



March 12, 2021

Mr. Terry Dennis
Chair
Crown and Central Agencies Committee
Room 7, Legislative Building
REGINA, SASKATCHEWAN S4S 0B3

Dear Mr. Dennis:

It has come to our attention that an executed letter responding to requested undertakings from the CIC appearance at the Standing Committee on Crown and Central Agencies on March 4, 2020 was not received. With apologies for the oversight and delay, please find the requested information attached.

On March 4, 2020, at the meeting of the Standing Committee on Crown and Central Agencies, CIC was asked to provide:

1. A breakdown of STC employees when STC closed down (by community not by individual name);
2. Number of executive positions lost when STC wound down;
3. Copy of the Muskowekwan Resources Ltd. ('MRL') Loan Agreement;
4. MRL Financial Statements going back three years;
5. Information regarding Westcap and conversations it had with Infinite Investments with respect to securing the remaining assets of Brigden/Force Energy;
6. List of the current inventory of the Infinite Investments asset security;
7. Westcap management contracts for the First Nations & Metis Fund ('FNMF') and the First Nations Business Development Program ('FNBBDP'); and
8. Extant guidelines from the inception of the FNBBDP or FNMF that pertain to the prevention of 'flipping' properties.

The answers to the members' questions are noted below in the corresponding number:

1. On March 22, 2017 (announcement day) there were 224 employees (Regina had 115 / Saskatoon had 90 / Prince Albert had 19).
2. 8 positions were mentioned, but in fact that number should be 6.
3. The loan agreement cannot be released because MRL is a private company and the document is confidential.
4. The Financial Statements cannot be distributed because MRL is a private company and the documents are confidential.

5. Westcap had a phone conversation with Infinite Investments on this topic prior to December 2019. The assets are under Force Energy's control. FNMf has legal right to any proceeds from the sale of those assets through Infinite Investments, which ensures that any sale proceeds are paid to the FNMf. An external auditor audits the financial statements of FNMf annually, which includes confirming that the investments exist and are valued correctly. The Provincial Auditor reviews the external auditor's audit findings.
6. The current inventory of assets includes:
 - One 2007 Dodge 3500 RAM Crew Cab 4X4 Dually Pickup;
 - One 2007 Dodge 3500 RAM Crew Cab 4X4 Pickup;
 - One 2007 Dodge 2500 RAM Crew Cab 4X4 Pickup;
 - Twenty-two 2011 Magnum MLT5200 Portable Light Towers;
 - Ten 2011 Magnum MLT5080K Portable Light Towers;
 - Ten 2009 Magnum MLT5080K Portable Light Towers;
 - One 2009 Magnum MLT5080K Portable Light Tower Part; and
 - Two OTG 24 X 24 FT X 7 FT T/A Portable Field Offices.
7. Please find attached a copy of:
 - FNMf Management Services Agreement ('MSA') dated 23 October 2006;
 - FNMf Amendment to MSA dated 1 June 2018;
 - FNMf Amendment to MSA dated 31 December 2019;
 - FNB DP MSA dated 1 January 2011; and
 - FNB DP Amendment to MSA dated 1 January 2018.

In adherence to *The Freedom of Information and Protection of Privacy Act* (FOIPPA), names of individuals have been removed to protect personal privacy. Certain financial data sensitive to the corporate comportment of Westcap has also been removed.

8. No guidelines were developed. Through legal research and conversations with CMHC and Genworth Canada, Westcap determined that there was minimal risk of flipping in the affordable housing space.

I trust this information answers the committee's questions fully. We are pleased to provide this information in our efforts to be fully transparent regarding FNMF, FNBDP and all other funds managed by Crown Investments Corporation.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Don Morgan', with a stylized flourish extending to the right.

Don Morgan, Q.C.
Minister of Crown Investments

Enclosure

cc: Erika Ritchie, Deputy Chair, Standing Committee on Crown and Central Agencies
Kent Campbell, President and CEO, CIC
Cindy Ogilvie Vice-President & CFO, CIC
Brian Gyoerick, Vice-President, CIC
Tim Highmoor, Vice-President, CIC



CROWN INVESTMENTS CORPORATION
OF SASKATCHEWAN

June 27, 2018

Vice-President
Westcap Head Office
830, 410 22nd Street East
REGINA SK S7K 5T6

Re: Consulting Agreement

Dear

Enclosed are two copies of Consulting Agreement between Crown Investments Corporation, First Nations and Métis Fund Inc. and yourself.

Please sign both copies, return one copy to me at Crown Investments Corporation and retain one copy for your records. Thank you.

Sincerely,

Administrative Co-ordinator

Enclosures

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT dated for reference the 23 day of October, 2006.

BETWEEN:

FIRST NATIONS AND MÉTIS FUND INC.,
(hereinafter referred to as the "FNMF")

- and -

WESTCAP MGT. LTD.,
a corporation incorporated under *The Business Corporations Act* (Saskatchewan);
(hereinafter referred to as the "Fund Manager")

WHEREAS FNMF wishes to engage the Fund Manager to provide management services for and on behalf of FNMF and the Fund Manager is willing to provide such services on the terms and conditions herein provided;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 **DEFINITIONS.** In this Agreement, and the recitals hereto, except as otherwise expressly provided or as the context otherwise requires, the following words and phrases will have the meanings hereinafter set forth:

- (a) "Affiliate" means in respect of any Person, any other Person which, directly or indirectly is controlled by, controls or is under direct or indirect common control of such first Person;
- (b) "Agreement", "this Agreement", "hereto", "hereof", "herein", "hereunder", "hereby" and similar expressions referred, unless otherwise expressly stated mean this Management Services Agreement, including the recitals and any schedules or appendices hereto, as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, and not to any particular article, section, paragraph or other subdivision hereof;
- (c) "Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments and decrees of governmental bodies;

