

# TACTEX F1 PRIVATE EQUITY FUND LP

## SUMMARY OF PRINCIPAL TERMS

Certain terms and attributes of Tactex F1 Private Equity Fund LP (the “**Partnership**”) are highlighted below. This summary is qualified in its entirety by reference to the amended and restated limited partnership agreement dated February 13, 2013 governing the formation and investment in the Partnership (the “**Partnership Agreement**”), a copy of which will be provided to qualified investors prior to closing. Capitalized terms used but not defined herein shall have the same meaning attributed to them as in the Partnership Agreement. In the event of any inconsistency between this term sheet and the Partnership Agreement, the terms of the Partnership Agreement shall prevail.

<b>The Fund:</b>	Tactex F1 Private Equity Fund LP is a limited partnership formed under the laws of the Province of Québec (the “ <b>Partnership</b> ” or the “ <b>Fund</b> ”). An offering will be made of limited partnership units of the Partnership (the “ <b>Units</b> ”).
<b>Investment Objective and Strategies:</b>	<p>The Partnership is being established to maximize long-term gains and income primarily through investments in Portfolio Companies (as defined herein) in the U.S. and Canada where the General Partner can add value by direct involvement in management or where funding operating cash flow requirements creates a significant competitive advantage.</p> <p>The Partnership’s investment strategy includes</p> <ul style="list-style-type: none"><li>• directly investing in up to 20 Portfolio Companies with some of such direct investments being structured as co-investments with other experienced venture capital partners;</li><li>• investing in Portfolio Companies where a representative of the Manager will serve member (or observer) of the Board of Directors of the underlying Portfolio Company following the investment by the Partnership in such company;</li><li>• investments in any Portfolio Company may be up to 100% of the Aggregate Funded Commitments.</li></ul> <p>“<b>Portfolio Company</b>” means, at any particular time, any corporation, company, limited liability company, partnership, trust, syndicate, association, government (or any agency thereof) or any other legal or business entity whatsoever or entity in which the Partnership has invested or committed to invest at such time (other than through Short-Term Investments).</p>
<b>General Partner:</b>	The general partner of the Partnership is Tactex General Partner Inc. (the “ <b>General Partner</b> ”), a corporation incorporated under the federal laws of Canada.

<p><b>Limited Partners:</b></p>	<p>Qualified investors will be admitted to the Partnership as limited partners and will acquire the Units in the Partnership upon the acceptance by the General Partner of such investors' subscription agreements (the "<b>Limited Partners</b>" or the "<b>Investors</b>").</p> <p>Investors who invest with Minimum Commitments (as defined herein) are referred to as "<b>Initial Investors</b>". The term "<b>Investors</b>" includes Initial Investors as well as investors admitted after the Initial Closing (as defined herein).</p>
<p><b>Partnership Capital:</b></p>	<p>Other than the Minimum Commitment (as defined herein), the Partnership does not currently intend to seek any aggregate minimum or maximum capital contributions from Investors, however, the General Partner at its sole discretion may in the future impose minimum or maximum capital contributions (the "<b>Commitments</b>", which for certainty, includes Minimum Commitments) on qualified investors in the future.</p>
<p><b>Functional Currency:</b></p>	<p>The functional currency of the Partnership will be Canadian dollars. All capital contributions, if any, required to be made by Investors and all cash distributions from the Partnership, if any, will be made in Canadian dollars.</p>
<p><b>Minimum Commitment:</b></p>	<p>The minimum commitment of an Investor is (i) \$10,000 for investors who qualify as an "accredited investor" under National Instrument 45-106 – <i>Prospectus and Registration Exemptions</i> ("<b>NI 45-106</b>"); or (ii) \$150,000 for Investors who rely upon the minimum investment exemption under NI 45-106 (the "<b>Minimum Commitment</b>"), although the General Partner reserves the right to accept Minimum Commitments of lesser amounts from accredited investors.</p>
<p><b>Closing:</b></p>	<p>An initial closing for Initial Investors will be held as soon as practicable (the "<b>Initial Closing</b>"). Subsequent closings (each, a "<b>Subsequent Closing</b>" and collectively, the "<b>Subsequent Closings</b>") may be held at the discretion of the General Partner, provided that the final closing of all Subsequent Closings (the "<b>Final Closing</b>") will occur no later than six months following the Initial Closing, or later at the discretion of a majority in interest of Limited Partners.</p>
<p><b>Investors Participating in Subsequent Closings:</b></p>	<p>Investors admitted at any Subsequent Closing occurring after the initial draw down of capital (which will occur on the Initial Closing as outlined below) will be required to pay to the Partnership at such closing, an amount equal to the Minimum Commitment. In addition, the General Partner, may at its sole discretion, require such Investors to pay to the Partnership a portion of their respective Commitments that would have been drawn down had they been Investors from the time of the Initial Closing from the date of initial drawdown to the relevant date of payment, on their proportionate share of the original cost of any investment in a Portfolio Company (the "<b>Portfolio Investments</b>") made prior to such Subsequent Closing, all offering and organizational expenses, other Partnership Expenses (as defined herein) and Management Fee (as defined herein), if any.</p>

