect of Defaulting Limited Partners or otherwise to ensure equitable treatment among the Partners.
- (e) **Prior Distributions.** For greater certainty, the holder of a Unit issued after any distribution has been made shall not be entitled to such distribution.

4.8 Restrictions on Capital Calls

- (a) Except as expressly set out in this Agreement to permit the Partnership to settle indemnification claims in specified circumstances, no Limited Partner shall be required to contribute to the Partnership, or shall otherwise be required to pay to any Person pursuant to this Agreement by way of compensation, indemnity or otherwise, whether pursuant to any Capital Call or otherwise, an amount in excess of its Unfunded Commitment at that time.
- (b) Following the last day of the Investment Period, the General Partner may only make Capital Calls for the purpose of obtaining funds required to:
 - (i) fund (or set aside funds for anticipated) Partnership Expenses (including the Management Fee and the System Building Fee);
 - (ii) satisfy commitments or obligations of the Partnership relating to Portfolio Investments made prior to the expiry or termination of the Investment Period;
 - (iii) satisfy commitments or obligations of the Partnership relating to potential Portfolio Investments that were in process prior to the expiry or termination of the Investment Period, as set out in a list of all in-process transactions provided to the LP Advisory Committee not less than thirty (30) days prior to the expiry or termination of the Investment Period, provided that all such transactions are completed within ninety (90) days

following the expiration or termination of the Investment Period or as otherwise agreed by the LP Advisory Committee;

- (iv) make one or more follow-on investments in one or more Portfolio Companies in which the Partnership has a Direct Investment; subject to the limitation in Section 3.3(a)(i) and provided that the aggregate amount to be invested in all such follow-on investments shall not exceed the lesser of (A) 20% of the aggregate Commitments; and (B) aggregate Unfunded Commitments as of the date of expiry or termination of the Investment Period; or
- (v) to fund the indemnification obligations of the Partnership pursuant to Section 6.6.

4.9 Determination of Net Income or Loss

The net income or loss of the Partnership for each fiscal year shall be determined in accordance with GAAP. The General Partner shall generally compute the Partnership's income, gains and losses, and adjust the Partner's Capital Accounts, no less frequently than quarterly.

4.10 Allocation of Net Income or Loss

The net income or loss of the Partnership for each fiscal year shall be allocated to the Partners pro rata in the same proportion as the distribution provisions set out in Article 5. In so allocating the net income or loss, the General Partner shall act reasonably and fairly, taking into account the amount and timing of actual and anticipated distributions to each of the Partners (including the General Partner), with a view to ensuring that, over the term of the Partnership, each Partner is allocated a portion of the Partnership's net income that substantially corresponds to the income that is distributed to that Partner.

4.11 Computation of Taxable Income or Loss of the Partnership

In computing the income or loss of the Partnership for tax purposes, the General Partner shall compute the income or loss of the Partnership in accordance with the provisions of the Tax Act (and, if required, any applicable provincial taxing statute) and shall have the right to adopt a different method of accounting than required by Section 4.9, to adopt different treatments of particular items and to make and revoke such elections on behalf of the Partnership and the Partners as the General Partner deems to be appropriate in order to reflect the terms of this Agreement and, in the reasonable opinion of the General Partner, will have no material adverse effect on the Limited Partners or on the Partnership; provided that the same method or treatment shall be adopted and the same elections shall be made and revoked in respect of all Limited Partners.

4.12 Tax Allocation

Subject to the following sentence, the income or loss of the Partnership for tax purposes for a fiscal year, and its income or loss from a particular source or a source in a particular place, capital gains and capital losses, shall be allocated among the Partners in the same proportions as

the net income or loss is allocated to the Partners, and on the same basis as set out in Section 4.10. Amounts recognized as income, gains, losses, deductions or credits of the Partnership for tax purposes in a fiscal period but not taken into account in Section 4.10 in such fiscal period shall be allocated for tax purposes among the Partners on the basis on which they would be allocated pursuant to Section 4.10 if such amounts were taken into account in computing net income or loss of the Partnership, and the allocation of income, loss, capital gains and capital losses for Canadian income tax purposes in subsequent fiscal years shall be made taking such prior allocations into account.

4.13 Tax Returns

Each Partner shall prepare and file such documents as may be required to be prepared and filed under the Tax Act and other similar legislation to which the Partner may be subject and shall include in its computation of income the income or loss of the Partnership for tax purposes as may be determined and allocated to it pursuant to this Article 4, to the extent required by applicable law.

4.14 Withdrawal of Capital, Interest and Negative Capital Accounts

Except as otherwise expressly provided in this Agreement, no Partner shall have the right to withdraw capital from the Partnership or to receive any distribution or return of Capital Contributions. No interest shall be paid or credited to the Partners with respect to Capital Contributions or Capital Accounts. Upon liquidation, dissolution or winding up of the Partnership, no Partner shall be required to make any Capital Contribution to the Partnership in respect of any deficit in such Partner's Capital Account.

ARTICLE 5 DISTRIBUTIONS

5.1 Distribution Policy

- (a) As soon as practicable and in any event within thirty (30) days following receipt by the Partnership of any proceeds from a Portfolio Investment the General Partner shall calculate the amount of cash available for distribution and distribute such amount to the Partners in accordance with Section 5.2. Current income received from Portfolio Investments or from Short Term Investments will be calculated by the General Partner and distributed to the Partners in accordance with Section 5.2 within thirty (30) days following the end of each fiscal quarter of the Partnership. Securities and other assets shall not be distributed in-kind to a Limited Partner unless such distribution is being made upon the final winding-up and dissolution of the Partnership or unless otherwise approved by the LP Advisory Committee. Any such securities or assets to be distributed shall be distributed pro rata among the Partners based upon their Commitments, and each Limited Partner receiving securities or assets shall be deemed, for the purposes of Section 4.10, to have received in cash the fair market value of the securities or assets as determined by the General Partner in accordance with Section 5.6.

- (b) At least ten (10) Business Days prior to any distribution in kind permitted by this Agreement, the General Partner shall provide each Limited Partner with the following information (to the extent applicable) in connection with each distribution of securities made by the Partnership to such Limited Partner:
- (i) the class and number of securities being distributed;
 - (ii) the per share cost of such securities to the Partnership;
 - (iii) the per share value of such securities;
 - (iv) the name of the brokerage firm, if any, handling such distribution on behalf of the Partnership; and
 - (v) the name and telephone number of a contact individual at such brokerage firm, if any.
- (c) The General Partner will, at the election of the BC Limited Partner delivered to the General Partner prior to the proposed date of distribution of securities, use commercially reasonable efforts to sell any securities that otherwise would have been distributed to the BC Limited Partner and distribute to it the cash proceeds received therefrom.
- (d) In determining cash and property available for distribution, the General Partner shall pay all outstanding Partnership Expenses and may, acting reasonably, establish reserves from time to time in respect of the availability of cash after paying Partnership Expenses and setting aside appropriate reserves as reasonably determined by the General Partner for current or anticipated liabilities, expenses, obligations, and commitments of the Partnership. The General Partner will disclose promptly to the LP Advisory Committee the amount and intended purpose of any such reserves and, in the case of reserves held for the purpose of making Portfolio Investments, will, within sixty (60) days of the date of the applicable distribution, distribute such reserves to the Limited Partners in accordance with Section 5.2 if not used for such purpose. Notwithstanding the foregoing, the General Partner may retain reserves held for the purpose of making a Portfolio Investment for an additional thirty (30) days if the General Partner, acting reasonably, believes the Portfolio Investment shall be completed within such additional thirty (30) day period. The General Partner may invest any such reserves in Short Term Investments.
- (e) Not less than 48 hours prior to any distribution pursuant to this Article 5, the General Partner will provide written notice of such pending distribution to each of the Limited Partners, which notice will include all information required by the standardized distribution template guidelines proposed by the Private Equity Principles of the Institutional Limited Partners Association, as reasonably applicable to a fund of funds (in the case of a distribution of funds related to a Fund Investment).

5.2 Priority of Distributions

Each distribution pursuant to Section 5.1 shall be made to the Partners in the following order of priority:

- (a) *Return of Capital:* First, in respect of proceeds received from Fund Investments and proceeds received from Direct Investments, 100% to the Limited Partners pro rata in accordance with their Capital Contributions until they have received aggregate distributions equal to the sum of the Limited Partners' aggregate Capital Contributions;
- (b) *Preferred Return:* Second, in respect of proceeds received from Fund Investments and proceeds received from Direct Investments, 100% to the Limited Partners pro rata in accordance with their Capital Contributions until they have received aggregate distributions in an amount equal to a 6% compound annual return on their Capital Contributions. For the purposes of computing the amount of this preferred return, Capital Contributions will be treated as contributed from the time such contributions are received by the Partnership, provided, however, that (i) no Capital Contributions will be treated as having been received by the Partnership on any date earlier than the due date specified in the Capital Call for such Capital Contribution, and (ii) Capital Contributions made by Subsequent Investors on a Subsequent Closing Date shall be deemed to have been made on the date the Capital Contribution would have been due to the Partnership had such Limited Partner been admitted on the Initial Closing Date;
- (c) *Catch-up:* 100% to the General Partner until the General Partner has received an amount equal to:
 - (i) 5% of the total amount of proceeds received from Fund Investments distributed to the Limited Partners pursuant to Section 5.2 (b) and to the General Partner pursuant to this Section 5.2 (c); and
 - (ii) 15% of the total amount of proceeds received from Direct Investments distributed to the Limited Partners pursuant to Section 5.2 (b) and to the General Partner pursuant to this Section 5.2 (c);
- (d) *Split:* thereafter allocated between the Limited Partners and the General Partner such that:
 - (i) all proceeds received from Fund Investments are distributed as to 95% to the Limited Partners and 5% to the General Partner; and
 - (ii) all proceeds received from Direct Investments are distributed as to 85% to the Limited Partners and 15% to the General Partner.

Aggregate distributions to the General Partner described in paragraphs (c) and (d) of this Section 5.2 are collectively referred to as the “**Carried Interest Distributions.**”

- (e) *Allocation of Distributions to Direct Investments and Fund Investments:* The Partners acknowledge and agree that it is their intent that the Carried Interest Distributions payable to the General Partner (if any), shall be equal to the aggregate Carried Interest Distributions that would be paid to the General Partner if the calculations contemplated by Sections 5.2(a) through (d) were performed separately in respect of (i) all proceeds from Direct Investments, and (ii) all proceeds from Fund Investments (provided that and solely for such purposes (A) references in Sections 5.2(a) and (b) to Capital Contributions in respect of the calculation in clause (i) mean and refer to the Direct Investment Percentage of all Capital Contributions, and (B) references in Sections 5.2(a) and (b) to Capital Contributions in respect of the calculation in clause (ii) mean and refer to the Fund Investment Percentage of all Capital Contributions). Notwithstanding the foregoing provisions of this Section 5.2, the General Partner may, in respect of any distribution, alter the relative amounts distributed to the Limited Partners, on the one hand, and the General Partner, on the other hand, to achieve the intent of this Section 5.2(e) with respect to Carried Interest Distributions, provided that for greater certainty and subject always to Section 5.3, regardless of whether distributions are from proceeds of Fund Investments or from proceeds of Direct Investments, Carried Interest Distributions shall not be paid to the General Partner until the Limited Partners have received their then applicable full entitlements pursuant to Section 5.2(a) and Section 5.2(b).
- (f) *Designation of Carried Interest Distribution Recipients:* At its discretion, the General Partner may designate the Manager or one or more of its Affiliates as the recipient for the Carried Interest Distributions to be made to the General Partner as set out in this Section 5.2 by providing notice of such designation to the Partnership and the BC Limited Partner.

5.3 Escrow and Clawback of Carried Interest Distributions

- (a) Notwithstanding any other provision of this Agreement, until the date on which the Investment Period is terminated or expires, any amounts to be distributed to the General Partner in respect of the Carried Interest Distributions in accordance with Section 5.2 shall, subject to Section 5.3(d), be deposited in an escrow account (and, for greater certainty, may be invested in Short Term Investments) with a Canadian bank; provided that the General Partner may at any time elect to defer receipt of all or any portion of the Carried Interest Distributions that would otherwise be made to the General Partner pursuant to Section 5.2 and any amount which is not distributed to the General Partner as a result of any such election shall be distributed to the Limited Partners in accordance with Section 5.2. To the extent that the General Partner has elected to defer receipt of any of its Carried Interest Distributions pursuant to Section 5.2, the General Partner may subsequently elect to receive 100% of any or all subsequent proceeds distributable to the Partners until the General Partner has received the amount (without a factor for interest) it would have received had it not elected to defer such Carried Interest Distributions (for greater certainty, subject to any clawback of the General Partner's Carried Interest Distributions in accordance with this Section

5.3); provided that any such Carried Interest Distributions made to the General Partner prior to or on the date of the termination or expiration of the Investment Period shall be deposited in an escrow account in accordance with this Section 5.3.

- (b) Upon the termination or expiry of the Investment Period, every three (3) years thereafter and upon the liquidation of the Partnership (each, a “**Clawback Date**”), the total Carried Interest Distributions payable to the General Partner shall be recalculated as of such applicable date. Based upon the results of the first such recalculation after the end of the Investment Period, the full amount of Carried Interest Distributions to be distributed to the General Partner pursuant to Section 5.2 (not including amounts repayable pursuant to Section 5.3(c)) shall be released from the escrow account and paid to the General Partner.
- (c) If in connection with any such recalculation of the Carried Interest Distribution entitlements, it is determined that the General Partner has received (and not otherwise returned to the Partnership) Carried Interest Distributions in excess of the amount the General Partner would have been entitled to receive had the Carried Interest Distributions been determined as at such time based upon the performance of the Partnership from the Initial Closing Date to such time, the General Partner shall repay to the Partnership an amount equal to the excess, and the amount so contributed shall be distributed to the Limited Partners in accordance with Section 5.2; provided that (i) the amount to be repaid by the General Partner pursuant to this Section 5.3 shall in no circumstance exceed the aggregate amount previously received (and not otherwise returned) by the General Partner as Carried Interest Distributions, less income taxes paid or payable by the General Partner and the shareholders of the General Partner (or the beneficiaries, where such shareholders are trusts or partnerships) in respect thereof, to the extent such taxes have not been recovered after using reasonable efforts to do so. For each Clawback Date, the General Partner shall make such determination promptly following receipt of the certification of the auditors of the Partnership in respect of all contributions, allocations, distributions and the Management Fee and System Building Fee required for the fiscal year in which the Clawback Date occurs.
- (d) Notwithstanding any other provision to the contrary, in any year in which income is allocated by the Partnership to the General Partner, the General Partner will be entitled to receive distributions from the Partnership reasonably designed to allow it to pay tax on such income or distributions relating thereto. Such distributions will be credited against future distributions that are payable to the General Partner.

5.4 Necessary Adjustments

The General Partner shall make such adjustments to the amounts to be paid, the amounts to be distributed and the Partners to whom distributions should be made pursuant to this Article 5 to

the extent that the General Partner considers appropriate in respect of and otherwise to ensure equitable treatment among the Partners.

5.5 Recontribution of Certain Distributions

- (a) Notwithstanding any other provision of this Agreement to the contrary, in the event, and only in the event, that the Partnership is required to:
 - (i) return distributions to any particular Portfolio Fund under the terms of such Portfolio Fund's partnership agreement or other constitutive documents; or
 - (ii) satisfy any indemnification obligation of the Partnership pursuant to this Agreement,

and in any such case the assets of the Partnership which are readily reducible to cash (including the aggregate Unfunded Commitments) are insufficient to satisfy such obligation, then the Partners shall be required to contribute to the Partnership, on a several basis, from prior distributions made by the Partnership to the Partners, an amount equal to the amount of the shortfall required to permit the Partnership to satisfy such obligation, pro rata in reverse order of prior distributions made by the Partnership to the Partners as set out in Section 5.2.