- (d) "Associate" shall have the meaning ascribed to it under in section 2(1) of *The Business Corporations Act*;
- (e) "Auditors" means the duly appointed auditors of FNMF;
- (f) "Base Fee" has the meaning given in Section 6.1 hereof;
- (g) "Business Day" means a day other than a Saturday, Sunday or any other day on which the principal commercial banks located at the City of Saskatoon are not open for business during normal banking hours;
- (h) "Calculation Valuation Report" means a valuation report as defined in Standard 110 of the Canadian Institute of Chartered Business Valuators;
- (i) "Carried Interest Bonus" has the meaning given in Section 6.3 hereof;
- (j) "Carried Term" means a period of five years, with the first Carried Term commencing on the Closing Date and ending on December 31, 2011;
- (k) "Closing Date" means September 30, 2006;
- (l) "Cost" means the amount that can be reasonably considered as the principal amount invested by FNMF in a Fund Investment including any unrecovered costs and expenses paid by FNMF directly related to the placement of the Fund Investment;
- (m) "Board" means the duly appointed Board of Directors of FNMF;
- (n) "Fiscal Year" means the fiscal year of FNMF;
- (o) "Fund Business" means FNMF's business of providing equity and loans in the range of \$1 million to \$3 million per Investee to First Nations and Métis entrepreneurs;
- (p) "Fund Investment" means an investment by FNMF in Securities issued by a third party that is not a Short-Term Investment;
- (q) "GAAP" means the accounting principles recommended by the Canadian Institute of Chartered Accountants as set forth from time to time in the "CICA Handbook";
- (r) "Holdback Account" has the meaning given in Section 6.4 hereof;
- (s) "Hurdle Rate" has the meaning given in Section 6.5 hereof;
- (t) "Hurdle Return" means, in relation to each Fund Investment, the dollar amount at a particular time (the "Determination Time") necessary to realize a return on the aggregate Cost of the Fund Investment equal to the Hurdle Rate compounded annually over the period of time commencing on the date of the first advance to the Investee on account of the Fund

Investment and ending on the Determination Time (calculated in accordance with principles generally accepted in the financial industry). Any partial year shall be pro-rated;

- (u) "Investment Committee" means the duly appointed investment committee of FNMF;
- (v) "Investee" shall mean any Person in which FNMF invests or proposes to invest;
- (w) "Liquidity Event" means the payment of cash or its equivalent from the disposition or realization or recovery on a Fund Investment or the payment of freely trading and unencumbered Securities to FNMF from the disposition of a Fund Investment to a third party and includes, without limitation:
 - (i) the sale of Securities issued by an Investee to an entity other than FNMF for cash; or
 - (ii) a public offering of an Investee which provides cash proceeds to FNMF;
- (x) "Major Amendment" means any change, amendment, waiver, consent, release, discharge or supplementary agreement to any Security or Securities in respect of any Fund Investment (not including increases to the amount of the Fund Investment) which would alter the terms and conditions upon which a Fund Investment is made, including, without limitation, changes in conditions precedent to such investment or loan being advanced or other changes to the terms and conditions of a Fund Investment in or loan to an Investee, or which would impair the net realizable value of a Fund Investment or FNMF's ability to realize on a Fund Investment, including, without limitation, changes to Security;
- (y) "Net Asset Value" means the net fair value of all of the assets of FNMF at a particular time calculated by determining and aggregating the fair value of each individual Fund Investment and that of any other assets of FNMF, including Short-Term Investments and then deducting the aggregate of:
 - (i) all outstanding liabilities of FNMF; and
 - (ii) accrued but unpaid distributions.
- (z) "Person" means an individual, corporation, body corporate, partnership, cooperative, syndicate, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative, or any Person that is a successor of any of the foregoing;
- (aa) "Proceeds of Disposition" means the net proceeds actually received by FNMF in relation to a particular Fund Investment, including any dividend or interest income, royalties, distributions, earnings and negotiation fees actually received by FNMF from a Fund Investment prior to a Liquidity Event, without adjustment for the time of payment, after deduction of any costs or expenses borne by FNMF directly related to the disposition or realization or recovery on the Fund Investment;

- (bb) "Realized Gain" means the actual absolute gain realized by FNMF from a Fund Investment (or portion thereof in accordance with Section 6.6) upon a Liquidity Event, determined by deducting from the Proceeds of Disposition arising from such Liquidity Event, the Cost of the Fund Investment;
- (cc) "Realized Loss" means the actual absolute loss, if any, realized from disposition of a Fund Investment (or portion thereof in accordance with Section 6.6) upon a Liquidity Event, determined by deducting from the Cost of the Fund Investment the Proceeds of Disposition arising from such Liquidity Event;
- (dd) "Security" or "Securities" includes:
- (i) any document, instrument or writing commonly known as a security;
 - (ii) any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any Person;
 - (iii) any document constituting evidence of an option, warrant, subscription or other interest in or to a security; and
 - (iv) any bond, debenture, mortgage, note or other evidence of indebtedness, share, stock, unit, unit certificate, participation certificate, certificate of a share or interest or reorganization certificate or subscription;
- (ee) "Senior Executive Management Team" means the senior executive team of the Fund Manager, consisting of: _____, Chief Executive Officer and Director;
_____, Executive Vice-President, Investments; _____, Vice-President and Director;
_____, Senior Investment Manager; _____, Investment Manager; and
_____, Investment Manager; and
- (ff) "Short-Term Investments" means any temporary investment of capital of FNMF pending placement in a Fund Investment or for working capital, liquidity purposes or other purposes.

1.2 INTERPRETATION. In this Agreement:

- (a) a word importing the masculine, feminine or neuter gender only, includes members of the other genders;
- (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (c) a reference to any act or regulation or to a provision thereof shall be deemed to include a reference to any act or regulation or provision enacted in substitution therefor or amendment thereof;
- (d) any reference to a currency is a reference to Canadian currency; and

- 1.3 **SEVERABILITY.** If any term, condition, covenant, obligation or other provision of this Agreement, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, condition, covenant, obligation or other provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, condition, covenant, obligation or other provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

2.1 APPOINTMENT. Subject to the provisions of this Agreement, FNMF hereby retains, engages and appoints the Fund Manager to manage the Fund Business on the terms and conditions herein contained. Notwithstanding the foregoing, FNMF is entitled to contract with other fund managers in the event that the Fund Manager is unable to act by reason of a conflict of interest or where the Fund Manager has been terminated as a result of a conflict pursuant to Section 8.5 hereof.

2.2 ACCEPTANCE. The Fund Manager hereby accepts the engagement and appointment referred to in Section 2.1 and agrees to provide the said services to FNMf, subject to the conditions herein set forth. The Fund Manager covenants and agrees to comply with all contractual obligations applicable to the operation of FNMf, insofar as shall be necessary and appropriate in respect of the performance of the Fund Manager's services hereunder. The Fund Manager shall provide the services of the necessary support personnel including at a minimum the equivalent of one and one-half (1.5) full-time financial analyst/managers, comprising in particular:

- (a) a minimum of the equivalent of % of the regular working hours of a member of the Senior Executive Management Team; and
- (b) the equivalent of position of a financial analyst of the Fund Manager.