<b>Term:</b>	The term of the Partnership will be seven years from the Final Closing, but may be extended for up to three consecutive one-year periods at the sole discretion of the General Partner.
<b>Commitment Period:</b>	<p>At the sole discretion of the General Partner, capital calls (“<b>Capital Calls</b>”) may be made from the Initial Closing, from time to time, until the earlier to occur of (i) the third anniversary of the date of Final Closing; (ii) the date of the initial drawdown of committed capital by a Subsequent Fund (as defined herein), and (iii) the date specified by the General Partner at such time as 90% of the Commitments have been invested (or have been committed to be invested) or have been reserved for follow-on investments, operating expenses of the Partnership or Management Fee, if any (the “<b>Commitment Period</b>”) Thereafter, Investors will be released from any further obligation with respect to their undrawn Commitments. In no event will an Investor be required to make a capital contribution in an amount in excess of its unfunded Commitment, except as provided for under applicable law or where the assets of the Partnership are insufficient to cover the indemnity obligations owed to an Indemnitee (see “Indemnification” below).</p> <p>The Commitment Period may be extended, abridged or terminated at the sole discretion of the General Partner, and is immediately terminated upon the dissolution of the Partnership.</p>
<b>Drawdowns:</b>	Capital will be drawn down proportionately from Commitments on an as-needed basis, with a minimum of 10 business days’ prior notice to the Investors. The General Partner shall in its sole discretion determine how much of the Investor’s Commitments to draw down at a Subsequent Closing.
<b>Allocation of Investment Opportunities:</b>	During the Commitment Period, the General Partner and the Manager (if applicable) shall present to the Partnership, on an exclusive basis, all investment opportunities that could reasonably be expected to fit with the Partnership’s investment objectives and be within the scope and purpose of the Partnership.
<b>Indebtedness:</b>	The General Partner has the sole discretion to incur indebtedness on behalf of the Partnership.
<b>Reinvestment:</b>	Disposition Proceeds (as defined herein) will not be subject to reinvestment. Current Income (as defined herein) may be reinvested.
<b>Co-investment Policy:</b>	The General Partner may, at its sole discretion, provide co-investment opportunities to Investors or any third parties.
<b>The Manager:</b>	The General Partner will engage Tactex Asset Management Inc. (the “ <b>Manager</b> ”) to carry out its duties, including but not limited to the management of the Partnership on a day-to-day basis, management of the Partnership’s portfolio and distribution of the Units, but the General Partner will remain responsible for supervising the

	Manager's activities on behalf of the Partnership.
<b>Management Fee:</b>	No management fee is payable by the Partnership to the Manager.
<b>Allocation of Profits and Losses:</b>	All items of income, gain, loss and deduction will be allocated among the Limited Partners by the General Partner <i>pro rata</i> according to the Commitments of each Limited Partner.
<b>Distributions:</b>	<p>In general, current cash received from fees, dividends and interest in respect of Portfolio Investments, net of Partnership Expenses, Management Fees and appropriate reserves for current or anticipated liabilities (“<b>Current Income</b>”), may be reinvested. Net cash proceeds from the sale of Portfolio Investments (“<b>Disposition Proceeds</b>”) will be distributed as soon as practicable after receipt thereof.</p> <p>The General Partner will be entitled to withhold from any distributions, in its sole discretion, appropriate reserves for expenses and liabilities of the Partnership, as well as for any required tax withholdings. Amounts required to be withheld for taxes will be treated as distributions for purposes of the calculations described below.</p> <p>Distributions of Disposition Proceeds and Current Income will be made among the Limited Partners by the General Partner <i>pro rata</i> according to the Commitments of each Limited Partner.</p> <p>Distributions prior to the termination of the Partnership may only take the form of cash or marketable securities. Upon termination of the Partnership, distributions may also include restricted securities and other assets of the Partnership in respect of which the General Partner will conduct a valuation.</p>
<b>General Partner Expenses:</b>	The General Partner will be reimbursed by the Partnership for all of its day-to-day operating expenses and administrative expenses, including, expenses incurred for rent, furnishings, utilities, supplies, general marketing and other overhead expenses and, compensation of employees and any travel and accommodation expenses not related to a Portfolio Company, Portfolio Investment or a prospective Portfolio Company or Portfolio Investment. As outlined below, the General Partner will also be entitled to reimbursement from the Partnership for all costs actually incurred by it in connection with the organization of the Partnership and the ongoing activities of the Partnership.
<b>Partnership Expenses:</b>	Except as otherwise specifically provided herein, the Partnership will pay all expenses (“ <b>Partnership Expenses</b> ”) directly related to its own operations, including (a) all expenses of custodians, legal counsel, accountants (including auditors retained to conduct audits), professional advisors and service providers retained by the Partnership for Partnership purposes; (b) subject to “Indemnification” below, all indemnification amounts paid to an Indemnatee (as defined herein) and all expenses relating to litigation or to the enforcement and protection of rights relating to the