- (b) The aggregate amount that a Limited Partner may be required to contribute to the Partnership pursuant to Section 5.5(a)(i) with respect to a particular Portfolio Fund shall not exceed the total amount of distributions received by the Limited Partner from the Partnership in respect of such Portfolio Fund. The provisions of Section 5.5(a)(i) shall survive the termination of the Partnership and shall terminate on the second anniversary of the termination of the Partnership.
- (c) Subject to the requirements of the Act, in no event shall a Limited Partner be required to contribute any amount pursuant to Section 5.5(a)(ii) which would cause such Limited Partner's aggregate contributions under Section 5.5(a)(ii) to exceed the lesser of (i) 25% of such Limited Partner's Commitment and (ii) the aggregate amount distributed to such Limited Partner pursuant to Section 5.2; provided that, subject to the requirements of the Act, no Limited Partner will be required to return any such amount previously distributed to such Limited Partner after the earlier to occur of the date that is (i) two years after the date of such distribution, or (ii) the second anniversary of the liquidation of the Partnership; provided that, if at the end of such period, there are proceedings then pending or any other liability (whether contingent or otherwise) or claim then outstanding (whether pending or threatened) which the General Partner determines in good faith may require the return of such distribution in the future, the General Partner may, in its sole discretion, notify the Limited Partners at such time (which notice shall include a brief description of each such proceeding (and the liabilities asserted in such proceeding) or of such liabilities and claims) and the obligation of the Limited Partners to return all or any portion of such distribution (as

specified in such notice) solely for the purpose of meeting the Partnership's obligations shall survive with respect to each such proceeding, liability and claim set forth in such notice (or any related proceeding, liability or claim based upon the same or a similar claim) until the date that such proceeding, liability or claim is ultimately resolved and satisfied.

- (d) If the Limited Partners return amounts to the Partnership under this Section 5.5 after the final distribution of the assets of the Partnership, the amount the General Partner is required to contribute to the Partnership pursuant to Section 5.3 shall be redetermined, taking into account the return by the Limited Partners of such amounts to the Partnership. The provisions of Section 5.3 shall apply, and the payments required thereby shall be made, in the same manner as if the return of such amount to the Partnership had occurred prior to the final distribution of the assets of the Partnership.

5.6 Valuation

- (a) The value of any asset of the Partnership shall be determined in good faith by the General Partner in accordance with International Private Equity and Venture Capital Valuation Guidelines or any substantially equivalent guidelines adopted by the General Partner with the consent of the LP Advisory Committee from time to time; provided, however, that to the extent that such valuation guidelines do not conform with GAAP, the General Partner shall determine the value of Partnership assets pursuant to GAAP. The General Partner shall be entitled to rely upon any valuations provided to it by any Portfolio Investment, but shall not be bound by such valuations. In determining the value of the assets of the Partnership or the Interest of any Partner in the Partnership, or in any accounting among the Partners or any of them, no value shall be placed on the goodwill or name of the Partnership. The Partnership's assets shall be valued annually and at such other times as are provided or required in this Agreement or determined by the General Partner.
- (b) Prior to considering its valuation of any security to be distributed in-kind to the Partners as provided in Section 5.1(a) as final for purposes of this Agreement, the General Partner shall provide the LP Advisory Committee with written notice of the General Partner's valuation of such security, together with information supporting such valuation. If the LP Advisory Committee objects to the valuation of such security, the General Partner shall (at the Partnership's expense) cause a nationally recognized investment banking firm or other appropriate independent expert mutually acceptable to the General Partner and the LP Advisory Committee to review such valuation, and such expert's determination shall be binding on all parties.

**ARTICLE 6
MANAGEMENT OF THE PARTNERSHIP**

6.1 Powers and Duty of the General Partner

Management and operation of the Partnership shall be vested exclusively in the General Partner, which shall have the power by itself and shall be authorized and empowered on behalf of and in the name of the Partnership to carry out any and all of the objectives and purposes of the Partnership in accordance with this Agreement and the Act and to perform all acts and enter into and perform all contracts and other undertakings and to engage in all activities and transactions which it may deem necessary, desirable, advisable or incidental thereto. The General Partner will, and will use its reasonable best efforts to cause the Manager to, exercise its powers and discharge its duties under this Agreement honestly, in good faith and in the best interest of the Partnership. No Person dealing with the Partnership shall be required to verify the power of the General Partner to take any measure or any decision in the name of the Partnership. Without limiting the foregoing, but always in pursuance of the activities of the Partnership in accordance with this Agreement and the Act, the General Partner shall be vested with the following powers:

- (a) to manage the Partnership on a day-to-day basis;
- (b) on behalf and at the expense of the Partnership to (i) appoint the Manager and, subject to the consent of the Limited Partners by Special Resolution, terminate the appointment of the Manager and/or appoint a replacement manager for the Partnership; and (ii) appoint and/or terminate the appointment of any and all financial advisors, underwriters, lawyers, accountants, consultants, appraisers, custodians of the assets of the Partnership or other professional advisors as required and on such commercially reasonable terms as the General Partner may determine;
- (c) subject to the restrictions set out in Article 3, to acquire and dispose of any Portfolio Investment; purchase, sell and exercise voting or consent rights with respect to all instruments, investment vehicles, securities and other property in which the Partnership may invest, on such terms and conditions as the General Partner may determine from time to time;
- (d) to vote, give assent and otherwise to exercise all rights, powers, privileges and other incidents of ownership or possession with respect to the securities or other assets of the Partnership, and to execute and deliver proxies or powers of attorney to such Person or Persons as the General Partner shall deem proper, granting to such Person or Persons such power and discretion with relation to securities or other assets as the General Partner shall deem proper;
- (e) to exercise powers and rights which in any manner arise out of ownership of securities or other assets, including subscription rights, on behalf of the Partnership;
- (f) to hold any security or other assets in a form not indicating any particular owner, whether in bearer, unregistered or other negotiable form, or in the name of the

Partnership or in the name of a custodian, subcustodian or other depository or a nominee or nominees;

- (g) to consent to, participate in or initiate any plan for the reorganization, consolidation or merger of any corporation or other issuer, any security, or other interest therein, which is held by the Partnership; to consent to any contract, lease, mortgage, purchase or sale of property by such a corporation or other issuer; and to pay calls or subscriptions with respect to any security or other asset held by the Partnership;
- (h) to join with other security holders in acting through a committee, depository, voting trustee or otherwise, and in connection therewith to deposit any security with, or transfer any security to, any such committee, depository or voting trustee, and to delegate to them such power and authority in relation to any security (whether or not so deposited or transferred) as the General Partner shall deem proper, and to agree to pay, and to pay, such portion of the expenses and compensation of such committee, depository or voting trustee as the General Partner shall deem proper;
- (i) to institute, prosecute, defend, settle, compromise or otherwise adjust all claims (including claims for taxes) and litigation arising out of the conduct of the affairs of the Partnership or in the enforcement of obligations due it, including all rights of appeal, provided that any proposed settlement which involves the Partnership making a payment in excess of twenty-five thousand dollars (\$25,000) must be approved by the LP Advisory Committee;
- (j) to determine and pay or cause to be paid all Partnership Expenses;
- (k) to purchase and pay for such reasonable amounts of insurance, if any, as the General Partner shall deem necessary for the conduct of the business of the Partnership, including key man insurance policies naming the Partnership as beneficiary and insurance policies covering any Person or entity individually against claims and liabilities arising by reasons of being, or holding, having held, or having agreed to hold the office or the position of partner, member of the LP Advisory Committee, employee, agent, advisor or independent contractor of the Partnership, or being, serving, having served, or having agreed to serve at the request and on behalf of the Partnership as director, trustee, officer, employee, agent or independent contractor of another fund, corporation, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted by any such Person or entity in any of the foregoing capacities, provided such insurance shall not cover any claim or liability in respect of which the Partnership would not be required to provide indemnification pursuant to this Agreement;
- (l) subject to the restrictions set out in Article 3, to borrow money and issue guarantees for borrowed money or any other obligations of any Person;

- (m) allocate and distribute income, gains, losses and the return of capital among the Partners, including the taxes thereon in accordance with this Agreement;
- (n) to enter into, make and perform such other contracts, agreements and other undertakings as may be necessary, desirable, advisable or incidental to the carrying out of any of the foregoing powers, objects and purposes;
- (o) to enter into agreements with any Indemnitee providing for the indemnification by the Partnership of such Indemnitee to the extent authorized by this Agreement;
- (p) to enter into the Management Agreement with the Manager on behalf of the Partnership and to enter into any other agreement on behalf of the Partnership contemplated by this Agreement; and
- (q) generally to perform all such other acts it considers necessary or desirable in connection with the activities and affairs of the Partnership or to carry out the intent and purpose of this Agreement.

6.2 Management Agreement

Notwithstanding Section 6.1, the management of the Partnership will be delegated, pursuant to the Management Agreement, to the Manager, which shall have the authority to direct the business, operations and affairs of the Partnership provided that no such delegation shall relieve the General Partner of its obligations under this Agreement. The Manager will provide the Partnership with portfolio management and administrative services, including investigating, analyzing, structuring and negotiating potential Portfolio Investments, monitoring the performance of Portfolio Investments and advising as to disposition opportunities. The Manager shall act as the agent for the General Partner with full authority as such, and any determinations, decisions or other duties or actions described in this Agreement as being the determinations, decisions, duties or actions of the General Partner may be performed by the Manager in such capacity. For greater certainty, the Manager's authority to take such acts, fulfill such duties and make such determinations or decisions is derived solely from its status as an agent of the General Partner, and nothing in this Section 6.2 shall be construed to relieve the General Partner of any of its responsibilities under this Agreement or the duties and limitations set forth in this Article 6 or cause the Manager to be deemed a general partner of the Partnership. The General Partner shall not propose or consent to the termination, amendment or waiver of the Management Agreement or any provision thereof without the prior approval of the Limited Partners given by way of Special Resolution.

6.3 No Transfer by General Partner or Manager

The General Partner may not resign as such or sell, assign, transfer, pledge, mortgage, grant a security interest in or otherwise encumber or dispose of any of its Interest in the Partnership, and the Manager may not resign as such or assign any of its rights or obligations under this Agreement or the Management Agreement, except (i) to an Affiliate of the General Partner or Manager, respectively, or (ii) if authorized by Special Resolution of the Limited Partners.

6.4 Management Fee

- (a) The Partnership shall pay to the Manager a management fee (the “**Management Fee**”), payable quarterly in advance commencing on the Initial Closing Date and, subject to Section 6.4(c), thereafter on the first day of each fiscal quarter of the Partnership, calculated as follows:
- (i) the Management Fee payable for each quarter commencing prior to the fifth anniversary of the Initial Closing Date shall be equal to the sum of:
 - (A) 0.20% (0.80% on an annual basis) of the amount determined by multiplying the aggregate Commitments from all Limited Partners by 75%; and
 - (B) 0.40% (1.60% on an annual basis) of the amount determined by multiplying the aggregate Commitments from all Limited Partners by 25%;
 - (ii) the Management Fee payable for each quarter commencing after the fifth anniversary of the Initial Closing Date shall be equal to the sum of:
 - (A) 0.20% (0.80% on an annual basis) of the Net Invested Capital in Fund Investments as of the last day of the prior quarter; and
 - (B) 0.40% (1.60% on an annual basis) of the Net Invested Capital in Direct Investments as of the last day of the prior quarter; and
 - (iii) notwithstanding Section 6.4(a)(ii), the Management Fee payable for each quarter commencing after the fifth anniversary of the Initial Closing Date and prior to the seventh anniversary of the Initial Closing Date shall be equal to the greater of:
 - (A) the amount determined pursuant to Section 6.4(a)(ii); and
 - (B) 90% of the Management Fee payable to the Manager during the same calendar quarter in the immediately preceding year,provided that if the Manager or an Affiliate of the Manager is appointed as the manager of a successor fund that is sponsored by the Province of British Columbia as a successor to the Partnership, then all Management Fees payable after such appointment shall be calculated solely in accordance with Section 6.4(a)(i) and (ii).
- (b) The first payment of the Management Fee shall be in respect of the Management Fee payable for the next full final quarter following the Initial Closing Date plus the Management Fee payable for the stub period between the Initial Closing Date and the commencement of such fiscal quarter. For greater certainty, no

Management Fee will be payable on the first day of the next full fiscal quarter following the Initial Closing Date.

- (c) In addition to the Management Fee set out in Section 6.4(a), the Manager shall be entitled to a two hundred and fifty thousand dollar (\$250,000) annual fee (the “**System Building Fee**”) contingent on the Manager performing its obligations under the applicable System Building Plan in accordance with Section 3.4, payable quarterly in arrears until the termination of the Partnership, subject to adjustment as set out in Section 3.4.
- (d) Instalments of the Management Fee and System Building Fee payable for any period other than a full three-month period (including the first Management Fee payment, which shall be payable on or about the Initial Closing Date) shall be adjusted on a pro rata basis according to the actual number of days in such period.
- (e) An amount equal to 100% of all Portfolio Investment Fees, which, for greater certainty, shall not include any Applicable Taxes imposed on such fees, shall be applied to reduce the Management Fee for the period immediately succeeding the three-month period in which the Portfolio Investment Fee is received by the General Partner, the Manager, the Senior Investment Professionals or any of their respective Affiliates or any of their respective officers, directors or employees; provided that the Management Fee shall not be less than \$0 for any three-month period. In the event that the amount of Portfolio Investment Fees (including any amount carried forward from a prior period in accordance with this sentence) applied against the Management Fee for any such period exceeds the Management Fee for such period, such excess amount shall be carried forward to reduce the Management Fee payable in the following period(s). Any unapplied Portfolio Investment Fees (which shall not include any Applicable Taxes imposed on such fees) remaining at the time the Management Fee ceases to be payable shall be paid to the Partnership and distributed to the Partners; provided that a Limited Partner may make an election at the time of liquidation of the Partnership to not receive its share of such unapplied Portfolio Investment Fees.

6.5 No Liability to Partnership or Limited Partners

- (a) None of the General Partner, Manager, nor any of their respective Affiliates, nor any of their respective direct or indirect shareholders, directors, officers, partners, employees, agents, members, advisors or representatives, nor any member of the Investment Committee or the LP Advisory Committee (including the Limited Partner for whom such member acts), shall be liable, responsible or accountable in damages or otherwise to the Limited Partners or the Partnership for:
 - (i) any action taken or failure to act within the scope of the power and authority conferred on the General Partner by this Agreement or by Law, except to the extent such action or failure to act was performed or omitted fraudulently or in the case of any such a Person who is not an LP Advisory Committee member (including the Limited Partner for whom such

member acts) constituted negligence, material breach of this Agreement or material breach of applicable Laws, or wilful misconduct or the breach of any fiduciary duty;

- (ii) any action or inaction arising from good faith reliance upon the opinion or advice as to legal matters of legal counsel or as to accounting matters of accountants selected by any of them; or
- (iii) any action or inaction of any professional advisors selected by any of them with reasonable care and in good faith.

The General Partner holds the benefit of this Section 6.5(a) for its own benefit and for the benefit of all Persons referred to in this Section 6.5(a).

- (b) No Provincial Government Entity or any employee, agent or other representative thereof will be liable to the Partnership, the Manager, the General Partner or any of their respective affiliates nor any of their respective directors, officers, partners, employees or direct or indirect shareholders or to the Limited Partners for any loss or damage incurred by them arising out of or in connection with the establishment or operation of the Partnership other than the obligations as a Limited Partner pursuant to this Agreement.

6.6 Indemnification of General Partner and Others

- (a) The General Partner, the Manager, their respective Affiliates and their respective direct and indirect shareholders, directors, officers, partners, employees, agents, members, advisors and representatives and the members of the LP Advisory Committee (including the Limited Partner for whom such member acts as representative) in respect of their actions as members (each, an “**Indemnitee**”) shall be indemnified, held harmless and reimbursed by the Partnership out of the assets of the Partnership, including the aggregate Unfunded Commitments, in respect of any and all Losses sustained or incurred in connection with or arising as a result of any action, suit, claim, demand or proceeding, whether civil, criminal, investigative or otherwise, that is threatened or commenced against an Indemnitee for or in respect of anything done or permitted to be done or omitted to be done in the execution of the duties, responsibilities, powers and authorities of an Indemnitee hereunder or in any way arising as a result of or in connection with this Agreement. Notwithstanding the foregoing, and subject to Section 6.6(b), no Indemnitee shall be entitled to indemnification by the Partnership hereunder to the extent that any such Loss arises as a result of fraud, or in the case of any Indemnitee who is not a member of the LP Advisory Committee (including the Limited Partner for whom such member acts as a representative), wilful misconduct, negligence, the material breach of this Agreement or material breach of applicable Laws, or breach of a fiduciary duty by the Indemnitee, or in respect of any economic losses incurred by any Indemnitee as a result of the ownership of an Interest in the Partnership or in respect of any expenses of the Partnership that the Indemnitee has agreed to bear.

