

Syndicate Agreement

1. The undersigned and any persons who may be admitted to membership hereby constitute themselves as a syndicate under the name of Formula Growth Fund, for the purposes of investing in marketable securities primarily in the United States. It is acknowledged that Formula Growth Fund is treated as a mutual fund trust for the purposes of the Income Tax Act (Canada) and the Taxation Act (Quebec).

2. The syndicate members agree and do hereby subscribe to a trust fund, to be known as the "Fund", the said Fund to be deposited with the Custodian (as hereinafter described), and to be administered by the Manager (as hereinafter described), the amounts set opposite their respective names. Each member's interest in the Fund shall be pro rata to its investment, and shall be described in terms of units. The Fund shall be operated and managed by the Manager, in accordance with, and the rights and duties of the syndicate members and the Manager shall be as set forth in the following articles.

3. For all purposes of the operation of the Fund, the net asset value of each unit shall be determined by the Manager twice a month at the close of business on the fifteenth (15th) day of each month or, in the event that such fifteenth day is not a business day, then the business day immediately preceding such fifteenth day, and at the close of business on the last business day of each month. The day on which the net asset value is to be determined is sometimes herein called the "valuation date".

Net asset value of the Fund shall be determined by valuing, in accordance with the rules hereinafter set forth, the investments held by the Fund and adding thereto the uninvested cash and deducting from the total of the foregoing, all fees and expenses due or accrued which are chargeable to the capital of the Fund.

The following rules shall apply to the valuation of the investments held in the Fund:

- a. Securities listed or admitted to trading on a national securities exchange shall be valued at the last sale price on the valuation date.
- b. Securities traded in the over the counter market shall be valued at the "last trade" price as reported by the quotation system of such market as of the valuation date.
- c. Provided, however, that if any investment cannot be valued pursuant to the foregoing rules, or if, in the Manager's reasonable opinion, the foregoing rules do not accurately reflect the value of the investments in particular circumstances, then the Manager shall make such valuations as it considers fair and reasonable.

Net asset value of each unit shall be determined by dividing the net value of the Fund as set forth above by the number of units outstanding in the Fund on the valuation date, and adjusting the result to the nearest full cent per unit.

4. Any Syndicate member may withdraw from the Fund on the day of the mid month or the end of month valuation of net asset value (as referred to in paragraph 3) an amount equal to the net asset value on the withdrawal date of one or more units held by him by giving written notice to the Manager at the address of the Manager in either Montreal, Quebec or Toronto, Ontario or other such place as the Manager may determine (the whole as contemplated by paragraph 11); such notice shall be given by prepaid registered post and shall be received at least ten (10) days prior to the withdrawal date. The said notice shall state the number of units which it is prepared to withdraw. Payment for the units so withdrawn shall be made within seven (7) days of the date of the computation of the net asset value upon which that withdrawal is based; such payment shall be made either in Canadian currency or, with the consent of the member, in US currency or by the delivery of "portfolio securities", the whole in accordance with National Policy Statement No. 39 (or any successor Policy Statement). Notwithstanding the foregoing, where the Manager reasonably considers that (i) the amount of

redemptions requested would result in a disorderly liquidation of the Fund's investments or (ii) there exists a state of affairs that is outside the normal course of business as a result of which the disposal of the Fund's investments is not reasonably practicable or would not determine fairly the value of its assets, then the Manager shall have the right, in its discretion, to delay the withdrawal date for up to two additional valuation dates.

5. All cash and securities forming part of the Fund shall be deposited with a Canadian chartered bank as custodian or any other recognized custodian which the Manager may designate. In the purchase or sale of securities, the Manager may employ such stockbrokers or other agents as it may determine. The Manager shall not be responsible for the acts of the custodian or agents. The fees and expenses of the Custodian shall be charged to the Fund.