	Partnership and all expenses of the General Partner relating to directors' and officers' insurance, (c) all taxes, fees or other governmental charges levied against the Partnership, (d) all Transaction Expenses (as defined herein), and (e) all expenses incurred in connection with the fulfillment of statutory or other compliance requirements and in connection with reporting to or communicating with Limited Partners and convening any meeting of Limited Partners.
<b>Transaction and Organizational Expenses:</b>	<p>The Partnership will reimburse the General Partner for the Organizational Expenses of the Partnership, which include all expenses (including legal, accounting, filing, printing, travel and related capital raising expenses) incurred in connection with the organization and funding of the Partnership and the establishment of the General Partner and its affiliates, as determined in good faith by the General Partner, provided that the General Partner shall use commercially reasonable efforts to abate such Organizational Expenses.</p> <p>As stated above, the Partnership is also responsible for Transaction Expenses of the Partnership and will reimburse the General Partner for the Transaction Expenses of the Partnership. "<b>Transaction Expenses</b>" means out-of-pocket expenses of the Partnership incurred by the General Partner or any of its Affiliates, on behalf of the Partnership, other than those contemplated in General Partner Expenses mentioned above, in connection with identifying, evaluating, negotiating the terms of, acquiring, financing and/or refinancing, realizing upon, protecting and disposing of any interest in any Portfolio Companies or potential Portfolio Company (whether or not the transaction closes), including travel and accommodations, the cost of third party accounting, legal, investment banking, engineering, marketing and other advisors or consultants and fees (including brokers' fees) payable to third parties, in each case where such expenses are not reimbursed to the Partnership.</p>
<b>Transfer and Withdrawal:</b>	An Investor may not sell, assign or transfer any of its Units without the prior written consent of the General Partner, which the General Partner may grant or withhold in its sole and absolute discretion. Transfers to an affiliate or a family member do not require the General Partner's consent. Further, an Investor may not withdraw any amount from the Partnership.
<b>Reports:</b>	<p>Within 90 days of the end of each fiscal year, the General Partner will furnish each person who was an Investor at the end of such fiscal year a report summarizing the status of the activities of the Partnership as at the end of such fiscal year, including (i) a description of the directional performance of each Portfolio Investment together with a narrative prepared by the General Partner with respect to each Portfolio Company's results of operations, (ii) the value of each Portfolio Investment of the Partnership as determined by the General Partner as at the end of the fiscal year and (iii) the audited financial statements of the Partnership for such fiscal year.</p> <p>The General Partner shall retain an auditor to review and report to the Limited Partners on the financial statements of the Partnership for and as at the end of each</p>