- (b) The Partnership shall pay the reasonable expenses incurred by any such Indemnitee indemnifiable hereunder, as such expenses are incurred, in connection with any proceeding in advance of the final disposition, so long as the Partnership receives an undertaking by such Indemnitee, satisfactory to the LP Advisory Committee, acting reasonably, to repay the full amount advanced if there is a final determination that such Indemnitee is not entitled to indemnification hereunder. Notwithstanding the foregoing, no payments pursuant to this Section 6.6(b) shall be made with respect to any action brought by one or more Limited Partners on their own behalf or on behalf of the Partnership, during the pendency of such action and no payment shall be made if such Limited Partner(s) substantially prevail(s) on the merits in such action.
- (c) If the Partnership incurs an obligation or liability arising under this Section 6.6 that it has insufficient assets which are readily reducible to cash to pay, it may, notwithstanding the expiry or termination of the Investment Period, call the Unfunded Commitments to satisfy such obligation or liability. A Limited Partner's obligation to make contributions to the Partnership under this Section 6.5(a)(ii) shall survive the termination and liquidation of the Partnership and the General Partner, on behalf of the Indemnitees, or the liquidator of the Partnership, may pursue and enforce all rights and remedies it or they may have against the Limited Partner under this Section 6.6, including instituting a lawsuit to collect such Unfunded Commitment with interest from the date such contribution was required to be paid pursuant hereto at a rate of 8% per annum.
- (d) As soon as reasonably practicable after becoming aware of any matter that may give rise to a claim for indemnification hereunder, the General Partner will provide to the Limited Partners written notice of such matter specifying (to the extent that information is available) the factual basis for any claim and the amount of such claim (or if an amount is not then determinable, an estimate of the amount of the claim, if an estimate is feasible in the circumstances) and the General Partner's initial analysis as to the probability of success of such claim. The General Partner will keep the Limited Partners informed of the status of any claims on a regular basis.
- (e) The General Partner will use commercially reasonable efforts to cause each Portfolio Company and each Portfolio Fund for which any director, officer, employee or other Affiliate of the General Partner serves as an officer or director or as a member of a limited partner advisory committee, as applicable, adopt organizational documents which provide mandatory indemnification to directors, officers and such members to the fullest extent permitted by applicable Law.
- (f) The General Partner and the Manager shall collectively or individually maintain directors' and officers' liability insurance covering all directors and officers of the General Partner and the Manager as more particularly set out in Section 6.1(k) consistent with industry standards of coverage obtained generally by similar businesses and in a minimum coverage amount of \$15,000,000.

- (g) The General Partner shall be entitled to apply any assets of the Partnership rightfully in its possession to pay any obligation or liability of the Partnership pursuant to this Section 6.6.
- (h) The General Partner shall hold the benefit of this Section 6.6 for its own benefit and for the benefit of the other Indemnitees.
- (i) Each Indemnatee, if otherwise entitled to indemnification from the Partnership hereunder, shall first use its best efforts to seek indemnification from all other available third party sources (including under any insurance policies by which such Indemnatee is covered), if any, prior to seeking indemnification under this Agreement and the Partnership will not make any advancement or payment to such Indemnatee until it has received an undertaking from such Indemnatee to repay all amounts which may be required to be repaid under this Section 6.6(i) and to assign any and all claims or right of recovery which such Indemnatee may have against the relevant Portfolio Company or other applicable third party source in respect of such advancement or payments. The amount of any indemnification to which an Indemnatee is entitled under this Section 6.6 in respect of any matter will be reduced by the amount of any payments actually received from such third party sources (including under any insurance policy by which such Indemnatee is covered) to the extent such payments are on account of the same matter. In the event that the amount of the Partnership's obligation and liability to such Indemnatee arising under this Section 6.6 is less than the aggregate of the amount incurred or paid by the Partnership in respect thereof plus the amount received by the Indemnatee under any other indemnity or any insurance policies, such Indemnatee shall forthwith pay to the Partnership the difference. The General Partner and the Partnership shall be specifically empowered to structure any such advancement or payment as a loan or other arrangement as the General Partner may determine necessary or advisable to give effect to or otherwise implement the foregoing. No Indemnatee may, without the prior consent of the LP Advisory Committee, enter into any compromise or settlement in respect of any such claim that would result in an obligation of the Partnership to indemnify such Indemnatee.

6.7 Tax Status of Partnership

The General Partner shall use reasonable commercial efforts so that the Partnership is not and does not become a Financial Institution or SIFT Partnership as defined in section 197 of the Tax Act.

6.8 Partnership Expenses

Except as provided in Section 6.910 and Section 6.11, the Partnership shall pay all fees, costs and expenses (including travel) related to the operations of the Partnership (collectively, "**Partnership Expenses**"), including without limitation:

- (a) Organizational Expenses, subject to a cap of two hundred and fifty thousand dollars (\$250,000) (and the General Partner will provide to the LP Advisory Committee a detailed accounting of Organizational Expenses incurred within 90 days of the Initial Closing Date and within 90 days of any Subsequent Closing Date);
- (b) all fees and expenses incurred by the BC Limited Partner in connection with the organization of the Partnership and its investment in the Partnership;
- (c) all expenses related to the identification, due diligence, acquisition, holding, monitoring and disposition of Portfolio Investments (including, for greater certainty, fees, costs, and expenses relating to potential Portfolio Investments or pursuant to other potential transactions that are not completed);
- (d) all expenses of custodians, legal counsel, auditors and accountants, consultants, other advisors, and other professional advisors and service providers;
- (e) all expenses related to meetings of Limited Partners or of the LP Advisory Committee;
- (f) all insurance premiums;
- (g) all costs of borrowing by the Partnership;
- (h) all expenses relating to litigation, indemnification or the enforcement and protection of rights relating to the Partnership;
- (i) all expenses incurred in connection with the fulfilment of statutory or other compliance requirements of the Partnership, including any taxes, fees or other governmental charges levied against the Partnership;
- (j) all expenses related to terminating, liquidating and dissolving the Partnership; and
- (k) all expenses associated with sponsorship of events and activities in British Columbia that are consistent with the goals of the System Building Plan up to a maximum amount approved by the LP Advisory Committee, which shall initially be twenty-five thousand dollars (\$25,000) per year.

6.9 No Commingling of Funds

Funds of the Partnership will not be commingled with the funds of the General Partner or of any other Person.

6.10 Expenses of the General Partner and Manager

The General Partner and the Manager shall be responsible for all of their respective day-to-day operating expenses and administrative expenses, including expenses incurred for rent, furnishings, utilities, equipment, supplies, overhead expenses, compensation of their respective

employees, any travel and accommodation expenses not related to a Portfolio Investment or proposed Portfolio Investment or to meeting with Limited Partners, bookkeeping costs, investors reporting and mailing expenses, and Organizational Expenses in excess of \$250,000. No expenses of any Limited Partner shall be borne by the General Partner unless approved by the BC Limited Partner or expressly authorized by this Agreement.

6.11 Expense Allocation Policy

In the event expenses are incurred on behalf of the Partnership and one or more Other GP Entities or Affiliates of the General Partner or the Manager, such expenses shall be allocated fairly and equitably between the Partnership and such Persons in accordance with the General Partner Expenses Policy attached as Schedule E. During the Term, the General Partner may not make any material changes to the General Partner Expenses Policy without the prior approval of the LP Advisory Committee.

6.12 Representations, Warranties and Covenants of the General Partner

The General Partner makes the representations and warranties set out below to each Limited Partner as of the date hereof and shall ensure that such representations and warranties continue to be true and accurate, so long as it is the General Partner:

- (a) the Partnership is a limited partnership formed under the Act, duly established under the Laws of the Province of British Columbia, and the Partnership is and shall continue to be existing and in good standing under the Laws of the Province of British Columbia;
- (b) the General Partner is duly formed and validly existing under the Laws of the Province of British Columbia and in good standing under the Laws of any jurisdiction where it carries on its activities;
- (c) the General Partner has and will continue to have the power, capacity and authority to act as the General Partner and to perform its obligations under the Partnership Agreement;
- (d) the Partnership has the requisite power and authority to issue Units and to perform its obligations under this Agreement;
- (e) subject to acceptance by the Partnership of the subscriptions from the Limited Partners pursuant to the Subscription Agreements, all action required to be taken by the General Partner and the Partnership as a condition to admission to the Partnership of the Limited Partners has been taken and the Limited Partners of the Partnership are entitled to all the benefits of a limited partner under this Agreement and the Act; and
- (f) the General Partner can fulfil its obligations as General Partner without violating the terms of any agreement to which it is or will be a party or by which it is or will be bound or any Law currently applicable to it.

The representations and warranties contained in this Section 6.12 shall survive after the execution of this Agreement. The General Partner agrees that it shall be liable for, and shall indemnify, hold harmless and reimburse the Limited Partners from all Losses sustained or incurred in connection with or arising as a result of the incorrectness of any representation or the breach of any warranty or the failure to comply with any covenant of the General Partner contained in this Section 6.12.

6.13 Use of Name/Public Communications

All public communications with respect to the Partnership will be made by the parties in accordance with the Partnership's communications protocol, as such protocol is agreed to between the BC Limited Partner and the Manager. Except as permitted by such communications protocol, the Partnership, the General Partner, the Manager and their respective Affiliates shall not issue any press release or other public promotional or general informational statement which refers directly to the Partnership or the BC Limited Partner. Notwithstanding the foregoing, the Partnership will be permitted to disclose the existence of the BC Limited Partner as a Limited Partner (a) to comply with any law, regulation or legal process or (b) in connection with the operation and administration of the Partnership, including its investments and potential investments and its indebtedness. For the avoidance of doubt, the Partnership, the General Partner, the Manager or any of their respective Affiliates may advise other Limited Partners of the fact of the BC Limited Partner's Commitment to the Partnership.

ARTICLE 7 LIMITED PARTNERS

7.1 Limited Liability

Except to the extent required by the Act or as otherwise expressly provided for in this Agreement, the obligation of each Limited Partner to make Capital Contributions to the Partnership and the liability of each Limited Partner for the debts, liabilities, losses and obligations of the Partnership is limited to its Unfunded Commitment plus its share of any undistributed income of the Partnership.

7.2 No Participation in Management

No Limited Partner (in its capacity as such) shall participate in the control, management, direction or operation of the business or affairs of the Partnership or have any power to bind the Partnership.

7.3 Transfer of Units

- (a) No Limited Partner may sell, assign, transfer, pledge, mortgage, grant a security interest in or otherwise encumber or dispose of any Unit (including any transfer or assignment of all or a part of its Interests to a Person who becomes an assignee of a beneficial interest in Partnership profits, losses and distributions even though not becoming a substitute Limited Partner) unless the General Partner has consented to such transfer or assignment in writing (which consent shall be in the sole discretion of the General Partner).

- (b) Notwithstanding anything to the contrary contained in this Section 7.3, a transferee or assignee of a Unit shall not become a substitute Limited Partner without the consent of the General Partner and without executing a copy of this Agreement or an amendment hereto in form and substance satisfactory to the General Partner. This Agreement shall be interpreted in a manner such that the rights and obligations in respect of each Unit held by the Limited Partners prior to the transfer or assignment of such Unit will be identical to the rights and obligations in respect of such Unit following such transfer or assignment. Any substitute Limited Partner admitted to the Partnership with the consent of the General Partner shall succeed to all rights and be subject to all the obligations of the transferring or assigning Limited Partner with respect to the Units so transferred or assigned.
- (c) The transferor or assignor and transferee or assignee of any Units shall be jointly and severally obligated to reimburse the General Partner and the Partnership for all reasonable expenses (including attorneys' fees and expenses) of any transfer or proposed transfer of Units, or assignment or proposed assignment, whether or not consummated.
- (d) Where a Person becomes entitled to a Limited Partner's Units on the bankruptcy of such Limited Partner, or otherwise by operation of Law, in addition to the requirements of this Section 7.3, such entitlement shall not be recognized or entered into the Register as evidencing ownership of such Units until that Person (i) has produced evidence satisfactory to the General Partner of such entitlement; (ii) has received the consent of the General Partner to such recognition and entry; and (iii) has acknowledged in writing, to the satisfaction of the General Partner, that such Person is bound by the terms of this Agreement to the extent and in the same manner as the Limited Partner was bound hereby prior to the occurrence of such event.
- (e) The transferee or assignee of any Units shall be treated as having made all of the Capital Contributions made by, and received all of the distributions received by, the transferor or assignor of such Units to the extent of the number of Units so transferred or assigned.
- (f) Any sale, assignment, transfer, pledge, mortgage or other disposition which violates this Section 7.3 shall be void and the purported buyer, assignee, transferee, pledgee, mortgagee, or other recipient shall have no interest in or rights to Partnership assets, profits, losses or distributions and neither the General Partner nor the Partnership shall be required to recognize any such interest or rights.
- (g) Notwithstanding anything to the contrary in this Agreement, any Limited Partner shall, without need for the consent of the General Partner, be entitled to transfer its Units to an Affiliate of the Limited Partner, subject in each case to such transferee executing a copy of this Agreement or a form of accession to this Agreement in form acceptable to the General Partner, acting reasonably.

7.4 Confidentiality of Information

- (a) Each Limited Partner hereby agrees that such Limited Partner shall not, without the prior written consent of the General Partner, at any time disclose any Confidential Information to any Person nor use the same for any purpose other than for the purposes of evaluating or monitoring its investment in the Partnership or enforcing its rights as a Limited Partner, in each case that it may acquire as a result of being a Limited Partner and each Limited Partner hereby acknowledges that the improper use or disclosure of such information could have a material adverse effect upon the Partnership or upon one or more Partners or Portfolio Investments; provided that such restrictions shall not apply to (i) disclosure by a Limited Partner to its Affiliates or to its or its Affiliates' employees, directors, consultants, accountants, auditors, agents and representatives, including legal and financial advisors (each a “**Representative**”) to the extent necessary or desirable for such Persons to fulfill their obligations to such Limited Partner; provided that such Limited Partner remains liable for any breach of this Section 7.4 by any such Representative, (ii) information that was previously made available to a Limited Partner by a third party without restriction on disclosure and other than in violation of any agreement of which the Limited Partner is aware, (iii) information that is or becomes generally available to the public other than as a result of any disclosure made by a Person in violation of this Section 7.4, or (iv) information that is required to be disclosed by Law; provided that, notwithstanding anything in this Agreement to the contrary, each Limited Partner acknowledges and agrees that, unless prohibited by Law it shall promptly notify the General Partner in writing upon receipt of any notice demanding that such Limited Partner release any Confidential Information (a “**Disclosure Notice**”), which notification shall include the nature of the legal or regulatory requirement and the extent of the required disclosure, and that it shall not release such Confidential Information thereto for at least 10 days following such notification to the General Partner unless otherwise required by Law to release it prior to the expiration of such 10-day period. Each Limited Partner agrees to use its reasonable efforts, within its legal obligations, to preserve the confidentiality of such information consistent with applicable Law as in effect from time to time, provided that nothing in this Section 7.4(a) shall require any Limited Partner to join the Partnership or the General Partner in proceedings to resist any disclosure which would otherwise be required to be made in accordance with applicable Law or shall prohibit or prevent a Limited Partner from complying with the terms of any Disclosure Notice. The obligations and undertakings of each Limited Partner under this Section 7.4 shall be continuing and shall survive termination of the Partnership for a period of three years from such termination.
- (b) Notwithstanding Section 7.4(a), the BC Limited Partner shall be permitted to disclose publicly or to any Person (i) the name and address of the Partnership, its total size, currency, year of formation and the fact that the BC Limited Partner has made an investment in the Partnership; (ii) a brief description of the investment objectives of the Partnership; (iii) the total amount and the BC Limited Partner's share of the Commitments, the amount thereof drawn-down (including itemized

disclosure of aggregate amounts drawn down for payment of Management Fees and System Building Fees and aggregate amounts drawn down for making investments) and remaining uncalled; (iv) the amount of cash returned to the BC Limited Partner; (v) the BC Limited Partner's share of any profit or loss of the Partnership, including the aggregate unrealized gain or loss on investments, and interest payments made to or received from the Partnership; (vi) the BC Limited Partner's net internal rate of return in the Partnership; (vii) the net asset value of the BC Limited Partner's interests in the Partnership and the total equity in the Partnership; (viii) such ratio and performance information concerning the Partnership calculated by the BC Limited Partner using the information in clauses (vi) and (vii); (ix) the total number of Portfolio Companies and Portfolio Funds, the total number of Portfolio Companies located in British Columbia, the amount of capital invested therein by the Partnership and the total number of employees in British Columbia employed by Portfolio Companies and portfolio companies of Portfolio Funds; and (x) the names of any Portfolio Companies and Portfolio Funds that have consented to such disclosure (and the General Partner will use reasonable commercial efforts to obtain such consents), provided that the BC Limited Partner agrees that none of the General Partner, the Manager the Partnership nor any of their respective Affiliates will have any responsibility or liability in connection with any disclosure made pursuant to this paragraph.