6. Subject to the provisions of article 7, the assets of the Fund shall be used by the Manager in its sole discretion in the purchase outright of shares, bonds, stocks, debenture stock or other marketable securities. The Manager will use its best judgment in the investment and re investment of the assets of the Fund. The management of the syndicate and the Fund shall be at the sole discretion of the Manager. It is understood and agreed that in providing the sales and management services to be performed or provided by the Manager or any director or employee of the Manager, it or he or she will not be liable for any error in judgment or mistake of law or for any loss suffered by the Fund or its unitholders in connection with such services except losses, damages, costs and expenses suffered, paid or incurred by the Fund resulting from negligence or default on the part of the Manager or any director or employee in the performance of the said services.

The syndicate shall indemnify the Manager and each director or employee thereof from and against all costs, charges and expenses whatsoever that the Manager or any director or employee thereof may sustain or incur in or about any action, suit or proceeding that is or may be brought, commenced or prosecuted against the Manager or any such director or employee, for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by the Manager or any such director or employee in or about the execution of the duties of the Manager, except such costs, charges, or expenses as are occasioned by its or his or her own negligence or default.

7. In the exercise of its powers covered under paragraph 6, the Manager shall purchase all securities outright; shall not sell securities short, nor make purchases with a view to taking short term profits nor invest more than 20% at cost, of the assets of the Fund in securities of any one company, concern enterprise and not more than 25% at cost of the said assets in any one country other than the United States of America or Canada

8. In each year, the net income and capital gains (each calculated in accordance with applicable tax legislation) shall be allocated by the Manager to each syndicate member, pro rata in accordance with the weighted average number of units held by such member in the relevant year. It is acknowledged that the net income and capital gains will be allocated on all units subscribed, even though it may have been accrued or realized in whole or in part prior to the subscription date.

Effective as of and from January 1, 1972, each syndicate member shall have the right to demand payment of such member's pro rata share of the net income and capital gains earned by the Fund in any year; such demand shall be made by the member in accordance with the provisions of paragraph 10 hereof and, in default of such demand, the net income and capital gains shall be re invested at the discretion of the Manager but at no charge to the syndicate members to the extent permitted by applicable tax legislation, allowable capital losses incurred by the Fund in any year shall be applied to reduce the capital gains and income of the Fund for such year and for subsequent years.

9. The Manager shall receive a monthly management fee of one twelfth of one per cent of the net asset value of the Fund determined monthly in accordance with Article 3 hereof and said fee (plus all applicable taxes such as GST, PST) shall be payable monthly out of the assets of the Fund. The fee shall be net to the Manager and shall be free from deduction of all brokerage commissions and other expenses applicable to the operation of a brokerage or agent's account except that in determining the net asset value of a unit for this purpose (which net asset value shall be decreased by the amount of

the fee), the monthly fee shall not be treated as a liability or expense of the Fund. All other normal expenses of the Fund, including but not limited to bookkeeping, auditing, telephone, stationery, travel and salaries, shall be borne by the Manager.

10. The syndicate members shall receive from the Manager quarterly unaudited reports and an annual audited report, consisting of a balance sheet as of the end of the fiscal year, statements of income, retained earnings and changes in net assets for the year in question, all in respect of the Fund.

The syndicate members shall also receive from the Manager within 90 days from the end of the fiscal year, the forms prescribed by the income tax authorities reflecting the net income and realized capital gains of the Fund allocated to the syndicate members on all the units owned by them in the Fund; any member who wishes to receive his share of net income and capital gains as provided in paragraph 8 and as set forth on the above prescribed form must so advise the Manager in writing during such year or before the expiry of 30 days from the date of mailing by the Manager of the said annual audited report.

11. The Fund shall at all times be managed by FORMULA GROWTH LIMITED, a corporation incorporated under the laws of Canada (the "Manager").

The Manager shall maintain or cause to be maintained, in the cities of Montreal, Quebec and Toronto, Ontario, and such other place or places as the Manager may determine, such offices, place of business or branch registers as may be necessary in order to permit the redemption and withdrawal of units in such places. The Manager shall, from time to time, give notice to the syndicate members of the addresses of such offices, places of business or branch registers.

12. The signing officers of the syndicate shall consist of such persons as may be designated by the directors of the Manager from time to time. The signing officers may negotiate, enter into, execute and complete any agreement, contract or other arrangement on behalf of the syndicate and bind the syndicate thereto within the scope of this agreement and any person, company, firm, or other concern dealing with the syndicate may be entitled to treat the signing officers as duly authorized to act on behalf of the syndicate without any further evidence of authorization. The Custodian shall not receive securities or disburse funds without the authorization of the proper officers.