2.3 REPRESENTATIONS AND WARRANTIES. The Fund Manager represents and warrants as follows:

- #450152

- (b) it has made all necessary registrations and filings under Applicable Law to carry out its services hereunder and will use its best efforts to maintain such registrations and filings to the extent required for the performance of its said services;
- (c) it is a corporation duly incorporated under *The Business Corporations Act* (Saskatchewan);
- (d) it is and will continue to be duly registered and qualified to carry on business and has the requisite authority, licences and permits to carry on the fund management on behalf of FNMF;
- (e) it has the capacity and corporate authority to act as Fund Manager of FNMF and to perform its obligations under this Agreement and such obligations do not and will not conflict with and are not and will not be prohibited by or represent a breach of any agreement to which the Fund Manager is a party or is otherwise bound; and
- (f) it will comply at all times with all Applicable Laws and if required, it shall become, and for so long as it remains the Fund Manager of FNMF remain, registered under *The Securities Act, 1988* (Saskatchewan) as an adviser in the categories of investment counsel and portfolio Fund Manager.

2.4 **SURVIVAL.** The representations and warranties of the Fund Manager in this Agreement shall survive the termination of this Agreement and regardless of any investigation by or on behalf of FNMF with respect thereto, shall continue for the benefit of FNMF for a period of two years thereafter.

2.5 **HEAD OFFICE.** It is a condition of the engagement and continued engagement of the Fund Manager in the provision of the services described in this Agreement that the Fund Manager shall maintain its head and principal office for the conduct of its business in the Province of Saskatchewan.

ARTICLE 3

SERVICES TO BE PROVIDED BY THE FUND MANAGER

3.1 SERVICES.

- (a) Subject to specific directions given to the Fund Manager from time to time by FNMF, the services of the Fund Manager shall consist of the general management and administration of the business and affairs of FNMF, including all required functions in the areas of investing, marketing, investor relations, information services, accounting and office management, and including without limitation, the following.
 - (i) promoting awareness of FNMF and its investment criteria in the investment community generally and among sources of potential investment referrals in particular;

- (ii) seeking out and identifying potential Investees, including by working with the Clarence Campeau Development Fund and the Saskatchewan Indian Equity Foundation and other organizations interested in promoting First Nations and Métis entrepreneurs to identify potential Investees;
- (iii) reviewing investment and reinvestment opportunities, negotiating investment transactions and submission to the Investment Committee and/or the Board for review, vetting and approval of all recommendations for investment and reinvestment (including follow-on investments) by FNMF;
- (iv) where possible and appropriate, in the opinion of the Fund Manager acting reasonably, working with representatives of the Clarence Campeau Development Fund and the Saskatchewan Indian Equity Foundation in order to provide training and build their capacity to review investment and reinvestment opportunities and to seek their participation in investment transactions;
- (v) monitoring investments (including, where appropriate, through directorships in Investees) and making submissions to the Investment Committee and/or the Board for review, vetting and approval of all recommendations for divestment and liquidation of any FNMF Investments and monitoring such divestment and liquidation activities;
- (vi) establishing an underwriting and due diligence framework;
- (vii) conducting all necessary research, studies, investigations and other efforts in the nature of due diligence, including all necessary dealings with financial, legal and other advisors, in respect of investments and prospective investments of the assets of FNMF;
- (viii) preparing unaudited financial statements for FNMF in accordance with GAAP applied on a consistent basis for each month in each Fiscal Year and providing such statements to FNMF within 30 Business Days from the end of that month;
- (ix) providing the Board, at the end of each three-month period in each Fiscal Year, a report on each Fund Investment highlighting material changes on an individual basis, which report will contain an estimated valuation of the investment or market value of the investment if in the form of a quoted security. Valuations of investments in Investees which are not publicly traded will be prepared by the Fund Manager in accordance with valuation guidelines approved by the Board and Generally Accepted Accounting Principles;
- (x) as of the end of each Fiscal Year, or more frequently if required by Applicable Law, ensuring that the Auditors review the internally prepared valuation of all Fund Investments as an aspect of the annual audit. If directed by the Board, the Fund Manager shall ensure that a chartered business valuator acceptable to the

Board is on the audit team. The Fund Manager shall supply to the Auditors such information as is necessary to conduct their work hereunder;

- (xi) investing monies in the name of FNMF from time to time;
 - (xii) maintaining accurate and complete records of all transactions of FNMF effected by the Fund Manager and preparing an annual report by a deadline specified by FNMF acting reasonably in respect of the operations of the FNMF in each year;
 - (xiii) attending to all necessary regulatory liaison, filings and reports;
 - (xiv) attending to all corporate, governance and regulatory requirements of FNMF;
 - (xv) maintaining accurate and complete accounting and other records of all transactions related to the services provided by the Fund Manager hereunder;
 - (xvi) doing any and all lawful acts and things that a reasonably prudent person in the position of the Fund Manager would do and that are necessary for the preservation, protection, improvement and enhancement in value of FNMF and repayment of investments made by FNMF;
 - (xvii) generally advising the Board and/or Investment Committee as to any matter which the Fund Manager considers relevant or material in connection with the operation of FNMF;
 - (xviii) placing all Securities and completing all security documents on behalf of FNMF in a reasonable and prudent manner, and not entering into or agreeing to any Major Amendment or supplement to the Securities or security documents or causing their release or discharge without the approval of the Investment Committee; and
 - (xix) providing such other services reasonably ancillary or complementary to the foregoing as may be necessary to effectively discharge the performance of the foregoing services and operate FNMF.
- (b) The Fund Manager shall provide reasonable access, on reasonable notice, to FNMF to all accounts, records and documents related to FNMF which are in its possession, and, at the request of FNMF, shall provide such information to the Auditors of the FNMF and to tax or regulatory authorities.
- (c) The Fund Manager agrees that, in the provision of its services, it shall not make any fundamental change in its policies or practices which would have any material adverse effect on its services hereunder, without obtaining the prior approval of the Board.