- (c) The General Partner has the right to keep confidential from any Limited Partner (and its respective agents and attorneys) for such period of time as the General Partner deems reasonable any Confidential Information if the General Partner believes, acting reasonably, that such Limited Partner is required or is likely to be required or has indicated a desire to publicly disclose Confidential Information provided that the General Partner will not be entitled to withhold Confidential Information pursuant to this Section 7.4(c) solely due to the fact that such Limited Partner is subject to freedom of information Laws.
- (d) The Partners acknowledge and agree that the BC Limited Partner may be subject to freedom of information Laws that may require the disclosure of Confidential Information, and that any disclosure by the BC Limited Partner which is required to be disclosed pursuant to a statute or legal or regulatory requirement shall be permitted under this Agreement notwithstanding anything to the contrary in this Agreement. The Partners acknowledge that the status of the BC Limited Partner may be required to be disclosed by the General Partner to Qualified Venture Capital Funds and Portfolio Companies in which the Partnership invests, and that such Qualified Venture Capital Funds and Portfolio Companies may have the right to withhold or restrict certain information from the Partnership that would otherwise be provided to the Partnership as a result of that status, or that such information may be provided to the General Partner or the Manager solely on the condition that it is not disclosed to the Limited Partners, in which case such information shall be kept confidential pursuant to Section 7.4(b).
- (e) The Partners acknowledge that the British Columbia Auditor General may have the right to audit the investment of the BC Limited Partner in the Partnership, and

as a result, notwithstanding anything to the contrary contained herein, upon the exercise of such right, the British Columbia Auditor General shall be provided with such documents and information as it is entitled to request in accordance with applicable Laws. The BC Limited Partner shall be responsible for (i) its own expenses incurred in connection with such audit, and (ii) if the General Partner is required to engage third parties to respond to any such audit, the expenses of such third party incurred in connection with any such audit.

- (f) The General Partner shall use its commercially reasonable efforts to ensure that the confidentiality requirements imposed by underlying Fund Investments and Direct Investments permit the General Partner and the Manager to provide information about the Partnership's investment activities and Portfolio Investments to the Limited Partners.
- (g) In the event of any legal proceedings relating to a breach of this Section 7.4 by a Limited Partner, such Limited Partner shall pay, to the fullest extent permitted by Law, all reasonable costs and expenses incurred by the General Partner or the Manager on behalf of the Partnership or the Partnership, including reasonable lawyers' fees and expenses, if it is judicially determined that such Limited Partner was in breach of this Section 7.4. To the fullest extent permitted by Law, each Limited Partner hereby (i) agrees that the remedy at Law for damages resulting from its default under this Section 7.4 is inadequate because the substantial value that the Partnership derives from information concerning the Partnership and its investments requires that such information be kept confidential, and (ii) consents to the institution of an action for specific performance of its obligations to keep confidential the Partnership information in the event of such a breach of this Section 7.4.

7.5 Representations and Warranties of Each Limited Partner

Each Limited Partner represents and warrants that:

- (a) it has the legal capacity, power and authority to execute to enter into and be bound by this Agreement;
- (b) all necessary approvals have been given and obtained by it in connection with its execution and delivery of this Agreement;
- (c) the execution and delivery of this Agreement and all other necessary documentation in connection herewith has been duly authorized by it and the completion of the transaction contemplated herein will not result in the violation of any of the terms and provisions of any Law applicable to it or its constating documents or of any agreement, written or oral, to which it is a party or by which it is bound; and
- (d) it is not an Ineligible Holder,

and shall immediately advise the General Partner in writing if the representation with respect to such Limited Partner under paragraph (d) ceases to be accurate.

The representations and warranties contained in this Section 7.5 shall survive the execution of this Agreement. Each Limited Partner agrees that it shall be severally (and not jointly and severally) liable for, and shall indemnify, hold harmless and reimburse each other Limited Partner and the General Partner from all Losses sustained or incurred in connection with or arising as a result of the incorrectness of any representation or the breach of any warranty of such Limited Partner contained in this Section 7.5.

7.6 Evidence of Status and Sale of Units

- (a) Each Limited Partner covenants and agrees that such Limited Partner will not transfer or purport to transfer such Limited Partner's Units (i) to any Person that is an Ineligible Holder, or (ii) if such transfer or purported transfer would have an adverse impact on the status of the Partnership for purposes of the Tax Act or any similar statute. Each Limited Partner acknowledges that the General Partner may require any Limited Partner who is or becomes an Ineligible Holder to sell its Units to one or more Persons that are not Ineligible Holders.
- (b) Each Limited Partner further acknowledges and agrees that the General Partner may require any Limited Partner that is a Financial Institution to sell its Units to one or more Persons that are not Financial Institutions if absent such sale the Partnership would be a Financial Institution.
- (c) In the event the General Partner has notified in writing a Limited Partner to sell its Units pursuant to paragraph (a) or (b) above, and the Limited Partner has not sold its Units as of the date specified in the General Partner's notice, which date shall be not less than five (5) Business Days from the date the notice is sent to the Limited Partner, the General Partner may elect to sell the Limited Partner's Units on behalf of the Limited Partner. In such circumstances, the General Partner may sell the Limited Partner's Units in such manner as the General Partner shall determine acting reasonably, including purchasing such Units on behalf of the Partnership at their value (determined pursuant to Section 5.6 as of the date of transfer). For all purposes of such sale, the General Partner shall be deemed to be the agent and lawful attorney of the Limited Partner, and such Limited Partner's only right shall be to receive the net proceeds from the sale of the Limited Partner's Units within sixty (60) days following such sale, net after deduction of any commission, taxes or other costs of sale.

ARTICLE 8 INVESTMENT COMMITTEE AND LP ADVISORY COMMITTEE

8.1 Investment Committee

The General Partner will appoint an investment committee (the "**Investment Committee**") comprised of the Key Persons and other individuals as determined by the General Partner. Proposed investments by the Partnership must be recommended to the Investment Committee by

one or more of the Key Persons and shall require a majority approval of the members of the Investment Committee. For greater certainty, Limited Partners shall not be entitled to appoint representatives to the Investment Committee. The members of the Investment Committee shall receive no fees for serving as a member of the Investment Committee.

8.2 LP Advisory Committee

- (a) An advisory committee for the Partnership (the “**LP Advisory Committee**”) shall be established by the General Partner comprised of up to a maximum of five representatives of Limited Partners (other than Limited Partners who are Affiliates, directors, officers, or employees of the General Partner or Manager), provided that a majority of the members of the LP Advisory Committee shall be representatives appointed by the BC Limited Partner and the BC Limited Partner shall have the right to replace such representatives from time to time. The General Partner shall have the right to provide an observer to attend all meetings of the LP Advisory Committee, provided that at the discretion of the LP Advisory Committee, all or any portion of each meeting of the LP Advisory Committee may be held “in camera” with only members of the LP Advisory Committee present.
- (b) The LP Advisory Committee will meet quarterly to provide general advice to the Partnership; provided that the General Partner shall retain ultimate responsibility for making all decisions relating to the operation and management of the Partnership, including but not limited to, making all investment decisions. The LP Advisory Committee shall also meet as required to consider any matters requiring the review by, or approval of, the LP Advisory Committee pursuant to this Agreement. In particular, the LP Advisory Committee will be responsible for, among other things:
 - (i) reviewing any potential conflicts of interest involving the Partnership as requested by the General Partner, including Non-Arm’s Length Transactions;
 - (ii) reviewing valuations relating to Portfolio Investments on an annual basis;
 - (iii) considering and, in its discretion approving, any matter set out in Section 3.3 relating to specific investments by the Partnership; and
 - (iv) providing input or approval on certain other matters as requested by the General Partner or as set out in this Agreement, including but not limited to proposed investments, the status of Portfolio Investments and any plans for dissolution of the Partnership.

The General Partner or any member of the LP Advisory Committee may call a meeting of the LP Advisory Committee at any time and from time to time by delivering notice to the BC Limited Partner, the General Partner and the members of the LP Advisory Committee at least five (5) Business Days prior to the proposed meeting providing reasonable detail on the matters to be discussed at the

meeting. Participation in meetings of the LP Advisory Committee may be through conference call, in person, or other electronic communications facilities.

- (c) A quorum for a meeting of the LP Advisory Committee shall be a majority of the members, provided that not less than 60% of the nominees appointed by the BC Limited Partner must be present, and if within one hour of the time appointed for a meeting of the LP Advisory Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second Business Day following the date of such meeting at the same place. The quorum for the adjourned meeting shall consist of two of the nominees appointed by the BC Limited Partner.
- (d) Approvals, consents, and any other decisions of the LP Advisory Committee must be supported by not less than a majority of the members present, in person or by telephone (or other communications equipment), at the meeting of the LP Advisory Committee at which the decision is made and who are eligible to vote on the matter in question or by the written consent of a majority of the LP Advisory Committee's members including not less than 60% of the nominees appointed by the BC Limited Partner.
- (e) The LP Advisory Committee members shall elect a chair and a secretary from amongst their number. The LP Advisory Committee member who is the secretary shall prepare and circulate minutes of each LP Advisory Committee meeting as soon as practicable after such meeting.
- (f) The Partnership shall reimburse each member of the LP Advisory Committee for his or her reasonable out-of-pocket expenses incurred in connection with the proceedings of the LP Advisory Committee.
- (g) The LP Advisory Committee is not intended to fulfil a managerial role and shall not participate in the management or control of the Partnership. The members of the LP Advisory Committee, as such, shall not owe a fiduciary duty or any other duty to the Partnership or any of the Limited Partners.
- (h) In each quarterly report to Limited Partners, the General Partner shall notify the Limited Partners of any review, resolution or approval by the LP Advisory Committee of a conflict of interest matter that occurred in the quarter to which such report relates.

ARTICLE 9 TERMINATION, REMOVAL OF THE GENERAL PARTNER AND DISSOLUTION EVENTS

9.1 Duration

The Partnership shall terminate and be dissolved upon the sale or distribution of the last Portfolio Investment, the final distribution of proceeds from the Portfolio Investments and upon all obligations of the Partnership having been met.

9.2 Termination of the Investment Period for Cause

- (a) The General Partner shall promptly deliver to the Limited Partners a Cause Event Notice upon becoming aware of a Cause Event.
- (b) If a Cause Event Notice is delivered during the Investment Period, the Investment Period shall be automatically suspended and shall terminate on the 90th day following the date that the Cause Event Notice is delivered by the General Partner to the Limited Partners unless the Limited Partners, by Special Resolution, elect not to terminate the Investment Period within 90 days following the occurrence of such Cause Event.
- (c) During the suspension of the Investment Period upon the occurrence of a Cause Event or pursuant to Section 9.4(b) until the termination or reinstatement of the Investment Period, the General Partner shall not:
 - (i) make any Portfolio Investments, other than a proposed Portfolio Investment in respect of which:
 - (A) the Partnership has entered into a legally binding agreement prior to the occurrence of the Cause Event, Key Person Event or Other Termination Event, as applicable, that obligates the Partnership to make such Portfolio Investment; or
 - (B) in the case of a follow-on investment in respect of a Direct Investment made prior to the suspension of the Investment Period, the LP Advisory Committee has approved such follow-on investment;
 - (ii) make a Capital Call for any reason other than to:
 - (A) fund (or set aside funds for anticipated) Partnership Expenses (including the Management Fee and the System Building Fee);
 - (B) satisfy commitments or obligations of the Partnership relating to Portfolio Investments made prior to the occurrence of the Cause Event, Key Person Event or Other Termination Event, as applicable;
 - (C) fund any proposed Portfolio Investment which may be made in accordance with Section 9.2(c)(i); or
 - (D) fund the indemnification obligations of the Partnership pursuant to Section 6.6.
- (d) In the event the Investment Period is terminated upon the occurrence of a Cause Event, the General Partner shall not be entitled to receive any Carried Interest Distributions paid pursuant to Section 5.2 other than any such amounts which are

earned on investments made but not paid prior to the termination date, or distributions pursuant to Section 5.3(d).

9.3 Termination of Investment Period without Cause

At any time after the date two years following the Initial Closing Date, the Limited Partners may, by Special Resolution, elect to terminate the Investment Period without cause. Upon any such election, the obligations of the General Partner, the Manager, and the other Persons set out in Section 3.11 shall also terminate.

9.4 Key Person Event and Other Termination Events

- (a) The General Partner will promptly provide the Limited Partners with a Key Person Event Notice in respect of the occurrence of any Key Person Event or an Other Termination Event Notice in respect of the occurrence of any Other Termination Event, as applicable, upon becoming aware of the occurrence of such event.
- (b) If a Key Person Event Notice or Other Termination Event Notice is delivered during the Investment Period, the Investment Period shall be automatically suspended and the General Partner shall have a period of up to 90 days to propose a revised list of Key Persons or a proposed solution to the Other Termination Event, as applicable. The Investment Period shall be reinstated: (i) upon approval by the LP Advisory Committee of the revised list of Key Persons or proposed solution to the Other Termination Event, or (ii) after 90 days from delivery of the notice of the applicable event if the LP Advisory Committee has not provided the General Partner with a written objection thereto (in either such event, a “**Reinstatement**”). If the General Partner does not provide a revised list of Key Persons or proposed solution within such 90 day period, or if it is not approved or deemed to be approved under clause (ii) above, then the Investment Period shall thereupon terminate.
- (c) During the suspension of the Investment Period in accordance with paragraph (b) above, the General Partner shall not take any action prohibited by Section 9.2(c).

9.5 Early Termination of the Partnership by the Limited Partners for Cause

The Limited Partners may, by Special Resolution, elect to terminate the Partnership by giving notice to the General Partner to such effect within thirty (30) days after the occurrence of a Cause Event. In the event the Partnership is terminated upon the occurrence of a Cause Event, the General Partner shall not be entitled to receive any Carried Interest Distributions paid pursuant to Section 5.2 other than any such amounts are earned on investments made but not paid prior to the termination date, or distributions pursuant to Section 5.3(d).

9.6 Early Termination of the Partnership without Cause

At any time after the date three years following the Initial Closing Date, the Limited Partners may, by Special Resolution, elect to terminate the Partnership without cause by giving written

notice to the General Partner to such effect. Upon receipt of such notice, the Manager and the General Partner shall undertake the orderly liquidation of the Partnership's portfolio through the subsequent 12-month period. In the event of such termination, the General Partner and the Manager shall be entitled to the same compensation and right of recovery of the Commitments made pursuant to Section 2.7 as is applicable upon removal of the General Partner without cause pursuant to Section 9.8.

9.7 Removal of the General Partner for Cause

At any time following the occurrence of a Cause Event or an Other Termination Event that has not been cured by Reinstatement, the Limited Partners may, by Ordinary Resolution, elect to remove the General Partner. Where the General Partner is removed upon the occurrence of a Cause Event, the General Partner shall not be entitled to any Carried Interest Distributions and the General Partner and the Manager shall not be entitled to any Management Fees or System Building Fees under this Agreement or the Management Agreement following the General Partner's removal, other than amounts earned on investments made but not paid prior to such date. In addition, the General Partner and/or Manager will, promptly following such removal, repay to the Partnership a pro rata portion of the Management Fee and the System Building Fees previously paid to the General Partner and/or the Manager for the quarter during which such removal occurs based on the actual number of days elapsed in such quarter prior to the date of such removal.

9.8 Removal of the General Partner without Cause

At any time after the date three years following the Initial Closing Date, the Limited Partners may, by Special Resolution, elect to remove the General Partner without cause. Where the General Partner is removed without cause, the General Partner shall receive 100% of the General Partner's Carried Interest Distributions on Portfolio Investments made, or committed to pursuant to binding written agreements, prior to the removal of the General Partner, and the Partnership shall pay to the Manager an amount equal to the Management Fee and the System Building Fee (without any new reduction thereto pursuant to Section 3.4) to which the General Partner or the Manager would have been entitled during the 12-month period following such removal. Upon removal of the General Partner pursuant to this Section 9.8, the General Partner and the Manager shall have a 90-day period during which the Manager (or its Affiliate or such other Persons referenced in Section 2.7) shall be entitled to elect by written notice to the BC Limited Partner to terminate their Commitments to the Partnership pursuant to Section 2.7, in which case the Partnership shall forthwith repurchase the Units representing such Commitments at the original cost for such Units, plus interest compounded at an annual rate of 5%.