	<p>fiscal year of the Partnership. The initial auditor of the Partnership will be an auditing firm appointed by the General Partner in its sole discretion.</p> <p>Within 45 days of the end of each of the first three quarters of each fiscal year, the General Partner will deliver to each person who was an Investor at the end of each such quarter a report (i) describing the performance of each Portfolio Investment and Portfolio Company together with a narrative analysis prepared by the General Partner with respect to each Portfolio Company’s results of operations; and (ii) setting forth the value of each Portfolio Investment of the Partnership as determined by the General Partner as at the end of each quarter.</p>
<p><b>Subsequent Funds:</b></p>	<p>The General Partner and its affiliates may not establish a new fund (a “<b>Subsequent Fund</b>”) with investment objectives and an investment strategy substantially the same as those of the Partnership until the earlier of (i) the date on which at least 90% of the Partnership’s aggregate Commitments have been invested, committed to be invested or reserved for follow-on investments or expenses of the Partnership, (ii) the end of the Commitment Period, and (iii) the dissolution of the Partnership.</p>
<p><b>Indemnification:</b></p>	<p>The General Partner, and its officers, directors, agents, shareholders and affiliates, the Manager and any other person who serves at the request of the General Partner on behalf of the Partnership as an officer, director, partner, employee or agent of any other entity (in each case, an “<b>Indemnitee</b>”) will be indemnified, held harmless and reimbursed out of the assets of the Partnership, for any loss, damage, liability or expense incurred by such Indemnitee or to which such Indemnitee may be subject by reason of its activities on behalf of the Partnership or in furtherance of the interest of the Partnership or otherwise arising out of or in connection with the Partnership and its Portfolio Companies, except that this indemnity will not apply to (i) losses arising from any Indemnitee’s own fraud, wilful misconduct, gross negligence or the material violation of applicable laws, (ii) economic losses incurred by any Indemnitee as a result of such Indemnitee’s ownership of an interest in the Partnership or in Portfolio Companies, (iii) losses arising from expenses of the Partnership that an Indemnitee has agreed to bear or (iv) losses arising from a claim or proceeding by certain other Indemnitees.</p> <p>If the assets of the Partnership are insufficient to cover the indemnity obligations, each Investor will be required to return to the Partnership, <i>pro rata</i>, amounts previously distributed to such Investor, up to an amount equal to the lesser of (i) 50% of the aggregate distributions received by the Investor and (ii) 25% of the Commitment made by an Investor. No Investor will be required to return any such previously distributed amounts after the third anniversary of the distribution unless the General Partner provides written notice to the Investors of an indemnity claim prior to such third anniversary.</p>

<p><b>Default Provisions:</b></p>	<p>If an Investor defaults in respect of its unfunded Commitment (a “<b>Defaulting Investor</b>”), the Partnership may take one or more of the following actions at the direction of the General Partner (and the Defaulting Partner will not participate in any such determination):</p> <p>(i) charge the Defaulting Investor with interest on the amount due at the prime rate quoted or published by the Royal Bank of Canada or any successor thereto at 12:00 p.m. (ET) on a business day plus 10% with any distributions to which such Investor would otherwise be entitled to be reduced by the amount of such contribution shortfall and interest;</p> <p>(ii) determine that the Defaulting Investor shall have no right to receive any allocation of income, gain or losses or to receive any distribution of funds from the Partnership until such default is fully remedied and all amounts for which the Defaulting Investor may be liable have been fully satisfied;</p> <p>(iii) cancel the Capital Call which gave rise to the default or make an additional Capital Call to the remaining Investors (the “<b>Non-Defaulting Investors</b>”) in order to fund the amount represented by the default;</p> <p>(iv) offer (A) the Non-Defaulting Investors the option to purchase <i>pro-rata</i> the Units held by the Defaulting Investor for a purchase price equal to 30% of the book value of the Defaulting Investor’s Units, and (B) thereafter, the General Partner at its sole discretion, may offer itself, the Non-Defaulting Investors and third parties the option to purchase the remaining Units (if any) held by the Defaulting Investor for a purchase price equal to 30% of the book value of the Defaulting Investor’s Units; or</p> <p>(v) cause the Units of the Defaulting Investor to be forfeited and thereafter transferred 80% <i>pro rata</i> to the Non-Defaulting Investors and 20% <i>pro rata</i> to the General Partner.</p> <p>A Defaulting Investor will not participate in any vote related to the Partnership, and any such vote shall be made as if such Defaulting Investor was not a Partner. Any such vote will be binding on such Defaulting Investor.</p> <p>The Defaulting Investor shall indemnify and hold harmless the General Partner, the Partnership, each of the other Investors and the Manager in respect of any losses sustained or incurred in connection with or arising as a result of a default, including, where the Capital Call was made in connection with a proposed investment, the deposits forfeited or damages payable by the Partnership as a result of its inability to complete the proposed transaction.</p>
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<p><b>Replacement of the General Partner and Manager:</b></p>	<p>Except upon the bankruptcy, dissolution, resignation or winding-up of the General Partner, the General Partner may not be removed unless replaced for cause pursuant to a vote representing at least 66⅔% of the interests of the Investors and a substitute general partner is appointed pursuant to a vote representing at least 50% of the interests of the Investors. For purposes hereof, “cause” shall mean the fraudulent actions or gross negligence of the General Partner in performing its obligations hereunder.</p>
<p><b>Investment Risks and Other Considerations:</b></p>	<p>An investment in the Partnership gives rise to a number of risks and uncertainties. Prospective investors should review carefully the investment risks and other considerations described in the Subscription Agreement.</p>
<p><b>Statutory Rights of Action and Rescission</b></p>	<p>Securities legislation in certain of the provinces and territories of Canada provides purchasers with, in addition to any other right they may have at law, rights of rescission or damages, or both, where an offering where an offering memorandum and any amendment thereto, and in some cases, advertising and sales literature used in connection therewith, contains a “misrepresentation”. If this term sheet and any amendment thereto, (and in some cases, advertising and sales literature used in connection therewith) is construed as an offering memorandum under applicable securities legislation, and contains a misrepresentation, purchasers may therefore have statutory rights of action or rescission granted to them under applicable securities law. Attached to Schedule A to this term sheet is a summary of the rights of rescission or damages, or both, that may be available to investors under the securities legislation of Ontario.</p> <p>Securities legislation in Québec does not currently provide or require the Partnership to provide to investors resident in these jurisdictions any rights of action if an offering memorandum, any amendment hereto or any document incorporated herein by reference, contains a misrepresentation.</p>