3.2 REPORTING.

- (a) Upon the commencement of the performance of its services and annually thereafter during the term of this Agreement, the Fund Manager will prepare operational plans (the "Operational Plans") for the approval of the Board. The Operational Plans will provide an outline of the general nature and structure of transactions that the Fund Manager intends to pursue, in accordance with the investment policies, objectives, strategies and restrictions of FNMF, over the forthcoming year or such further period of time as the Fund Manager, in consultation with the Board, may determine to be reasonable, regarding investment and other activities of the Fund Manager hereunder applicable to FNMF. The Operational Plans may take the form of rolling five-year plans and will outline the exit strategy for each Fund Investment. As part of the Operational Plans, the Fund Manager will provide to the Board a budget of anticipated costs and expenses relating to the performance of the Fund Manager's services which costs and expenses will be for the account of FNMF; and
- (b) The Fund Manager will provide quarterly reports to the Board on the status and results of its marketing, investment, performance management objectives and other activities and such other information respecting its services as the Board may reasonably require. Personnel of the Fund Manager will be available at all times upon reasonable notice for consultation with the Board. The Fund Manager will make available to the Board any studies and research reports which may be relevant to the assets of FNMF, other than those prepared specifically for a client of the Fund Manager other than FNMF.

3.3 LIMIT ON AUTHORITY. Notwithstanding anything in this agreement to the contrary, the Fund Manager shall have no authority to act for, represent, bind or obligate FNMF except as specifically provided or necessarily implied herein. Without limiting the generality of the foregoing, the Fund Manager shall have no right to make any investment, reinvestment, divestiture or liquidation decisions without the prior approval of the Investment Committee and/or the Board where appropriate.

ARTICLE 4
STANDARD OF CARE AND LIABILITY OF FUND MANAGER

4.1 STANDARD OF CARE.

- (a) The Fund Manager and its directors, officers, employees, agents and other representatives, shall exercise its powers and discharge its duties under this Agreement:
 - (i) honestly, in good faith and with integrity;
 - (ii) in a prudent and workmanlike manner and in accordance with good industry practice;
 - (iii) in the best interests of FNMF and with the utmost fairness towards FNMF;

- (iv) in accordance with the Applicable Laws; and
- (v) in accordance with this Agreement and any reasonable directions given by FNMF.

In performing its duties and obligations under this agreement, the Fund Manager (including its directors, officers, employees, agents and other representatives) shall be held to the standard of care of a reasonable and prudent Person in a similar business carried on in a comparable marketplace;

- (b) The performance of the Fund Manager will be reviewed annually, or more frequently, if requested by the Board. The annual (or more frequent) reviews are intended to provide the Board with the opportunity to assess comprehensively the performance of the Fund Manager over the preceding period and to raise with the Fund Manager any questions or concerns regarding the standard of performance of the Fund Manager services. The Fund Manager agrees that it will give effect to any adjustments or variations in the manner, timeliness or other aspects of the performance of its services required by the Board arising out of the performance reviews, provided that such adjustments or variations are not inconsistent with the terms of this Agreement. The annual review process shall in no manner limit the rights of FNMF to act under Article 8 herein;
- (c) Notwithstanding anything in this Agreement to the contrary, the Fund Manager acknowledges and agrees that the Fund Manager is a fiduciary of FNMF;
- (d) The Fund Manager acknowledges and agrees that all arrangements respecting investments made on behalf of FNMF shall provide that all loan payments, dividends, directors fees, negotiation and/or work fees and other remittances to be made by an Investee shall, except in the case of services provided by the Fund Manager to an Investee in a capacity other than as Fund Manager hereunder and amounts recovered by the Fund Manager from an Investee for out-of-pocket expenses of the Fund Manager, be paid exclusively to the account of FNMF. All Payments from Investees paid to or otherwise received by the Fund Manager for the account of FNMF shall, once received, be deposited promptly in bank accounts of FNMF; and
- (e) The Fund Manager will not be liable to FNMF for any loss sustained by reason of the adoption or implementation of any investment policy in accordance with the provisions of Article 5 or for the purchase, sale or retention of any Security, whether or not such purchase, sale or retention was based upon the investigation and research of the Fund Manager if such services have been performed to the standard of care described in Article 4 hereof. Nothing herein contained shall be construed to protect the Fund Manager against any liability to FNMF by reason of loss resulting from misfeasance, malfeasance, nonfeasance or negligence or failure to have met the standard of care applicable to its services set out herein, or any breach of this Agreement by the Fund Manager.

4.2 INDEMNITY BY FNMF:

- (a) FNMF agrees to indemnify and hold harmless the Fund Manager, its directors, officers, employees and agents (for the purposes of this Paragraph 4.2(a), an "Indemnified Party" or the "Indemnified Parties") from and against any and all losses, actions, suits, claims, damages or liabilities of any nature whatsoever (collectively, "Claims"), including the reasonable fees and disbursements of its, his or her counsel that may be incurred in defending any Claims that may be made or threatened against an Indemnified Party, insofar as such Claims arise out of or are based upon the services rendered by the Fund Manager to FNMF hereunder; provided however that FNMF shall not be liable under the foregoing indemnification provisions to the extent that any Claims result from an Indemnified Party's misfeasance, malfeasance nonfeasance or negligence or failure to have met the standard of care applicable to its services set out in Article 4 hereof, or any other breach of this agreement by the Fund Manager;
- (b) Each Indemnified Party will promptly, upon receipt of notice of any Claims against it, notify FNMF in writing of the receipt thereof and provide it with full particulars thereof to the extent known to the Indemnified Party;
- (c) FNMF will assume the defence of any Claims in respect of which an Indemnified Party claims indemnity hereunder provided that such Indemnified Party will be entitled to employ separate counsel at its own expense;
- (d) Where any director, officer, employee, agent or representative of the Fund Manager is acting as a director of an Investee at the request of, or as the representative of FNMF, the indemnity set forth in this Paragraph 4.2(a) shall expressly extend to such persons, while so acting, provided such person:
 - (i) has acted honestly and in good faith with a view to the best interests of the Investee;
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful; and
 - (iii) resigns from such directorship if requested to by FNMF;
- (e) It is agreed that the Fund Manager will act as trustee for the benefit of its directors, officers, employees or representatives as regards the covenants of FNMF contained in this Section 4.2 to the extent necessary to ensure that such individuals receive the benefit of the said covenants.