9.9 Effects of Removal of General Partner

Upon removal of the General Partner for any reason, the Management Agreement shall be automatically terminated without any further action or notice required by the Partnership and the General Partner will, promptly after such date change its name so that it does not include the words "BC Tech" or similar words. The Partnership shall, within 30 days after the date of the removal of the General Partner, pay to the General Partner an amount equal to all Partnership Expenses incurred by the General Partner or the Manager which have not been reimbursed by the

Partnership. In the event of the removal of the General Partner, the Partnership and the Limited Partners shall release the former General Partner and the Partnership shall hold harmless the former General Partner from all Losses with respect to events which occur in relation to the Partnership after the date the General Partner was removed, unless such events arise from the fraud, negligence, wilful misconduct, material violation of any securities Laws applicable to the former General Partner, the Manager or any of their respective Affiliates, material violation of other applicable Laws, material breach of this Agreement or breach of a fiduciary duty of the former General Partner, the Manager or any of their respective Affiliates or any of their respective directors, officers, agents or employees or from any act or omission not believed by it in good faith to be within the scope of this Agreement occurring before such removal of the General Partner.

9.10 Liquidation of the Partnership

Upon termination and dissolution, the Partnership shall be liquidated in an orderly manner in accordance with the provisions of this Agreement and the Act. The General Partner shall act as liquidator to wind up the affairs of the Partnership pursuant to this Agreement or, if the General Partner is not able to act as the liquidator, a liquidator shall be appointed by the Limited Partners upon such nominee being approved by Special Resolution of the Limited Partners.

9.11 Final Allocation and Distribution

Following termination and dissolution of the Partnership (whether pursuant to Section 9.1 or otherwise) and upon liquidation and winding up of the Partnership, the General Partner shall make a final allocation of all items of income, gain and loss in accordance with this Agreement, and the Partnership's liabilities and obligations to its creditors shall be paid or adequately provided for prior to any distributions to the Partners. After payment or provision for payment of all liabilities and obligations of the Partnership, the remaining assets, if any, shall be distributed among the Partners in accordance with Article 5. If requested by the General Partner, each Partner agrees to jointly file an election under Subsection 98(3) of the Tax Act to provide for the distribution of such assets on a tax-deferred basis, and appoints the General Partner as its attorney to sign such election.

ARTICLE 10 TAX MATTERS

10.1 Tax Considerations

- (a) The General Partner acknowledges that the BC Limited Partner is a tax-exempt entity that is generally exempt from Canadian income taxation pursuant to section 149(1) of the Tax Act and agrees that it will take the tax status of the BC Limited Partner into account in structuring investments on behalf of the Partnership including using its reasonable commercial efforts to ensure that no taxes, including income and withholding taxes, or other taxes imposed by any taxing authority, are payable directly or indirectly by the BC Limited Partner on distributions to the BC Limited Partner from the Partnership or on allocations of net income to the BC Limited Partner by the Partnership.

- (b) Without limiting the generality of Section 10.1(a), the General Partner shall consult with nationally recognized accounting or legal advisors regarding taxation of the Partnership in connection with any Portfolio Investment in the United States and, based on the advice from such advisors, the General Partner shall use its reasonable commercial efforts (including but not limited to the use of alternative investment vehicles and “blocker corporations”, where appropriate) to structure Portfolio Investments in accordance with such advice so that, to the greatest extent practicable, based on applicable Law at the time the investment is made such that:
- (i) the BC Limited Partner will not be subject to federal income or withholding tax or other taxes imposed by any taxing authority on any distributions or allocations from the Partnership with respect to the relevant Portfolio Investments; and
 - (ii) the BC Limited Partner will not be required to file tax returns in the United States of America solely as a result of the conduct of the business of the Partnership.
- (c) The General Partner agrees that it will make or cause the Partnership to make any filings, applications or elections to obtain any available exemption from or any available refund of any withholding or other taxes imposed by any taxing authority with respect to amounts distributable or items of income allocable to the Limited Partners under this Agreement. Each of the Limited Partners agrees that it will co-operate with the General Partner in making any such filings, applications, or elections, to the extent the General Partner reasonably determines that such co-operation is necessary or desirable. Notwithstanding the foregoing, if a Limited Partner must make any such filings, applications or elections directly, the General Partner, at such Limited Partner's request, will provide or cause the Partnership to provide such information and take such other action as may reasonably be necessary to complete or make such filings, applications or elections.
- (d) The General Partner will use its reasonable best efforts to obtain covenants from each Qualified Venture Capital Fund in which the Partnership invests that the general partner of such Qualified Venture Capital Fund will make or cause the Qualified Venture Capital Fund to make any filings, applications or elections to obtain any available exemption from or any available refund of any withholding or other taxes imposed by any taxing authority with respect to amounts distributable or items of income allocable to the Partnership by the Qualified Venture Capital Fund. The Limited Partners acknowledge that the failure of the General Partner to obtain the covenants described in the preceding sentence from a Qualified Venture Capital Fund shall not, in and of itself, be deemed to be a breach of the General Partner's covenant in such sentence.
- (e) The General Partner shall not cause the Partnership to make any Direct Investment which, at the time the Direct Investment is made, results in either the

Partnership or any of the Partners having a “permanent establishment” in the United States for the purposes of the Canada-United States Tax Convention, and the General Partner shall not knowingly engage in or carry on any activity which, at the time the activity is engaged in or carried on, results in the Partnership or any of the Partners having such a “permanent establishment”.

- (f) The General Partner covenants that the Partnership will not make any Direct Investment or knowingly engage in any other activity (for greater certainty, excluding an investment in a Qualified Venture Capital Fund made in compliance with Section 10.1(k)) that would reasonably be expected to (i) result in any of the Partners being allocated or distributed any income which is effectively connected to the conduct of a trade or business within the United States under the Code, (ii) cause a Partner to be treated as engaged in a trade or business within the United States under the Code, or (iii) cause the BC Limited Partner to be treated as engaged in a commercial activity as provided in Section 892(a) of the Code.
- (g) The General Partner covenants for itself only that it shall at all times be either an individual who is not resident in the United States for United States federal income tax purposes or a Person (other than an individual) formed or organized under the Laws of Canada or any province or other subdivision thereof which is not resident in the United States for United States federal income tax purposes.
- (h) The General Partner covenants that the Partnership shall not knowingly engage in any activity nor make any Direct Investment that, at the time such activity was entered into or at the time such Direct Investment was made, would result in any of the Limited Partners realizing any income from a “United States real property interest” within the meaning of Section 897(c) of the Code.
- (i) Prior to making a Direct Investment in the United States of which a payer is required to withhold with respect to United States withholding tax from any amounts payable by the payer in respect of the Direct Investment and payable or allocable by the Partnership to a Limited Partner which would be entitled to an exemption or reduction of such withholding tax if paid directly to such Limited Partner and if the Limited Partner would have made the Direct Investment directly, the General Partner shall use its commercially reasonable efforts to obtain the agreement of the payer that it will not so withhold or will withhold at the reduced rate, as the case may be, and the particular documentation required by the payer as a condition thereof will be negotiated by the General Partner and agreed to by the payer, the General Partner, and such Limited Partner prior to making the Direct Investment.
- (j) With respect to any Direct Investment, the General Partner will use commercially reasonable efforts to cause the Partnership not to invest, directly or indirectly, in a limited liability company that is treated as a partnership or disregarded entity for US federal tax purposes.

- (k) The General Partner shall use its commercially reasonable efforts to obtain (i) from each Qualified Venture Capital Fund, covenants with respect to Fund Investments that are substantially similar to those provided in Sections 10.1(e), (f), (h) and (j), and (ii) from each Qualified Venture Capital Fund that such Qualified Venture Capital Fund shall not make any investment in a jurisdiction other than Canada or the United States unless the general partner of such Qualified Venture Capital Fund has, prior to making such investment, obtained written advice from local tax counsel or other qualified tax advisors that such investment will not cause a Limited Partner, solely as a result of being a Limited Partner of the Partnership, to be required to pay income tax in such jurisdiction on income other than income from the Partnership or to be obligated to file tax returns in such jurisdiction. The Limited Partners acknowledge that the failure of the General Partner to obtain the covenants described in the preceding sentence above from a Qualified Venture Capital Fund shall not, in of itself, be deemed to be a breach of the General Partner's covenant in such sentence.
- (l) In connection with the foregoing provisions of this Section 10.1, the BC Limited Partner shall provide the General Partner with a validly completed (i) IRS Form W-8BEN-E evidencing the BC Limited Partner's eligibility for the benefits of Articles V, X and XI and the Canada-U.S. Income Tax Treaty (and any other provision of such treaty as may be reasonably requested by the General Partner), (ii) IRS Form W-8EXP evidencing the BC Limited Partner's status as a foreign government within the meaning of Section 892 of the Code and an exempt beneficial owner for purposes of Chapter 4 of the Code, and (iii) any other tax form, certificate or information that may be reasonably requested by the General Partner including, for the avoidance of doubt, any information reasonably requested by the General Partner in order for the General Partner to determine its compliance requirements under Chapter 4 of the Code. The BC Limited Partner agrees to update any such form, certificate or information previously provided if it becomes incorrect, inaccurate or obsolete.

10.2 Tax Liability Matters

- (a) The General Partner will, to the extent practicable, notify the Limited Partners promptly if it determines that the Partnership is required to pay directly any amount in respect of taxes, including but not limited to withholding taxes imposed on any Partner's or former Partner's share of the Partnership gross or net income and gains (or items thereof), income taxes, and any interest, penalties or additions to tax ("**Tax Liability**") and the General Partner will (i) consider in good faith any positions that such Limited Partners raise as to why withholding is not required or alternative arrangements proposed by such Limited Partners that may avoid the need for such withholding and (ii) provide such Limited Partners with the opportunity to contest the requirement to withhold with the appropriate taxing authority (to the extent permitted by applicable Law) during any period in which such contest will not subject the Partnership or the General Partner to any potential liability to such taxing authority for any such withholding and payment.

- (b) If, after such period, the Partnership incurs any Tax Liability, or the amount of cash or other property to which the Partnership otherwise would be entitled is reduced as a result of withholding by other parties in satisfaction of any such Tax Liability:
- (i) all payments by the Partnership in satisfaction of that Tax Liability and all reductions in the amount of cash or fair market value of property to which, but for such Tax Liability, the Partnership would have been entitled shall be treated, pursuant to this Section 10.2 as distributed to those Partners or former Partners to which the related Tax Liability is attributable; and
 - (ii) notwithstanding any other provision of this Agreement, subsequent distributions to the Partners shall be adjusted by the General Partner in an equitable manner so that, after all such adjustments have been made and to the extent feasible, the burden of taxes withheld at the source or paid by the Partnership is borne by those Partners to which or whom such tax obligations are attributable (determined pursuant to Section 10.2(c)).
- (c) The General Partner, after consulting with the Partnership's accountants or other advisers, shall determine the amount (if any) of any Tax Liability attributable to any Partner taking into account any differences in the Partners' status, nationality or other characteristics. Any such determination regarding the amount of Tax Liability attributable to particular Partners shall be based on the manner in which the jurisdiction imposing the related tax would attribute that Tax Liability and, in making any such determination, the General Partner shall be entitled to treat any Partner as ineligible for an exemption from or reduction in rate of such tax under a tax treaty or otherwise, except to the extent that such Partner provides the General Partner with such written evidence (including, but not limited to, forms or certificates executed by its managers and/or beneficial owners) as the General Partner or the relevant tax authorities may require to establish such Partner's (or some or all of its beneficial owners') entitlement to such exemption or reduction. The intent of this Section 10.2 is to ensure, to the maximum extent feasible, that the burden of any taxes withheld at the source or paid by the Partnership is borne by those Partners to which such tax obligations are attributable, and this Section 10.2 shall be interpreted and applied accordingly.
- (d) For purposes of this Section 10.2, any obligation to pay any amount in respect of any Tax Liability (including any interest, penalties or additions to tax) incurred by the General Partner with respect to income of or distributions made to any other Partner or former Partner shall constitute a Partnership obligation.

10.3 Tax Matters Partner

The General Partner (or an Affiliate of the General Partner appointed by the General Partner) shall at all times constitute, and have full powers and responsibilities of, the tax matters partner of the Partnership under Section 6231(7) of the Code and the “partnership representative” of the Partnership under Section 6223 of the Code (the “**Tax Matters Partner**”). The Tax Matters

Partner shall also have similar authority with respect to non-U.S., state and local tax matters. In the event the Partnership shall be the subject of an income tax audit by any U.S. federal, state, local or non-U.S. authority, to the extent the Partnership is treated as an entity for purposes of such audit, including administrative settlement and judicial review, the Tax Matters Partner shall be authorized to act for, and its decisions as such shall be final and binding upon, the Partnership and each Partner. All expenses incurred in connection with any such audit, investigation, settlement, review or other tax matter shall be borne by the Partnership.

10.4 Tax Elections Under the Code

The Tax Matters Partner shall have the authority to make all tax elections and determinations on behalf of the Partnership under the Code, the regulations promulgated thereunder or other applicable Law and to effect any elections or determinations provided that the General Partner shall elect to classify as a partnership for US tax purposes and the General Partner shall not be authorized to make an election to classify the Partnership as a US corporation for US tax purposes unless approved by Special Resolution. The Tax Matters Partner shall also have such authority with respect to non-U.S., state and local tax matters, and shall have the power to revoke or change any such elections or determinations.

ARTICLE 11 MEETINGS OF PARTNERS

11.1 Meetings of Partners

- (a) The General Partner may at any time and from time to time call a meeting of the Partners for the purpose of considering any business set out in a Meeting Notice but shall call a meeting of the Partners at least once per annum to be held within six (6) months of the Partnership's most recently completed fiscal year.
- (b) Upon receipt of a request (a “**Meeting Request**”) for a meeting of the Partners, the General Partner shall call such a meeting, provided that the Meeting Request is made by Limited Partners holding in the aggregate not less than 30% of the issued and outstanding Units and contains sufficient detail of the business to be considered at the meeting to permit the General Partner to distribute a Meeting Notice in accordance with Section 11.3.

11.2 Requisitioned Meetings

If the General Partner fails to call a meeting of Partners within twenty (20) Business Days of receipt of a Meeting Request, any Limited Partner may call such a meeting to consider any matter of business set out in the Meeting Request.

11.3 Delivery of Notice

For each meeting of the Partners, a notice (a “**Meeting Notice**”) of such meeting shall be sent to each of the Partners and the Auditor of the Partnership not less than twenty-one (21) and not more than fifty (50) days prior to the date of the meeting.

11.4 Contents of Notice

A Meeting Notice shall include the date and time of the meeting, the place of the meeting, an agenda of items to be considered at the meeting, and sufficient information to enable each Partner to make a reasoned judgment on each matter of business to be considered at the meeting.

11.5 Place of Meetings

A meeting of the Partners shall be held at a location in Vancouver, British Columbia unless otherwise mutually agreed by the BC Limited Partner and the General Partner.

11.6 Quorum

One or more Limited Partners holding more than 50% of the votes able to be cast at the meeting of the Partners, present in person or by proxy shall constitute a quorum for the transaction of any business at a meeting of the Partners. If no quorum is formed within sixty (60) minutes of the date and time the meeting was to commence, the meeting of the Partners shall be adjourned for no less than five (5) and no more than twenty-one (21) days and whoever attends the next scheduled meeting shall constitute a quorum.

11.7 Chair

The General Partner shall appoint the chair of the meeting who shall not carry a casting vote on any matters.

11.8 Voting Rights

On each question submitted to a meeting of Partners, except as expressly provided herein to the contrary, each Limited Partner shall be entitled to one (1) vote for each Unit that it holds and questions shall be decided by simple majority.

11.9 Proxies

Each Person entitled to vote at a meeting of the Partners may vote by way of proxy, provided that the proxy is received by the General Partner prior to the commencement of the applicable meeting for the purpose of verification. Any individual may be appointed as a proxyholder, whether or not such individual is a Partner. Each proxy, whether for a specified meeting of the Partners or otherwise, shall be in a form acceptable to the General Partner or the chair of the meeting, both acting reasonably.

11.10 Conduct of Meetings

To the extent that the rules and procedures for the conduct of a meeting of the Partners are not prescribed in this Agreement, such rules and procedures shall be determined by the chair of the meeting, acting reasonably.

11.11 Effect of Resolutions

A resolution approved or consented to in accordance with this Agreement shall be binding upon each of the Partners and their respective heirs, executors, administrators, successors and permitted assigns.