13. New members may be admitted to the syndicate by consent of the Manager and by subscription for units of the Fund. The prices of subscription per unit shall be equal to the net asset value of such unit at the date of subscription. Additions to membership and subscriptions for units can be made only on the date in the middle of each month when net asset value is computed or on the last business day of each calendar month. Each new syndicate member shall signify his adherence to this agreement by written acknowledgement thereof or such other form as may be approved by the Manager. The Manager reserves the right in its sole discretion to accept or reject applications for admission to the syndicate and to accept or reject subscriptions for units; the decision to accept or reject subscriptions will be exercised promptly and in any event within two (2) business days of receipt of the subscription; in the case of a rejection of the subscription, all monies received with the subscription will be refunded to the subscriber immediately.

14. The rights and obligations of a syndicate member under this agreement shall be personal to him and shall be non assignable (except with the consent of the Manager as hereinafter contemplated) and the certificate (if any) referred to in Article 15 shall be non transferable and non negotiable, except with the prior consent of the Manager, which consent may be granted or withheld by the Manager in its sole discretion; provided, however, that the units held by any syndicate member may be pledged with a Canadian chartered bank or other lending institution approved by the Manager as collateral security for any debt of the said syndicate member towards the said bank or lending institution; the Manager shall not be bound to recognize such pledge unless it shall have received notice in writing of such pledge, and shall have acknowledged same in writing. Subject to the foregoing, the said bank or lending institution shall have the right to realize upon its security by redeeming and withdrawing from the Fund all or any of the units represented by the pledged

certificate, the whole in accordance with Article 4 of this agreement; the Manager, upon production of the necessary documentation instructions and proof shall be authorized to pay the appropriate amount due against the withdrawn units directly to the said bank or lending institution.

15. The Manager shall maintain books and records evidencing the number of units in the Fund for which each syndicate member has subscribed. Upon subscription, and acceptance thereof by the Manager, the Manager shall confirm to the syndicate member the number of units for which he or she has subscribed. The books and records of the Manager shall be conclusive evidence of the number of units held by each syndicate member. The Manager may, but shall not be obliged to, issue certificates reflecting and representing the appropriate number of units in the Fund. The certificate shall be in a form to be determined by the Manager and shall be in registered form and be certified by an Officer of the Manager. The syndicate member, by the mere fact of subscription shall agree to be governed by the terms of the agreement.

16. This agreement may be amended by the Manager. The text of such amendment shall be sent forthwith to each syndicate member together with a notice to the effect that unless objections to the terms of such amendment are received by the Manager from the syndicate members holding at least fifty per cent (50%) of the units outstanding within thirty (30) days of the mailing of such notice by pre paid ordinary mail the said amendment shall be valid and become a term of this agreement.

17. This agreement may be terminated and the Fund may be liquidated and distributed by the Manager by not less than thirty (30) days written notice to the syndicate members given by pre paid registered mail sent to their addresses and by forwarding to each of them a cheque for their pro rata share for the net assets of the liquidation.

18. Notwithstanding anything to the contrary set forth in this agreement, the Manager in its operation and management of the Fund and the Fund itself and each individual syndicate member expressly agrees to be bound by and observe all Policy Statements, whether national or local, guidelines, decisions, objectives and requirements adopted, approved, adhered to or required by the Quebec Securities Commission, as such Policy Statements, decisions, objectives, guidelines, and requirements may exist from time to time. Upon request, the Manager of the Fund will provide any syndicate member with a copy of such items, as they may affect either the Fund, the Manager or the member, the whole without charge.

19. There is no partnership created among the syndicate members, or the syndicate members and the Manager, or any of them. No syndicate member shall be liable for the acts of the Manager or of any other syndicate member.

20. The parties have required that this Agreement and all instruments relating hereto be in the English language; les parties ont exigé que la présente convention et tout autre document afférent aux présentes soient en langue anglaise.