4.3 INDEMNITY BY THE FUND MANAGER. The Fund Manager agrees to indemnify and hold harmless FNMF, and its respective directors, officers, employees and agents, including any members of any committee of FNMF (for the purposes of this Section 4.3, an "Indemnified Party" or the "Indemnified Parties") from and against any and all losses, actions, suits, claims,

damages or liabilities of any nature whatsoever (collectively, "Claims"), including the reasonable fees and disbursements of its, his or her counsel that may be incurred in defending any Claims that may be made or threatened against an Indemnified Party, insofar as such Claims arise out of or are based upon the Fund Manager's (or any person from whom they are responsible) misfeasance, malfeasance, nonfeasance or negligence or failure to have met the standard of care applicable to its services set out in Section 4.1 hereof, or any breach of this agreement by the Fund Manager.

ARTICLE 5

INVESTMENT POLICIES, OBJECTIVES AND STRATEGIES

5.1 INVESTMENT POLICIES, OBJECTIVES AND STRATEGIES. The Fund Manager agrees to strictly adhere at all times to any investment policies, strategies and objectives provided to it by Board from time to time.

5.2 LIMITATIONS. The following specific limitations (the "Investment Limitations") shall apply to all Fund Investments:

- (a) Fund Investments shall not exceed \$3,000,000;
- (b) Fund Investments are to be made in Persons that carry on business in Saskatchewan provided that the Investment Committee may approve an investment to a Person headquartered in Saskatchewan that carries on business outside of Saskatchewan, if the Investment Objectives and Investment Strategies of FNMF are met and the Board grants its approval; and
- (c) no Fund Investments will be made to any Eligible Businesses that are Affiliates in any manner with the Fund Manager or any of its respective shareholders, directors or senior officers.

5.3 DURATION. Investments will, on average, have a targeted duration of seven (7) years, or as otherwise directed by the Board.

5.4 ACCESS TO CAPITAL. Subject to all necessary approvals, FNMF will request Crown Investments Corporation of Saskatchewan ("CIC") to contribute capital to FNMF, up to a maximum total approved investment in FNMF of \$20 million, subject to the following conditions:

- (a) In 2006, FNMF will request the contribution of \$4 million for investment;
- (b) Subsequently, FNMF will request the contribution of additional funds in \$5 million tranches, provided, however, that if an amount less than \$2 million is required to complete an approved investment, FNMF will request the contribution of this lesser amount. FNMF will only request the contribution of the balance of the \$5 million

tranche when some portion of the balance is required to complete an approved investment;

- (c) Funds of FNMF not immediately invested in approved investments will be invested in accordance with *The Financial Administration Act, 1993*, as amended or replaced from time to time; and
- (d) FNMF may, upon the request of CIC, return the balance of any funds contributed to FNMF by CIC if the said balance has not been invested within 12 months of its receipt by FNMF, and the Net Asset Value will be reduced by the amount returned to CIC.

ARTICLE 6 REMUNERATION OF FUND MANAGER

6.1 **BASE FEE.** As compensation for the services to be provided, and disbursements to be incurred hereunder, the Fund Manager shall be entitled to a monthly basic fee (the "Base Fee") equal to the greater of:

- (a) \$ per month; and
- (b) on the Net Asset Value of FNMF.

6.2 **PAYMENT OF BASE FEE.** The Base Fee shall be:

- (a) calculated monthly, using the final monthly internal financial statements determined for the immediately preceding month pursuant to Section 3.1 (and where applicable, the quarterly internal valuations prepared pursuant to Section 3.1), or in the case of the last month of a Fiscal Year, the Auditor's review of the internally prepared valuation of Fund Investments pursuant to Section 3.1; and
- (b) paid to the Fund Manager, upon determination of the Net Asset Value for the immediately preceding month, on the last Business Day of the month following the month for which the calculation is made (for example payment will be due on February 28, based on the financial statements for January). If a dispute occurs as to valuation, any adjustment resulting from the proper adjudication of the Net Asset Value will occur in the payment that is made in the next succeeding month following resolution thereof.

6.3 **CARRIED INTEREST BONUS.** Subject to Section 8.3, in addition to the Base Fee, the Fund Manager shall be entitled to a carried interest bonus equal to of any amount by which the Realized Gain exceeds the Hurdle Return for such Fund Investment. Such bonus amount shall be paid to the Fund Manager within 30 days following the Liquidity Event on which the Realized Gain is realized by FNMF.

6.4 **ADDITIONAL BONUS.** Within 30 days following a Liquidity Event, Realized Gains or Realized Losses shall be dealt with as follows:

- (a) upon each occurrence of a Realized Gain, FNMF shall deposit an amount equal to of any amount by which the Realized Gain exceeds the Hurdle Return for such Fund Investment into a holdback account (the "Holdback Account");
- (b) upon each occurrence of a Realized Loss, of the amount of the Realized Loss will be debited to the Holdback Account;
- (c) if, at the end of each Carried Term, there is a credit balance in the Holdback Account, of that credit balance will be paid to the Fund Manager within 30 days of the expiration of such Carried Term and the amount of the credit balance in the Holdback Account from time to time will be carried as a liability of FNMF and deducted from the Net Asset Value; and
- (d) if, at the end of any Carried Term, there is a negative balance in the Holdback Account, then the negative balance shall be carried forward to the next Carried Term.

6.5 **HURDLE RATE.** For the purposes of this Agreement "Hurdle Rate" means %.

6.6 **LIQUIDITY.** If less than all of an individual Fund Investment is disposed of by FNMF in a Liquidity Event:

- (a) the portion of the individual Fund Investment disposed of shall be deemed to be a Security;
- (b) the Realized Gain or the Realized Loss arising in respect of the Liquidity Event shall be determined by using, as the Cost of the Security disposed of, a proportionate share of the total Cost of all Securities comprising the Fund Investment (by each class of Securities if applicable); and
- (c) if FNMF has previously received payments on account of dividends and interest in respect of the Fund Investment, such dividends and interest shall be pro-rated between the Securities disposed of and retained for the purpose of determining the Realized Gain or the Realized Loss and shall be taken into account and counted once and only once notwithstanding any successive dispositions.

6.7 **ADMINISTRATION COSTS AND EXPENSES.** In consideration of payment of the Base Fee and Carried Interest Bonus the Fund Manager agrees that all costs and expenses associated with the general administration and the operation of the Fund Manager, except for those specifically allocated to FNMF under this Agreement will be for the account of the Fund Manager and shall be payable by it, including without limitation normal due diligence expenses in reviewing actual or potential Fund Investments and any Investee or potential Investee.