11.12 Resolution in Lieu of Meeting

A resolution signed by Limited Partners holding the requisite number of Units required to pass a written resolution is as valid and as effective as if it had been passed at a meeting of the Partners called in accordance with this Agreement.

ARTICLE 12 BOOKS OF ACCOUNT

12.1 Partnership Records

The General Partner shall keep, during the term of the Partnership and for a period of six (6) years thereafter, at its principal office, complete and accurate records, including books of account reflecting the assets, liabilities, income and expenditures of the Partnership and a record (the “**Register**”) containing the information prescribed by the Act including, among other things, a list of the names and addresses of the Limited Partner(s) and the number of Units held by each of them. Such books, records and registers will be kept available for inspection by the Limited Partners or their respective duly authorized representatives at their sole expense during regular business hours at the office of the General Partner. A Limited Partner, however, will not have access to any information of the Partnership contained in its books and records (other than the Register) which the General Partner is required by legal or contractual restriction to keep confidential.

12.2 Reports

The General Partner shall furnish to each Limited Partner financial statements and investment reports as follows:

- (a) within one hundred twenty (120) days after the end of each fiscal year, audited financial statements (including a statement of each Partner’s closing Capital Account balance) for the Partnership for such year (audited by the Auditor), and an annual report providing a description and narrative summary of the Partnership's investments and such tax information as is reasonably necessary for the completion of the Limited Partner's tax returns provided that such information will be subject to amendment and any revised tax information will be provided as soon as is practicable thereafter;
- (b) within seventy-five (75) days after the end of each of the first three (3) fiscal quarters of each fiscal year, quarterly unaudited financial statements and an interim report providing a description and narrative summary of the Partnership's investments; and

- (c) on or before April 15 of each year, a description of all amounts invested during the quarter ended March 31 of such year, together with the information set out in items (iv) through (viii) below with respect to the quarter ended March 31 of such year.

The quarterly and annual reports referred to in Sections 12.2(a) and (b) shall include:

- (i) a consolidated report containing the information on Portfolio Funds and Portfolio Companies set out in Schedule F. The General Partner shall use reasonable commercial efforts to require each Portfolio Fund to provide the Portfolio Company information in Schedule F, which the General Partner shall include in its reports to the Limited Partners in a consistent format as set out in Schedule F;
- (ii) information about the status of the Partnership's investments, including valuations and related calculations;
- (iii) for any Portfolio Investments made within the preceding calendar quarter, a general description of the business, sector focus and senior management of the Portfolio Fund or Portfolio Company, the relevant investment terms and sufficient additional information regarding the Portfolio Investment to demonstrate that it is a Qualified Investee Company or a Qualified Venture Capital Fund, as applicable;
- (iv) details of all distributions made during the reporting period;
- (v) details of all fees paid during the reporting period;
- (vi) details of all Portfolio Investment Fees received by the Manager, the General Partner and their respective Affiliates during the reporting period;
- (vii) the amount of unfunded Commitments as of the end of the reporting period; and
- (viii) the amount of all Carried Interest Distributions made or held in escrow during the reporting period.

In addition, the General Partner shall furnish to each Limited Partner as promptly as practicable such additional information concerning the Partnership and its assets and investments as a Limited Partner may reasonably request from time to time.

12.3 Appointment of Auditor

- (a) The General Partner will, for and on behalf of the Partnership, retain as auditor (the "**Auditor**") of the Partnership such nationally recognized firm of chartered accountants as may from time to time be selected by it to review the financial statements of the Partnership in respect of and as at the end of each fiscal year.

- (b) If requested by the LP Advisory Committee, the General Partner shall use commercially reasonable efforts to cause the Auditor to meet with the LP Advisory Committee for the purpose of discussing the relevant particulars of the Auditor's engagement and the audit of the Partnership's books and records.
- (c) In the event that the Partnership's relationship with the Auditor is terminated, the General Partner shall provide the Limited Partners with notice thereof, together with an explanation of such termination, as soon as reasonably practicable. In such case, the General Partner shall also endeavour to have the Auditor deliver a letter to the Limited Partners regarding the circumstances, in the Auditor's view, of its termination and the subject of any dispute between the Auditor and the General Partner.

12.4 Currency

The Partnership shall keep its accounts in Canadian dollars. All Capital Contributions shall be made in Canadian dollars and all distributions to the Partners, if made in cash, shall be made in Canadian dollars.

12.5 Taxation

Each of the Limited Partners hereby acknowledges and agrees that, due to the nature of the Partnership's investments, the General Partner may only be able to provide preliminary information to the Limited Partners and that information may change between the preliminary information and the final information, which the General Partner will provide promptly after it receives the necessary information in respect of its investments in the respective Qualified Venture Capital Fund or Portfolio Company, as applicable. Accordingly, the Limited Partners may be required to file an amendment to their respective tax filings for a particular year. The General Partner shall file or cause to be filed, on behalf of itself and the Limited Partners, annual Partnership information returns and any other information required to be filed under the Tax Act and any other applicable tax legislation in respect of Partnership matters.

ARTICLE 13

QUALIFICATION OF LIMITED PARTNERSHIP; POWER OF ATTORNEY

13.1 Qualification of Limited Partnership

The General Partner shall cause the Partnership to be qualified, formed, reformed or registered under the limited partnership statutes or similar Laws in any jurisdiction in which the Partnership owns property or transacts business if such qualification, formation, reformation or registration is necessary in order to protect the limited liability of the Limited Partners or permit the Partnership to own property or transact business in such jurisdiction, and shall cause the Partnership not to transact business in any such jurisdiction until it is so qualified, formed or registered. The General Partner shall make reasonable efforts to preserve the limited liability of the Limited Partners and shall not knowingly take any action which, or knowingly omit to take any action the omission of which, could reasonably be expected to jeopardize the limited liability of the Limited Partners.

13.2 Power of Attorney

Each Limited Partner hereby irrevocably makes, constitutes and appoints the General Partner, and any successor to the General Partner under the terms of this Agreement, at any time prior to the occurrence of a Cause Event, as its true and lawful attorney and agent, with full power of substitution and authority in the name, place and stead of such Limited Partner to execute, swear to, acknowledge, deliver, file and record in the appropriate public offices:

- (a) any amendment hereto made in accordance with Section 15.1;
- (b) any amendment to the Certificate and other instruments necessary or appropriate to qualify or to continue the qualification of the Partnership as a limited partnership in British Columbia or where such qualification is necessary or desirable to maintain limited liability of Limited Partners in that jurisdiction, or which is necessary or appropriate to reflect any amendment, change or modification of this Agreement, subject to the terms and restrictions of this Agreement;
- (c) all instruments relating to the admission of additional Limited Partners, subject to the terms and restrictions of this Agreement;
- (d) all conveyances and other instruments and documents necessary to reflect the dissolution and liquidation of the Partnership, subject to the terms and restrictions of this Agreement; and
- (e) all documents or other instruments necessary in connection with the sale, transfer or forfeiture of an Interest of a Limited Partner as contemplated by this Agreement.

Such power of attorney is intended to be ministerial in scope and limited solely to those items specifically permitted hereunder and is not a general grant of power to independently exercise discretionary judgment on behalf of the Limited Partners and shall not grant the right, power or authority to amend or modify this Agreement, when acting in such capacities, except to the extent authorized pursuant to Section 15.1. The General Partner will deliver to each Limited Partner copies of any documents executed by the General Partner on behalf of such Limited Partner pursuant to such power of attorney. The General Partner's authority to act on the power of attorney will cease concurrently with the removal or resignation of the General Partner as general partner of the Partnership. This power of attorney shall be irrevocable and is a power coupled with an interest and shall bind each Limited Partner, his or her respective heirs, executors, administrators and other legal representatives and the successors and assigns of such Limited Partner, notwithstanding the death, incapacity, dissolution, termination or bankruptcy of such Limited Partner. The granting of these powers of attorney shall not terminate any continuing power of attorney previously granted by such Limited Partner and shall not be terminated by such Limited Partner on the execution of a continuing power of attorney in the future, and each Limited Partner hereby agrees not to take any action in the future which results in the termination of any of this power of attorney.

13.3 Binding on Limited Partners

The General Partner shall exercise the power of attorney in Section 13.2 in good faith. Each Limited Partner will be bound by any representation (provided that any representation made by the General Partner in respect of a Limited Partner is consistent with and limited to a representation made in writing by such Limited Partner to the General Partner) or action made or taken by the General Partner pursuant to the power of attorney in Section 13.2 and waives any and all defences which may be available to contest, negate or disaffirm any action of the General Partner taken in good faith and without negligence pursuant to such power of attorney. For certainty, the power of attorney in Section 13.2 shall not entitle the General Partner to vote or consent to any written resolution on behalf of a Limited Partner.

13.4 Execution of Documents on Behalf of Limited Partners

The General Partner shall have the power to execute documents in the name of the Limited Partners pursuant to this power of attorney by affixing its signature thereto with the indication that it is acting on behalf of the Limited Partners.

ARTICLE 14 NOTICES

14.1 Notices

All notices, demands and other communications to be given, provided or delivered under or by reason of provisions under this Agreement shall be in writing and, if properly addressed to the recipient in the manner set forth below, shall be deemed for the purposes of this Agreement to have been given, provided and delivered:

- (a) on the date of actual receipt if delivered personally to the recipient;
- (b) three (3) Business Days after mailing by first class mail, postage prepaid;
- (c) one (1) Business Day after deposit with a reputable overnight courier service; or
- (d) one (1) Business Day after the date of transmission by e-mail.

A written document shall be deemed to be properly addressed to a Limited Partner at the address or e-mail address set forth in the Register or to such other address or e-mail address as the addressee previously may have specified by written notice given to the General Partner, and, a written document shall be deemed to have been properly addressed to the General Partner if addressed to its address or electronic mail address set forth below, or to such other address or e-mail address as it may have indicated to the other parties hereto by notice to such other parties given in the manner herein provided:

General Partner
c/o Kensington Capital Partners Limited
95 St. Clair Avenue West
Toronto, ON

M4V 1N6

Attention: Thomas R. Kennedy, Richard Nathan, and Suganya Tharmalingam

E-mail: tkennedy@kcpl.ca; rnathan@kcpl.ca; stharmalingam@kcpl.ca

ARTICLE 15 MISCELLANEOUS

15.1 Amendments

This Agreement may be amended by the written consent of the General Partner and the approval of the Limited Partners by Ordinary Resolution, provided that: (a) no amendments may be made to the provisions of Article 3 without the approval of BC Limited Partner; (b) no amendment may be made to this Agreement without the consent of each affected Limited Partner if the amendment would result in: (i) a fundamental change in the Partnership's status for tax purposes; (ii) an increase in the Limited Partner's liability or obligations; or (iii) a disproportionate reduction in the Limited Partner's rights to distributions; and (c) no amendment may be made to any provision that requires the approval of Limited Partners by Special Resolution, or of the BC Limited Partner, without the approval of the Limited Partners by Special Resolution, or of the BC Limited Partner, as the case may be.

15.2 Right of Set Off

Notwithstanding anything in this Agreement to the contrary, the General Partner shall have the right to set off against any amount that would otherwise have been paid to a Limited Partner hereunder, any amount owing by such Limited Partner to the Partnership including, without limitation, any amount owing as a result of a breach by the Limited Partner of its obligations hereunder or in connection with any of such Limited Partner's indemnification obligations.

15.3 Successors

Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the Partners and their legal representatives and permitted assigns.

15.4 Legal Counsel

Each Partner hereby agrees and acknowledges that:

- (a) the General Partner has retained legal counsel in connection with the formation of the Partnership and expects to retain legal counsel in connection with the operation of the Partnership. Legal counsel to the General Partner may also be legal counsel to the Partnership; and
- (b) the legal counsel retained by the General Partner does not and will not represent the Limited Partners in connection with the formation of the Partnership, the offering of Limited Partner interests, the management and operation of the Partnership, or any dispute which may arise between the Limited Partners on the one hand and the General Partner and the Partnership on the other hand. Each Limited Partner will, if it wishes counsel on a Partnership legal matter, retain its

own independent counsel with respect thereto and will pay all fees and expenses of such independent counsel.

15.5 Entire Agreement

This Agreement, the Subscription Agreements and the other agreements expressly referred to in this Agreement contain the entire agreement among the parties with respect to the subject matter hereof and supersede all prior arrangements and understandings with respect thereto. Notwithstanding the foregoing, the General Partner may enter into side letters or similar agreements executed after the date of this Agreement with any Limited Partner (in each case a “**Side Letter**”) which Side Letter will govern in the event of any inconsistency with this Agreement or any Subscription Agreement, as it relates exclusively to the Limited Partner who is a party to the Side Letter. The General Partner will provide to each Limited Partner with a Commitment equal to or greater than the Commitment of the Limited Partner who entered into such Side Letter, forthwith after its execution and delivery and in any event within thirty (30) days of execution, a copy of such Side Letter. If such Side Letter (or any Subscription Agreement) has the effect of establishing rights or benefits more favourable in any material respect to the Limited Partner who is a party to such Side Letter than any rights and benefits established in favour of the Limited Partners by this Agreement (the “**Additional Rights**”), each Limited Partner with a Commitment equal to or greater than the Commitment of the Limited Partner who entered into such Side Letter will have the right, exercisable by notice in writing delivered to the General Partner within thirty (30) days from receipt of such Side Letter by such Limited Partner, to elect to receive the benefit of such Additional Rights.

15.6 Assignment

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

15.7 Counterparts

This Agreement may be executed in any number of counterparts, any one of which need not contain the signatures of more than one party, but all of such counterparts together shall constitute one agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed as of the date first above written.

BC TECH FUND LIMITED PARTNERSHIP, by its General Partner BC TECH FUND GP INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

BC TECH FUND GP INC.

By: _____
Name:
Title:

By: _____
Name:
Title:

B.C. RENAISSANCE CAPITAL FUND LTD.

By: _____
Name:
Title:

BC TECH FUND GP INC., as agent and attorney for the other Limited Partners whose subscriptions for Interests in the Partnership are accepted from time to time

By: _____
Name:
Title:

By: _____
Name:
Title:

For the purpose of being bound by its obligations and entitled to its rights as provided under this Agreement, the Manager has executed this Agreement:

**KENSINGTON CAPITAL ADVISORS
INC.**

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE A

PURPOSE AND PRINCIPLES

Purpose and Principles for Engagement

Recognizing that the government of BC and Kensington have shared interests related to the Fund, the following statements set out their mutual intent as to their shared purpose which may change over time:

General Relationship: The parties intend to establish an enduring and mutually beneficial partnership that supports a strong BC venture capital system and facilitates business growth opportunities for partners.

To achieve this relationship goal, the parties agree to the following principles of engagement:

- Regular and transparent communication between the government and Kensington to foster a strong long-term relationship;
- Conflicts will be resolved in a timely and collaborative manner; and
- Performance reviews are intended to ensure alignment with outcomes, respond to evolving market dynamics and not to be punitive.

Returns

Financial: The Fund will invest with the goal of realizing the best financial returns within the established Fund parameters to mutually benefit both parties.

- To achieve these financial returns, the parties agree that investment decisions will be made on commercial market-based terms and consistent with a well-developed investment strategy.

Economic: It is a key goal of the Fund to help the BC technology sector and overall economy flourish through the Fund's investment and activities. The expected increase in deal flow and stronger financial returns is anticipated to benefit all parties.

- Understanding that there are many factors which influence economic outcomes, the parties agree that when making investment decisions and in conducting system building activities Kensington will consider the impact on BC's economic goals (supporting a stronger overall technology sector, more medium sized technology companies, technology jobs and stronger technology clusters in BC).

System Impact

Short-Term: The Fund is intended to address an immediate A-round funding gap for BC technology companies which is a key need, and provide an opportunity to establish an environment for the success of a BC based fund of funds.

- To achieve these short-term system goals, the parties agree that direct co-investment will be made to primarily impact the A-round gap in response to the 2014/15 venture capital policy review findings.

Long-Term: The parties intend that the Fund will contribute to building a strong BC venture capital system where:

- Emerging BC technology companies have local access to capital so they can grow and stay in BC;
- There are more, better- performing BC venture capital firms than in 2015; and
- The venture capital system functions in a well-coordinated, competitive and collaborative manner with private sector leadership.

The increased deal flow and stronger financial returns from a robust venture capital system is anticipated to benefit all parties.

To achieve these long-term system goals, the parties agree to the following principles of engagement:

- Maintain a long term perspective on the development of the venture capital system in BC so that it is more resilient through changes in market cycles;
- Look for ways to encourage private sector / industry collaboration and leadership; and
- Work collaboratively to identify trends and challenges within the venture capital system which government may address them evidence-based decision making.