## **SCHEDULE A**

### **STATUTORY RIGHTS OF ACTION AND RESCISSION**

#### **Rights of Action for Damages or Rescission**

Securities legislation in certain of the provinces and territories of Canada provides purchasers with, in addition to any other right they may have at law, rights of rescission or damages, or both, where this term sheet may be construed as an offering memorandum pursuant to securities legislation in provinces and territories of Canada, and any amendment thereto, and in some cases, advertising and sales literature used in connection therewith, contains a Misrepresentation. Misrepresentation means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated, or that is necessary to make a statement not misleading in the light of the circumstances in which it was made. However, such rights, remedies or notice with respect thereto, must be exercised by the subscriber within the prescribed time limits under applicable securities legislation. Further, such rights may depend on the particular private placement exemption being relied upon by the issuer. Purchasers should refer to the applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the rights of rescission or damages, or both, available to investors under the securities legislation of Ontario. Purchasers should refer to the applicable provisions of the securities legislation of their province of residence for the particulars of these rights or consult with a legal adviser. The rights discussed below are in addition to and without derogation from any other rights or remedies available at law to a purchaser of Units.

#### **Rights for Purchasers in Ontario**

In the event that an offering memorandum, together with any amendment hereto, delivered to a purchaser of Units resident in Ontario contains a misrepresentation and it was a misrepresentation at the time of purchase of Units by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such misrepresentation, a right of action against the Partnership for damages or, while still the owner of Units of the Partnership purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Partnership, provided that:

- (a) the right of action for rescission or damages will be exercisable only if the purchaser commences an action to enforce such right, not later than:
  - (i) in the case of an action for rescission, 180 days after the date of purchase; or
  - (ii) in the case of an action for damages, the earlier of (A) 180 days following the date the purchaser first had knowledge of the misrepresentation, and (B) three years after the date of purchase;
- (b) the Partnership, will not be liable if it proves that the purchaser purchased the Units with knowledge of the misrepresentation;

- (c) in the case of an action for damages, the Partnership will not be liable for all or any portion of the damages that it proves does not represent the depreciation in value of the Units as a result of the misrepresentation relied upon;
- (d) the Partnership will not be liable for a misrepresentation in forward-looking information if the Partnership proves:
  - (i) that the offering memorandum contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information;
  - (ii) the reasonable cautionary language and disclosure of material factors appear proximate to the forward-looking information; and
  - (iii) the Partnership has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information; and
- (e) in no case will the amount recoverable in any action exceed the price at which the Units were offered.

The foregoing rights do not apply if the purchaser is:

- (a) a Canadian financial institution (as defined in NI45-106) or a Schedule in bank;
- (b) the Business Development Bank of Canada incorporated under the Business Development Bank of Canada Act (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The foregoing summaries are subject to the express provisions of the *Securities Act* (Ontario) and the regulations and policy statements thereunder, and reference is made thereto for the complete text of such provisions.