6.8 OTHER COSTS AND EXPENSES. The following expenses incurred in the operation of FNMF will be for the account of FNMF:

- (a) the cost of the audits of FNMF, including any work done by a chartered business valuator, in performing the audit;
- (b) the cost of external Calculation Valuation Reports, provided that if an external independent valuation of a Fund Investment is less than the valuation proposed by the Fund Manager by % or more, the Fund Manager shall be solely responsible for the cost and expenses of the Calculation Valuation Report;
- (d) the cost of the insurance referred to in Section 12.2;
- (e) bank charges (including escrow fees) on accounts maintained for and on behalf of FNMF;
- (f) costs, fees and expenses of the Board and Investment Committee;
- (g) investor meetings, reasonable costs of receptions, including informational events and seminars directed toward building awareness of the Fund, and communication expenses (such as newsletters, annual reports and trade shows), but excluding travel and management costs of representatives from the Fund Manager;
- (h) all legal and other professional or consulting fees and disbursements of FNMF in relation to the governance of FNMF and compliance with applicable securities legislation;
- (i) all legal and other professional or consulting fees (e.g. trustee fees) and disbursements of FNMF in relation to Fund Investments or potential Fund Investments including realization or recovery fees and related charges, to the extent the same are not recovered from the Investee, but excluding normal due diligence costs associated with the review of potential Fund Investments or investees which are the responsibility of the Fund Manager under Section 6.7;
- (j) extraordinary consulting fees incurred as part of the Fund Manager's due diligence procedures to the extent that such fees are incurred for consulting services to review and report on a prospective investment in respect of which the Fund Manager, acting reasonably, considers it necessary to obtain such services due to a lack of expertise within the Fund Manager's personnel to adequately review the same, and:
 - (i) the Fund Manager has been unable to obtain payment of such fees by the prospective investee; and
 - (ii) the Board has given prior approval for the same;
- (k) extraordinary expenses (being those expenses which by their nature are not, at the particular time, typical of the normal business of FNMF and are not expected to occur

regularly or not on a recurring basis over a period of years). Notwithstanding the foregoing, any extraordinary expenses for the account of FNMF to be incurred by the Fund Manager will be subject to prior approval by the Board; and

- (l) extraordinary travel expenses, such as the cost of travel to remote locations incurred as part of the Fund Manager's due diligence procedures, provided that the President of FNMF has given prior approval for same.

6.9 TAXES. In addition to the Base Fee and the Carried Interest Bonus, FNMF agrees to pay to the Fund Manager all sales, use, value-added or other taxes, if any, required by law to be charged by the Fund Manager to FNMF in and for the performance of the Fund Manager's services hereunder.

6.10 FULL PAYMENT. The Fund Manager (including its agents, employees or other representatives) shall not be entitled to any benefits of any kind or nature from FNMF other than the payments specified in this Article 6.

ARTICLE 7 CONSULTING AND PLACEMENT FEES

7.1 PLACEMENT FEES. Any placement or other fee paid by an Investee in respect of a Fund Investment shall be for the account of FNMF. Fees generated for any consulting or financial services provided by the Fund Manager to an Investee unrelated to a Fund Investment will be for the account of the Fund Manager. The Fund Manager will at the time of engagement by an Investee disclose to the Board in writing any additional consulting or financial services to be provided to an Investee by the Fund Manager and thereafter not less frequently than quarterly any compensation received or to be received from an Investee and the nature of the consulting or financial services related to such compensation. If such engagement amounts to a conflict of interest under the terms of this Agreement, FNMF shall be entitled to exercise its rights under Section 8.5 hereof

ARTICLE 8 TERM AND TERMINATION

8.1 TERM. The term of this Agreement shall commence on the Closing Date and expire on December 31, 2020, unless sooner terminated in accordance with this Agreement.

8.2 TERMINATION.

- (a) This Agreement shall terminate without notice or other act on the date:
 - (i) all Fund Investments have been liquidated; or
 - (ii) FNMF is dissolved.

- (b) This Agreement may be terminated by FNMF in the following circumstances:
- (i) the winding-up, dissolution, bankruptcy or insolvency of the Fund Manager;
 - (ii) the Fund Manager ceases to carry on business;
 - (iii) a material breach of this Agreement by the Fund Manager, if such breach has not been cured within 45 days after written notice of such breach has been provided to the Fund Manager;
 - (iv) a breach by the Fund Manager of any fiduciary obligation owed to FNMF;
 - (v) is no longer an active member of the Senior Executive Management Team, unless other members of the Senior Executive Management Team remain active in the management of the Fund Manager; or
 - (vi) commencing and including December 31, 2014 if the Net Asset Value and cumulative Distributions of income of FNMF are, on any two previous consecutive year ends, less than the balance of contributed capital of the Fund.

8.3 PAYMENT UPON TERMINATION.

- (a) Subject to Section 6.10, if this Agreement is terminated pursuant to Article 8 other than pursuant to the provisions of Paragraph 8.2(b)(iii) and (iv), the Fund Manager will be entitled to:
- (i) the Base Fee, if any, due and owing to the Fund Manager prorated to the date of termination;
 - (ii) the Carried Interest Bonus, calculated as if all Fund Investments were disposed of as at the date of termination and the Proceeds of Disposition in such case shall be the fair market value of all Fund Investments, as determined by a third party valuator; and
 - (iii) any positive balance in the Holdback Account, after allocating to the Holdback Account of any Realized Loss and an amount equal to of any amount by which the Realized Gain exceeds the Hurdle Return for each Fund Investment. Realized Losses and Realized Gains will be calculated using the fair market value of each Fund Investment, as determined by an external valuator in a Calculation Valuation Report;
- (b) FNMF will have 15 days to pay the amount referred to in Paragraph 8.3(a) after completion of the valuation, provided if there are insufficient cash resources available, FNMF shall have up to 180 days to liquidate or obtain financing to pay the same; and

- (c) If this Agreement is terminated pursuant to Paragraphs 8.2(b)(iii) or (iv), the Fund Manager shall not be entitled to any amount referred to in Sections 6.3 and 6.4 or Paragraph 8.3(a).

8.4 DELIVERY OF BOOKS AND RECORDS. Notwithstanding anything to the contrary in this Agreement, upon any termination or expiry of this Agreement, the Fund Manager agrees to deliver to the replacement fund manager, or to any other person designated for such purpose by FNMF, any assets (including without limitation, books, records and contracts) which constitute property of FNMF.