BC Leadership and Reputation: The parties commit to the goal of establishing BC as the leading venture capital hub for Western Canada with the Fund partnership recognized as a best practice for government/private sector partnership in venture capital financing.

To achieve these leadership and reputation goals, the parties agree to the following principles of engagement:

- Each party has distinct roles related to marketing: Kensington will be networking and promoting the Fund, as the government of BC will be responsible for branding, with collaboration between both parties regarding announcements and key messages; and
- The Parties will engage in well-planned and coordinated brand awareness activities to ensure the most impact in a cost effective manner;

SCHEDULE B

LONG-TERM SYSTEM BUILDING PLAN

Overview: This plan was created to help fulfill the BC Tech Fund’s mandate of venture capital system building in BC. The plan aligns to the objectives of the Government’s Venture Capital policy review and includes goals, initiatives, strategy measures and expected outcomes that will help the General Partner and Government work collaboratively towards the goal of developing a more mature venture capital system in BC. In accordance with Section 3.4 of the Limited Partnership Agreement (the “LPA”) of the BC Tech Fund, the General Partner and Government will develop an annual system building plan each year during the Term of the BC Tech Fund that will include agreed upon activities and targets. Capitalized terms used herein will have the respective meanings set out in the LPA.

Objective & Goals: The objective of this plan is for early stage BC companies to have access to the capital they need to stay and grow in BC. To realize this, the plan focusses on two goals:

- More, better-performing BC venture capital firms and funds than in 2015.
- A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership.

How to use the Plan: This Plan will serve two principal purposes:

- To allow the General Partner and the BC Limited Partner (the BC Government) to have clarity and a common understanding of the approach to system building. This is essential to ensuring effective communication and efficient alignment of activities
- To provide strategic guidance to inform the development of the annual system building plans, including mutually agreed upon activities/ actions and annual targets.

The General Partner will report quarterly and annually as set out in the LPA on the completion of the activities and actions and targets under the annual system building plan. The annual report will provide evidence of progress made towards achieving the two goals.

The Plan will be a living document that may be updated from time to time as necessary to reflect changing strategic priorities, new issues, market changes and adapt to BC venture capital system needs.

Goals	Initiatives	Strategies	Reporting Measurement (each quarter unless otherwise noted)	Expected Outcomes
<p>More better-performing BC venture capital firms and funds than in 2015</p>	<p>Unlocking Investor Talent to help new VC funds form</p>	<p>It is assumed that there are the following primary ways of forming new VC funds in BC:</p> <ol style="list-style-type: none"> 1) From the ground up within BC by leveraging existing talent, and 2) Bringing in investors from outside BC to form new funds or support the formation of new funds, and 3) Through a combination of these two approaches, including by recruiting a new local BC partner for an established VC fund from outside the Province. <p>To execute these approaches, the following strategies should be taken:</p> <ul style="list-style-type: none"> • Identify potential managers from: <ul style="list-style-type: none"> • Within BC for transition into venture capital firms from BC-based Angel investors, family offices, corporations, entrepreneurs, etc. • Other jurisdictions looking to establish funds or a presence within BC • Connect investors; support business development and provide guidance on fund formation, investment strategy and development • Conduct due diligence on key people / firms who may be interested in forming new VC funds • Support management team(s) in forming funds and raising capital • Leverage high profile exits to leverage possible reinvestment of exit proceeds by: <ul style="list-style-type: none"> • Identifying BC companies with potential for high profile exits. • Cultivating relationships with founders and key personnel • Re-engage talent (founders & employees) 	<ul style="list-style-type: none"> • List of names, titles, companies & brief summary of conversation of key firms/ people being considered • Names of key people/ firms who have been shortlisted to support in forming a new VC fund • Update on progress of development of new BC VC funds • Report on high profile exits and how the General Partner has engaged the team. • Other material updates 	<ul style="list-style-type: none"> • By growing the number and quality of VC firms and funds in BC, there will be an increased amount of VC activity in BC and greater ability to attract additional capital into BC.
<p>More better-performing BC venture capital firms and funds than in 2015</p>	<p>Diversifying sources of VC in BC by helping foreign VC firms establish a presence or</p>	<ul style="list-style-type: none"> • Work with gov't to build a plan to align current investment attraction activities related to outbound venture capital investment from target markets (e.g. U.S. China, India, EU) • Build relationships to strengthen ties between BC and other jurisdictions which are potential 	<ul style="list-style-type: none"> • Provide annual plan and report on achievements • List of foreign VC firms that are being identified and prioritized for investment attraction activities • Track new sources of capital within the BC Tech Fund 	<ul style="list-style-type: none"> • By diversifying sources of capital for the BC VC market, BC's VC system will be more resilient during times of economic change.

Goals	Initiatives	Strategies	Reporting Measurement (each quarter unless otherwise noted)	Expected Outcomes
	invest in BC	sources of venture capital •Support efforts to increase brand awareness of BC as a VC / technology hub •Syndicate investments in BC companies and VC funds with investors from target jurisdictions [Note: “Foreign” firms are those based outside BC.]	extended portfolio, and how it was placed.	
A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership	BC Technology Think Tank	<ul style="list-style-type: none"> • Determine interest and value of a private sector-led Think Tank (TT) focused on growing the venture capital system in BC to better support technology companies • Formation of the TT (assuming support) • Explore options to create a self-funded and self-sustaining model <p>While the Think Tank will be initiated by the General Partner, a key principal is that the Think Tank will establish its own independent private sector Board which will set the Think Tank’s mandate. The following suggestions are examples of ideas for consideration/ inclusion in the Think Tank mandate:</p> <p>(1) Best Practices</p> <ul style="list-style-type: none"> • Contribute to best practices through sharing of insight among participants to help strengthen BC VC businesses (e.g. financial, operations, investment due diligence, etc.) <p>(2) Anchor Companies</p> <ul style="list-style-type: none"> • Support a culture of BC anchor companies. • Understand why anchor companies stay in BC. • Develop key messaging with gov't, including success stories that highlight that 'BC is the place for home grown tech anchor companies in today's market'. • Report on anchor companies and discussions including advantages and disadvantages to staying in BC. E.g. access to talent and capital. And how companies address issues, allowing them to stay local. <p>(3) State of VC in BC</p> <ul style="list-style-type: none"> • Gather and analyze data and information on perceptions of BC’s VC system and Tech sector. • Deliver an annual “State of VC 	<ul style="list-style-type: none"> • Shortlisted candidates for TT - List of names, titles, companies, potential value to TT • Names of TT participants, titles, companies & potential value to TT • Overview of annual TT priorities and mandate • Update on achievements by TT relating to building a coordinated BC VC system 	<ul style="list-style-type: none"> • A private sector led think tank will help create a unified view of the VC system in BC to create better coordination and alignment for more timely and effective response to system needs

Goals	Initiatives	Strategies	Reporting Measurement (each quarter unless otherwise noted)	Expected Outcomes
		<p>in BC” report that provides an overview of the Year in VC/Tech in BC, with stats, analysis and commentary.</p> <p>(4) Public Policy Recommendations</p> <ul style="list-style-type: none"> Enhance attractiveness for BC entrepreneurs to build their business in the Province rather than relocating <p>(5) VC Profile/Branding</p> <ul style="list-style-type: none"> Increase profile of leading BC entrepreneurs Enhance branding of BC as a tech market for successful companies 		
<p>A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership</p>	<p>Regional System Building Strategy</p>	<ul style="list-style-type: none"> Develop a clear understanding of regional VC activity outside the lower mainland (Kelowna & Victoria) Collaborate with regional leaders to determine whether and how companies based in these regions can access capital for growing tech companies 	<ul style="list-style-type: none"> Annual report back on significant developments and successes in growing companies based in these regions, either directly by the General Partner, through its network of co-investors or other major regional developments. [Note: Over time, this reporting might shift into the mandate of the Think Tank “State of VC in BC” reporting.] 	<ul style="list-style-type: none"> Clear understanding of whether there are regional issues and how BC’s VC system can support regional needs without creating market distortions. Better understanding of whether and how entrepreneurs outside the Lower Mainland can access sources of capital and market information for growing tech businesses. The goal is to link these entrepreneurs into the broader VC System in the Province and beyond, not to attempt to establish separate VC Systems in these regions.
<p>A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership</p>	<p>Active Networking</p>	<ul style="list-style-type: none"> Aligning and connecting the General Partner’s network with the BC VC, investor and tech network Host networking events, including an annual dinner targeted at investors, technology company executives, entrepreneurs, and representation from across tech industry subsectors GP participation at key investor/tech sector events in BC. Participation should include securing speaking opportunities and attending events outside the Lower Mainland Promotion of BC events (e.g. BC Tech Summit, TED, GROW) in the course of normal business activities (i.e. no cost) Raising awareness of BC VC and tech companies by promoting them at events (e.g. the General Partner’s Annual meeting) 	<ul style="list-style-type: none"> Summary and highlights of most significant activities and successes during the quarter, including identification of key individuals and companies as well as brief summaries of key topics discussed. Networking success stories, e.g. capital raised by tech companies or VCs through contacts of the General Partner 	<p>Through networking events, there will be:</p> <ul style="list-style-type: none"> Greater awareness of BC as an attractive hub for tech sector/ VC investment, which will include: More participation from high profile investors in BC’s tech investor events Better access to investors for BC based VCs and tech companies Stronger ties between BC’s investor network and other investor hubs (e.g. Silicon Valley & Toronto)

SCHEDULE C

INITIAL SYSTEM BUILDING PLAN

Overview: This plan identifies the annual activities/ actions the General Partner will engage in order to realize the system building goals contained within the Long-term system building Plan (Appendix B) The Annual Plan also contains mutually-developed targets that demonstrate progress towards the two goals of:

1. More better-performing BC venture capital firms and funds than in 2015.
2. A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership.

It's the expectation of the LP that the GP will provide an annual report back that summarizes its activities and provides an overview of the state of the venture capital system in BC.

How to use the Plan: This Plan will serve two purposes:

1. To allow the General Partner and the BC Limited Partner (the BC Government) to have clarity and a common understanding of the activities/ actions that are expected to be performed over the course of the year to ensure effective alignment and coordination of efforts
2. Identification of mutually agreed upon targets that the General Partner will be working toward.

First Annual System Building Plan

Goals	Initiatives	Strategies	Activities/Actions	Reporting Measurement (each quarter unless otherwise noted)	Short Term Targets	Expected Outcomes
<p>More better-performing BC venture capital firms and funds than in 2015</p>	<p>Unlocking Investor Talent to help new VC funds form</p>	<p>It is assumed that there are the following primary ways of forming new VC funds in BC:</p> <ol style="list-style-type: none"> 1) From the ground up within BC by leveraging existing talent, and 2) Bringing in investors from outside BC to form new funds or support the formation of new funds, and 3) Through a combination of these two approaches, including by recruiting a new local BC partner for an established VC fund from outside the Province. <p>To execute these approaches, the following strategies should be taken:</p> <ul style="list-style-type: none"> • Identify potential managers from: <ul style="list-style-type: none"> • Within BC for transition into venture capital firms from BC-based Angel investors, family offices, corporations, entrepreneurs, etc. • Other jurisdictions looking to establish funds or a presence within BC • Connect investors; support business development and provide guidance on fund formation, investment strategy and development • Conduct due diligence on key people / firms who may be interested in forming new VC funds • Support management team(s) in forming funds and raising capital • Leverage high profile exits to leverage possible reinvestment of exit proceeds by: <ul style="list-style-type: none"> • Identifying BC companies with potential for high profile exits. • Cultivating relationships with founders and key personnel • Re-engage talent (founders & employees) 	<ul style="list-style-type: none"> ➤ Research potential VC fund managers from within BC tech/investment community ➤ Research VC fund managers from outside BC with a potential desire to open a BC office ➤ Meet with candidates for BC VC funds from above categories to assess interest and viability, develop strategy and conduct due diligence ➤ Research and identify BC tech companies with potential for high profile exits ➤ Identify, engage and develop relationships with key individuals at BC tech companies with potential for high profile exits 	<ul style="list-style-type: none"> • List of names, titles, companies & brief summary of conversation of key firms/ people being considered • Names of key people/ firms who have been shortlisted to support in forming a new VC fund • Update on progress of development of new BC VC funds • Report on high profile exits and how the General Partner has engaged the team. • Other material updates 	<ul style="list-style-type: none"> ➤ Identify 2-4 candidate firms, teams or key individuals who could form a core team for a BC-based VC fund or as BC partners for a foreign VC fund (i.e. based outside BC) ➤ Develop strategic plan for creating a new fund/BC presence with identified candidate firm ➤ Complete initial due diligence screen of candidates to assess viability 	<ul style="list-style-type: none"> • By growing the number and quality of VC firms and funds in BC, there will be an increased amount of VC activity in BC and greater ability to attract additional capital into BC.

Goals	Initiatives	Strategies	Activities/Actions	Reporting Measurement (each quarter unless otherwise noted)	Short Term Targets	Expected Outcomes
More better-performing BC venture capital firms and funds than in 2015	Diversifying sources of VC in BC by helping foreign VC firms establish a presence or invest in BC	<ul style="list-style-type: none"> • Work with gov't to build a plan to align current investment attraction activities related to outbound venture capital investment from target markets (e.g. U.S. China, India, EU) • Build relationships to strengthen ties between BC and other jurisdictions which are potential sources of venture capital • Support efforts to increase brand awareness of BC as a VC / technology hub • Syndicate investments in BC companies and VC funds with investors from target jurisdictions [Note: "Foreign" firms are those based outside BC.] 	<ul style="list-style-type: none"> ➤ Identify investors from outside BC with potential investment interest in BC tech companies ➤ Identify BC tech companies with the potential to attract investment from outside BC ➤ Meet with these companies and these investors to assess and develop relationships and investment opportunities, including participation from BC Tech Fund 	<ul style="list-style-type: none"> • Provide annual plan and report on achievements • List of foreign VC firms that are being identified and prioritized for investment attraction activities • Track new sources of capital within the BC Tech Fund extended portfolio, and how it was placed. 	<ul style="list-style-type: none"> ➤ Complete 1-3 direct co-investments that include investors from outside BC ➤ Complete at least one investment with an investor who has not previously invested in the Province 	<ul style="list-style-type: none"> • By diversifying sources of capital for the BC VC market, BC's VC system will be more resilient during times of economic change.
A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership	BC Technology Think Tank	<ul style="list-style-type: none"> • Determine interest and value of a private sector-led Think Tank (TT) focused on growing the venture capital system in BC to better support technology companies • Formation of the TT (assuming support) • Explore options to create a self-funded and self-sustaining model <p>While the Think Tank will be initiated by the General Partner, a key principal is that the Think Tank will establish its own independent private sector Board which will set the Think Tank's mandate. The following suggestions are examples of ideas for consideration/ inclusion in the Think Tank mandate:</p> <p>(1) Best Practices</p> <ul style="list-style-type: none"> • Contribute to best practices through sharing of insight among participants to help strengthen BC VC businesses (e.g. financial, operations, investment due diligence, etc.) <p>(2) Anchor Companies</p> <ul style="list-style-type: none"> • Support a culture of BC anchor companies. • Understand why anchor companies stay in BC. • Develop key messaging with gov't, including success stories that highlight that 'BC is the place for home grown tech anchor companies in today's 	<ul style="list-style-type: none"> ➤ Identify and meet with candidates for TT board membership ➤ Develop initial plan for TT governance, operations and board meeting schedule ➤ Identify initial project ideas for presentation to TT board ➤ After board is in place, develop plan to attract financial sponsor(s) 	<ul style="list-style-type: none"> • Shortlisted candidates for TT - List of names, titles, companies, potential value to TT • Names of TT participants, titles, companies & potential value to TT • Overview of annual TT priorities and mandate • Update on achievements by TT relating to building a coordinated BC VC system 	<ul style="list-style-type: none"> ➤ Recruit initial TT board members with representation across multiple industry sectors ➤ Hold initial meeting of TT board to review and develop mandate, including initial project(s) ➤ Establish operational plan (number of meetings, projects, funding/volunteer, etc.) ➤ Select at least one initial TT project and begin to execute 	<ul style="list-style-type: none"> • A private sector led Think Tank will help create a unified view of the VC system in BC to create better coordination and alignment for more timely and effective response to system needs