8.5 CONFLICT OF INTEREST.

- (a) The Fund Manager shall, immediately upon learning that it is in a conflict of interest with FNMF with respect to any Fund Investment or Investee or potential Fund Investment or Investee, disclose in writing the nature and circumstances of the conflict of interest to FNMF (the "Conflict of Interest");
- (b) Notwithstanding anything in this Agreement to the contrary, in the event that the Fund Manager is in a Conflict of Interest with FNMF, FNMF shall, without limiting any other rights to which it may be entitled under this Agreement or at law, have the right, without penalty, to terminate the services of the Fund Manager with respect to the subject Fund Investment and/or Investee;
- (c) Following written disclosure by the Fund Manager of the Conflict of Interest, FNMF shall advise the Fund Manager in writing within thirty (30) days, or within such greater length of time as may be reasonably required by FNMF, of its intention to exercise its rights under Paragraph 8.5(b). FNMF agrees to make its best efforts to provide to the Fund Manager its written decision regarding the conflict of interest on a timely basis. If FNMF advises the Fund Manager that it does not intend to exercise its rights under Paragraph 8.5(b), FNMF shall be deemed to have waived such rights in respect of the disclosed conflict of interest.
- (d) Notwithstanding a waiver given in accordance with Paragraph 8.5(c), if FNMF becomes aware of any information not previously disclosed by the Fund Manager that gives rise to or materially affects an existing conflict of interest of the Fund Manager, FNMF will be free to exercise its rights under Paragraph 8.5(b) notwithstanding any previous disclosure of a Conflict of Interest by the Fund Manager.

8.6 PAYMENTS IN THE EVENT OF CONFLICTS. Notwithstanding anything in this Agreement to the contrary, in the event that the Fund Manager has been terminated in respect of a particular Fund Investment or Investee pursuant to Section 8.5 hereof, the Fund Manager shall be entitled to compensation from FNMF in respect of the subject Fund Investment in the following manner:

- (a) The termination shall be deemed a Liquidity Event;

- (b) The effective date of the termination shall be, in the case of a Conflict of Interest disclosed by the Fund Manager in accordance with Paragraph 8.5(a), the date on which FNMF advises the Fund Manager of its intention to exercise its rights under Paragraph 8.5(b) and, in the case of a Conflict of Interest not disclosed by the Fund Manager in accordance with Paragraph 8.5(a), the date on which the Conflict of Interest arose. The value of the affected Fund Investment shall be deducted from the Net Asset Value effective the date of termination;
- (c) If both FNMF and the Fund Manager agree, the internal valuation of the Fund Investment may be used. Otherwise, FNMF shall obtain a Calculation Valuation Report from an external independent valuator, at the cost of FNMF, provided that if the external independent valuation of the Fund Investment is less than the internal valuation by 15% or more, the Fund Manager shall be solely responsible for the cost and expenses of the external independent valuator;
- (d) FNMF will have 15 days to pay the Carried Interest Bonus, if any, after completion of the valuation, provided if there are insufficient cash resources available, FNMF shall have up to 180 days to liquidate or obtain financing to pay the same; and
- (e) FNMF shall pay the Additional Bonus, if any, into the Holdback Account.

ARTICLE 9 FUND MANAGER ACTING FOR OTHER CLIENTS

9.1 **ACTING FOR OTHER FUNDS.** Subject to Section 7.1 and 8.5, notwithstanding that the engagement of the Fund Manager by FNMF is on an exclusive basis, FNMF acknowledges that the Fund Manager provides investment management and other services to other parties and clients.

ARTICLE 10 CONFIDENTIALITY

10.1 **CONFIDENTIALITY.** The Fund Manager agrees that all records, reports, materials and information concerning any aspect of FNMF shall be held in strict confidence and, subject to lawful requirements, shall not be disclosed at any time to any Person, or used by the Fund Manager, or any Affiliate of the Fund Manager, or any of their respective directors, officers, employees, agents or other Persons for whom they are responsible in law or otherwise, except for the purposes of this Agreement.

ARTICLE 11 STATUS OF FUND MANAGER

11.1 STATUS. The parties intend that the Fund Manager be and is an independent contractor and the Fund Manager, its employees, agents or other representatives, will not be considered employees of FNMF for any purpose and the Fund Manager shall, unless otherwise provided for herein, be responsible for all expenses incurred by the Fund Manager related directly or indirectly to the performance of its obligations under this agreement. The Fund Manager is responsible for submitting payments for Employment Insurance, Canada Pension, Provincial and Federal taxes, GST, contribution to the Workers' Compensation Fund, or any other payment of or in respect of or for the benefit of the Fund Manager, its employees, agents or other representatives, to the appropriate offices. The Fund Manager agrees to hold harmless FNMF from and against any order, penalty, interest or tax that may be assessed or levied against them as a result of the failure or delay of the Fund Manager to file any return or information required by any law, ordinance or regulation or pay any amounts owing thereunder.

ARTICLE 12 FIDELITY BONDING AND INSURANCE

12.1 FIDELITY BOND. The Fund Manager covenants and agrees to obtain and maintain during the term of this Agreement, at its sole cost and expense, a fidelity bond or bonds in the amount required to maintain the Fund Manager's portfolio manager registration with the Saskatchewan Financial Services Commission, provided that such bonds shall be an amount of not less than

The cost of obtaining and maintaining such bonding shall be borne by the Fund Manager.

12.2 INSURERS. The Fund Manager covenants and agrees that the fidelity bond or bonds shall be taken out with insurers acceptable to the Fund Manager and FNMF and in form satisfactory from time to time to the Board. The Fund Manager agrees that copies of the fidelity bond or bonds shall be delivered to the Board as soon as practicable after the placing of the required fidelity bond or bonds.

ARTICLE 13 ARBITRATION OF DISPUTES

13.1 DISPUTES. All disputes, claims and questions regarding the rights and obligations of the parties under the terms of this Agreement shall be referred to the arbitration of a single arbitrator if the parties can agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. Either party may make a demand for arbitration by serving such demand in writing upon the other party within 14 days after the dispute first arises. If within 15 days of serving of the notice, the parties fail to agree upon a single arbitrator or to appoint their respective appointees, then either party hereto may apply to the Court of Queen's Bench of Saskatchewan to have the required arbitrator appointed.

13.2 **DECISION.** The decision of the arbitrator or arbitrators so appointed shall be final and binding on the parties. The parties hereto agree that this paragraph shall be deemed to be a submission within the meaning of *The Arbitration Act, 1992* (Saskatchewan). The costs of the arbitration shall be borne equally between the parties.