Goals	Initiatives	Strategies	Activities/Actions	Reporting Measurement (each quarter unless otherwise noted)	Short Term Targets	Expected Outcomes
		<p>market'.</p> <ul style="list-style-type: none"> Report on anchor companies and discussions including advantages and disadvantages to staying in BC. E.g. access to talent and capital. And how companies address issues, allowing them to stay local. <p>(3) State of VC in BC</p> <ul style="list-style-type: none"> Gather and analyze data and information on perceptions of BC's VC system and Tech sector. Deliver an annual "State of VC in BC" report that provides an overview of the Year in VC/Tech in BC, with stats, analysis and commentary. <p>(4) Public Policy Recommendations</p> <ul style="list-style-type: none"> Enhance attractiveness for BC entrepreneurs to build their business in the Province rather than relocating <p>(5) VC Profile/Branding</p> <ul style="list-style-type: none"> Increase profile of leading BC entrepreneurs Enhance branding of BC as a tech market for successful companies 				
<p>A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership</p>	<p>Regional System Building Strategy</p>	<ul style="list-style-type: none"> Develop a clear understanding of regional VC activity outside the lower mainland (Kelowna & Victoria) Collaborate with regional leaders to determine whether and how companies based in these regions can access capital for growing tech companies 	<ul style="list-style-type: none"> ➤ Spend time in regional centres to meet with local tech community and get their perspective on VC market ➤ Meet with Series A companies in regional centres to assess quality of opportunities ➤ Identify Series A companies in Kelowna or Victoria that could be candidates for investment ➤ Identify VC investors prepared to invest in these regions ➤ Facilitate introductions 	<ul style="list-style-type: none"> • Annual report back on significant developments and successes in growing companies based in these regions, either directly by the General Partner, through its network of co-investors or other major regional developments. [Note: Over time, this reporting might shift into the mandate of the Think Tank "State of VC in BC" reporting.] 	<ul style="list-style-type: none"> ➤ Target completion of at least one direct investment in a company from a regional centre within first year of BC Tech Fund operation 	<ul style="list-style-type: none"> • Clear understanding of whether there are regional issues and how BC's VC system can support regional needs without creating market distortions. • Better understanding of whether and how entrepreneurs outside the Lower Mainland can access sources of capital and market information for growing tech businesses. The goal is to

Goals	Initiatives	Strategies	Activities/Actions	Reporting Measurement (each quarter unless otherwise noted)	Short Term Targets	Expected Outcomes
			<p>between these companies and investors</p> <ul style="list-style-type: none"> ➤ Meet with VCs in Vancouver and outside BC to understand their perspective on investing in these regions 			<p>link these entrepreneurs into the broader VC System in the Province and beyond, not to attempt to establish separate VC Systems in these regions.</p>
<p>A BC venture capital system that functions in a well-coordinated, competitive and collaborative manner with private sector leadership</p>	<p>Active Networking</p>	<ul style="list-style-type: none"> • Aligning and connecting the General Partner’s network with the BC VC, investor and tech network • Host networking events, including an annual dinner targeted at investors, technology company executives, entrepreneurs, and representation from across tech industry subsectors • GP participation at key investor/tech sector events in BC. Participation should include securing speaking opportunities and attending events outside the Lower Mainland • Promotion of BC events (e.g. BC Tech Summit, TED, GROW) in the course of normal business activities (i.e. no cost) • Raising awareness of BC VC and tech companies by promoting them at events (e.g. the General Partner’s Annual meeting) 	<ul style="list-style-type: none"> ➤ Meet with members of the BC tech community and investment community on a continuous basis ➤ Attend industry events across the Province ➤ Connect members of the General Partner’s existing network to opportunities and market participants in BC ➤ Host networking events to bring members of the community together, including small scale informal events ➤ Host or participate in informal networking events on a regular basis ➤ Attend major industry events across the Province ➤ Secure speaking opportunities at industry events ➤ Attract members of the General Partner’s network to participate/speak 	<ul style="list-style-type: none"> • Summary and highlights of most significant activities and successes during the quarter, including identification of key individuals and companies as well as brief summaries of key topics discussed. • Networking success stories, e.g. capital raised by tech companies or VCs through contacts of the General Partner 	<ul style="list-style-type: none"> ➤ Host at least one major event (annual dinner) during the period ➤ Secure at least two speaking engagements for the GP and or members of its network that support the goal of raising awareness of BC as either a VC or Tech Sector investment destination. 	<p>Through networking events, there will be:</p> <ul style="list-style-type: none"> • Greater awareness of BC as an attractive hub for tech sector/ VC investment, which will include: • More participation from high profile investors in BC’s tech investor events • Better access to investors for BC based VCs and tech companies • Stronger ties between BC’s investor network and other investor hubs (e.g. Silicon Valley & Toronto)

Goals	Initiatives	Strategies	Activities/Actions	Reporting Measurement (each quarter unless otherwise noted)	Short Term Targets	Expected Outcomes
			at BC industry events ➤ Invite members of the BC community to the General Partner's other networking events outside BC			

SCHEDULE D

GENERAL PARTNER INVESTMENT ALLOCATION POLICY

Kensington Capital Partners Limited and its affiliates (collectively, “**Kensington**”) have established and are managing a variety of private equity, venture capital and other funds (each, a “**Kensington Fund**”). As these Kensington Funds may, from time to time, have investment objectives and mandates that overlap to some extent, Kensington has established this investment allocation policy.

Kensington will treat each Kensington Fund in a fair and reasonable manner and in accordance with Kensington's contractual obligations and fiduciary duties. Kensington will evaluate whether any proposed investment (each, a “**Proposed Investment**”) would be an appropriate investment for each Kensington Fund, taking into account factors considered appropriate by Kensington in the exercise of its good faith judgment including without limitation:

- (a) such Kensington Fund’s investment objectives, policies, restrictions and guidelines (including commitment size, vintage year and investment sector);
- (b) the amount of capital remaining to be invested by such Kensington Fund;
- (c) the appropriate amount of capital to be invested given the characteristics and risk profile of the Proposed Investment;
- (d) such Kensington Fund's current investment mix;
- (e) whether such Kensington Fund has previously invested in a fund managed by the fund sponsor or with the lead investor of the Proposed Investment;
- (f) whether the Proposed Investment is a follow-on investment in an existing portfolio investment of a Kensington Fund;
- (g) whether the economic and legal terms of the Proposed Investment are appropriate for such Kensington Fund;
- (h) any restrictions or requirements of the fund sponsor or lead investor of the Proposed Investment; and
- (i) any regulatory or other restrictions affecting the Kensington Fund.

In respect of each Kensington Fund participating in a Proposed Investment (each, a “**Participating Kensington Fund**”), Kensington will, having regard to the Investment Factors, determine in good faith each Participating Kensington Fund's target allocation for such Proposed Investment (the “**Target Allocation**”). In the event that the aggregate amount of commitments available to all Participating Kensington Funds in respect of a Proposed Investment is less than the aggregate of the Target Allocations for all Participating Kensington Fund, Kensington will allocate the commitments among the Participating Kensington Funds *pro rata*, based on each Participating Kensington Fund's Target Allocation, provided that Kensington may allocate a

greater or lesser amount to a Participating Kensington Fund if Kensington determines that the *pro rata* allocation available to one or more Participating Kensington Fund is not appropriate for such Participating Kensington Fund having regard to the Investment Factors, including without limitation, a determination that the *pro rata* allocation available to such Participating Kensington Fund is inconsistent with its typical minimum commitment size.

SCHEDULE E

GENERAL PARTNER EXPENSE POLICY

Kensington Capital Partners Limited and its affiliates (collectively, “**Kensington**”) have established and manage a variety of private equity, venture capital, and other funds (each, a “**Kensington Fund**”). Since representatives of Kensington may, at times, incur expenses (such as travel expenses) in connection with activities conducted for multiple Kensington Funds and/or their underlying portfolio investments, Kensington established this expense allocation policy to ensure that each Kensington Fund is treated in a fair and reasonable manner and in accordance with Kensington’s contractual obligations and fiduciary duties.

Expense Allocation Policy

This policy governs the allocation of expenses which are incurred on behalf of more than one Kensington Fund. In such circumstances, Kensington will generally allocate the expenses based upon the following factors:

- In the event the expense was incurred primarily for travel required to attend a single meeting or for a specific contractual or fiduciary obligation (such as a board of directors meeting) in respect of an investee held by a Kensington Fund, the associated travel expenses should be allocated solely to the Kensington Fund that holds such investment. If additional activities are undertaken on the same trip on behalf of another Kensington Fund, the additional expenses (such as adding an extra night of accommodation expense) should be allocated to the second Kensington Fund.
- If the expense was incurred in respect of more than one Kensington Fund (such as a single investment that is held in two separate Kensington investment portfolios), then the expense should be allocated between such Kensington Funds in proportion to the amount of capital that each has invested.
- In circumstances where expenses are incurred for more than one Kensington Fund, the expenses will be allocated by Kensington proportionately based upon the activities conducted for each such Kensington Fund.
- Expenses incurred that are for personal reasons while traveling on Kensington Fund related business shall be paid by the individual and not allocated to a Kensington Fund.
- Expenses incurred on Kensington’s behalf while traveling on Kensington Fund related business shall be paid for by Kensington and not allocated to a Kensington Fund.

Allocations of expenses may consider other factors considered appropriate in the circumstances by Kensington in the exercise of its good faith judgment in order to ensure that each Kensington Fund is treated fairly and equitably.

SCHEDULE F

FORM OF REPORTS

BC Tech Fund & BCRCF Management Reporting Requirements

All reporting is done by Kensington to the Ministry of International Trade

Reporting Item	Frequency	Description of Reporting	BCRCF	BC Tech Fund
Summary of Quarterly Activities	Quarterly as an overview	Opportunities reviewed by BC Tech Fund		√
		New investments made by BC Tech Fund		√
		Exits completed within the Fund's Portfolio	√	√
		Economic Development (job creation & investment attraction)	√	√
		System Building activities and progress towards targets		√
Changes in Net Asset Value (NAV) & Total Value	Quarterly as an overview	Changes in Net Asset Value & Total Value:		
		NAV at Start of Quarter	√	√
		Capital Calls during Quarter	√	√
		Distributions during Quarter	√	√
		Net Change in NAV from operations during Quarter	√	√
		NAV at end of Quarter	√	√
		Cumulative Distributions to Investors	√	√
		Total Value at end of Quarter	√	√
		Total Committed	√	√
		Total Funded	√	√
		Percent of Fund Called	√	√
		Net Multiple of Funded Capital ("MOC")	√	√
Net Internal Rate of Return ("IRR") ¹	√	√		
Breakdown of Fund Performance	Quarterly	Breakdown of Fund Performance		
		Funded amount	√	√
		Realized Gain /(Loss)	√	√
		Unrealized Gain /(Loss)	√	√
		Investment Income /(Loss)	√	√
		Underlying Fund Expenses	√	√
		BC Tech Fund Expenses		√
		Distributions	√	√
		Capital account balance	√	√
		Net Asset Value	√	√
		Total Value	√	√
		Carried interest earned	√	√
		Carried interest distributed	√	√
Portfolio investment fees received	√	√		

¹ IRR will be calculated using Kensington's standard approach with is also used for VCAP reporting

Portfolio Summary (in graph)	Quarterly	Portfolio Summary (in graph)		
		Percentage of Fund investments by fund	√	√
		Percentage of Fund direct investments by investment	√	√
Portfolio Summary (in chart format)	Quarterly	Portfolio Summary (in chart format)		
		For each Fund:		
		Commitment	√	√
		Funded	√	√
		Distributed	√	√
		Fair Value	√	√
		Total Value	√	√
		MOC	√	√
		Net IRR	√	√
		For each Direct BC Tech Fund Investment:		
		Investment		√
		Funded		√
		Distributed		√
		Fair Value		√
Total Value		√		
MOC		√		
Net IRR		√		
Economic Development	Quarterly	Employment:		
		Total # jobs of Portfolio Companies	√	√
		Change from Prior Quarter	√	√
		Investment Attraction:		
	Total Invested (in Funds, Direct and Total) [within BC Tech Fund portfolio funds & companies]	√	√	
	Invested by BC Tech Fund (in Funds, Direct and Total)		√	
	Invested by Other Investors (in Funds, Direct and Total)	√	√	
	Leverage Ratio (in Funds, Direct and Total)	√	√	
Annually	Total # of BC Employees in each company	√	√	
	New jobs in BC companies (change from previous year)	√	√	
Appendices	Quarterly	Detail on each Fund Investment		
		Fund Information:		
		Fund Mgr Name	√	√
		GP Headquarter City	√	√
		Vintage Year	√	√
		Fund Size	√	√
		BC Tech Fund (or BCRCF) Commitment	√	√
		Amount Funded To Date	√	√
		Value of Portfolio (NAV)	√	√
		# Portfolio Companies	√	√
# Companies in BC	√	√		

		% of Fund invested in BC	√	√
		\$ Funded by BC Tech Fund (or BCRCF)	√	√
		\$ Funded by others into Fund	√	√
		Leverage Ratio	√	√
		Description of the fund focus / investment thesis	√	√
		When the investment period is completed		√
		Expected end of Fund's term		√
		Summary of Underlying Fund and Direct Investments:		
		For each investee company:		
		Location	√	√
		Sector	√	√
		Investment Stage	√	√
		Investment Amount	√	√
		Fair Market Value	√	√
		Realized Proceeds	√	√
		Fully-Diluted Ownership	√	√
		Total Revenues (by year) (BC companies only, reasonable efforts to be tracked)	√	√
		For each direct investee company:		√
		Company Name		√
		Headquarter City		√
		Total Capital Raised		√
		BC Tech Fund Investment (\$ amount)		√
		BC Tech Fund Ownership (%)		√
		Co - Investors (GP or company names)		√
		Board Seat for BC Tech Fund (Y/N?)		√
		\$ Funded by others into investee company		√
		Leverage Ratio		√
		Description of the company's business		√
		Current Value		√
		Distributions		√
		Total Proceeds (received by BC Tech Fund)		√
		IRR		√
		MOC		√
	Annually	Total Revenues (by year) (BC companies only, reasonable efforts to be tracked)		√
		Annual R&D Expenditure (BC companies only)		√
Information Subsequent to Reporting Cut Off Date	Quarterly	Subsequent Investments since Quarter End		
		Investment	√	√
		Type	√	√
		Commitment	√	√
		Location	√	√
		Description	√	√

Additional Reporting	Quarterly	Name and amount of Investments that have been disposed of for NIL or written down/off	√	√
		Date of change from Active to Inactive (i.e. write-off)	√	√
		Management fees charged/paid	√	√
		Capital account balances & Return of capital & Return on investment (income)	√	√
		Foreign Exchange Gain/Loss	√	√
Additional System Building	Annually	Plan Report on Plan and progress		√ √
	Quarterly	Updates, as discussed in plan		√
Portfolio Reporting	Quarterly	Qualitative overview of the BC Tech Fund including an update (material changes at Kensington), an update on the industry, sector performance updates, summary of any material changes in underlying funds, and summary of any material changes in the underlying investee companies		√
	Annually	Qualitative overview of the BC Tech Fund in Review including a discussion of market conditions and expectations for the coming year		√
System-Building Activities:				
Unlocking Investor Talent	Quarterly	<ul style="list-style-type: none"> List of names, titles, companies & brief summary of conversation of key firms/ people being considered Names of key people/ firms who have been shortlisted to support in forming a new BC-based VC fund Update on progress of development of new BC-based VC funds Report on high profile exits and how the General Partner has engaged the team. Other material updates 		√
Diversifying sources of VC in BC	Quarterly	<ul style="list-style-type: none"> Provide annual plan and report on achievements List of foreign VC firms that are being identified and prioritized for investment attraction activities Track new sources of capital within the BC Tech Fund extended portfolio, and how it was placed 		√
BC Technology Think Tank (TT)	Quarterly	<ul style="list-style-type: none"> Shortlisted candidates for TT - List of names, titles, companies, potential value to TT Names of TT participants, titles, companies & potential value to TT Overview of annual TT priorities and mandate Update on achievements by TT relating to building a coordinated BC VC system 		√
Regional System Building Strategy	Quarterly	<ul style="list-style-type: none"> Annual report back on significant developments and successes in growing companies based in these regions, either directly by the General Partner, through its network of co-investors or other major regional developments. [Note: Over time, this reporting might shift into the mandate of the Think Tank “State of VC in BC” reporting.] 		√
Kensington Active Networking	Quarterly	<ul style="list-style-type: none"> Summary and highlights of most significant activities and successes during the quarter, including identification of key individuals and companies as well as brief summaries of key topics discussed. Networking success stories, e.g. capital raised by tech companies or VCs through contacts of the General Partner 		√