ARTICLE 14 MISCELLANEOUS MATTERS

14.1 NOTICE.

(a) Any notice or other written communication required or permitted to be given hereunder shall be in writing and:

- (i) delivered to the party to whom directed; or
- (ii) sent by registered mail with postage prepaid and return receipt requested; or
- (iii) sent by telecopier;

(b) All notices or other written communication shall be addressed to the party to whom directed at the following addresses:

To the Fund Manager:

Westcap Mgt. Ltd.
1300, 410 – 22nd Street East
Saskatoon, SK
S7K 5T6
Telecopier No.: (306) 652-8186
Attention:

To FNMF:

c/o
Crown Investments Corporation of Saskatchewan
400 – 2400 College Avenue
Regina, Saskatchewan
Telecopier No.: (306) 787 – 4813
Attention:

(c) Any party may at any time change its address hereunder by giving written notice of such change of address to the other parties in the manner specified in this Section; and

(d) Any such notice or other written communication shall be effective on the 5th Business Day after having been sent by registered mail, on the 1st Business Day after having been sent by telecopier or on the day of delivery.

14.2 **FURTHER ASSURANCES.** Each party hereto agrees to do all such things and take all such acts as may be necessary to give full force and effect to the matters contemplated by this Agreement.

14.3 **ENTIRE AGREEMENT.** This Agreement constitutes and contains the entire and only agreement among all the parties relating the subject matter hereof and supersedes and cancels any and all pre-existing agreements and understandings amongst the parties relative thereto. Any and all prior and contemporaneous negotiations, memoranda of understanding or position, preliminary drafts and prior versions of this Agreement, whether signed or unsigned, leading up to the execution hereof shall not be used by any party to construe the terms or affect the validity of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party.

14.4 **ASSIGNMENT.** This Agreement may not be assigned in whole or in part by the Fund Manager without the prior written consent of FNMF, which consent shall not be unreasonably withheld. For the purposes of this section "assignment" shall include any effective change in control of the Fund Manager.

14.5 **ENUREMENT.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

14.6 **REMEDIES.** No remedy provided for herein for the enforcement of the rights of a party shall be exclusive of any other remedy whether provided for herein or available at law or in equity, and such remedies may from time to time be exercised independently or in combination.

14.7 **PRESS RELEASES.** No press release or other announcement concerning the entering into of this Agreement or any investment or other activity contemplated hereunder shall be made by the Fund Manager, without the prior written consent of the Board (such consent not to be unreasonably withheld), except as may otherwise be required by Applicable Law or stock exchange rules.

14.8 **SET-OFF.** FNMF shall be entitled to set-off, counterclaim or deduct against the Fund Manager, whether in law or equity, any amounts owing from time to time owing by the Fund Manager to FNMF hereunder or pursuant hereto.

14.9 **SURVIVAL.** All obligations of the Fund Manager under this Agreement dealing with confidentiality and all other obligations of the parties which by their nature, expressly or implicitly survive termination or expiration of this Agreement, shall continue in full force subsequent to and notwithstanding such termination or expiration.

14.10 **TIME.** Time shall be of the essence hereof.

14.11 **ARBITRATION.** All matters of difference between the parties in relation to this Agreement shall be referred to the arbitration of a single arbitrator, if the parties can agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by

the first two named before they enter upon the business of arbitration. The award and determination of the arbitrator or the arbitrators or any two of the three arbitrators shall be binding upon the parties and their respective successors and assigns.

14.12 AMENDMENTS. No amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

14.13 GOVERNING LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and of Canada and shall be treated in all respects as a Saskatchewan contract and shall be deemed to have been executed in Saskatchewan. All judicial proceedings taken with respect to this Agreement shall be taken in the courts of the Province of Saskatchewan and the parties hereto agree to submit to the jurisdiction of the said courts.

14.14 COUNTERPARTS. This Agreement may be executed in any number of counterparts each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. This Agreement may be delivered by facsimile transmission and receipt of a facsimile copy of any party's signature shall be considered to be receipt of an original copy thereof, until such time as an original signature has been received by the other party or parties to this agreement.

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

First Nations and Métis Fund Inc.

Per: _____

Name:

Title:

Westcap Mgt. Ltd.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

AMENDMENT TO MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT dated effective the 31 day of December, 2009

BETWEEN:

FIRST NATIONS AND METIS FUND INC.

incorporated under *The Business Corporations Act* (Saskatchewan)
("FNMF")

-and-

WESTCAP MGT. LTD.

incorporated under *The Business Corporations Act* (Saskatchewan)
(the "Fund Manager")

WHEREAS the parties entered into a Management Services Agreement dated for reference the 23rd day of October, 2006 ("MSA") and now wish to amend such;

NOW THEREFORE, in consideration of the sum of one dollar (\$1.00), the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Paragraph 5.4 of the MSA shall be amended to add the following as subparagraph (e):

"(e) all requests by FNMF for capital contributions from CIC shall be made prior to December 31, 2012."

2. In all other respects, the terms of the MSA are hereby confirmed.

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

FIRST NATIONS AND METIS FUND INC.

Per: _____

Name:

Title:

WESTCAP MGT. LTD.

Per: _____

Name:

Title:

AMENDMENT TO MANAGEMENT SERVICES AGREEMENTS

THIS AGREEMENT dated effective as of the 1st day of June, 2018

BETWEEN:

FIRST NATIONS AND METIS FUND INC.

incorporated under *The Business Corporations Act* (Saskatchewan)
("FNMF")

-and-

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN

a Crown corporation pursuant to Saskatchewan law
("CIC")

-and-

WESTCAP MGT. LTD.

incorporated under *The Business Corporations Act* (Saskatchewan)
("Fund Manager")

WHEREAS CIC and the Fund Manager entered into a Management Services Agreement dated effective January 1, 2011, as amended by the parties by agreement dated January 1, 2014, ("FNBDP MSA") and CIC and the Fund Manager now wish to amend the FNBDP MSA;

AND WHEREAS FNMF and the Fund Manager entered into a Management Services Agreement dated for reference October 23, 2006, as amended by the parties by agreement dated December 31, 2009, ("FNMF MSA") and CIC and the Fund Manager now wish to amend the FNMF MSA;

NOW THEREFORE, in consideration of the sum of one dollar (\$1.00), the sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Unless specifically stated herein, this agreement is supplemental to the FNBDP MSA and the FNMF MSA and shall be interpreted according to the respective MSA.
2. This agreement shall be incorporated into the FNBDP MSA and the FNMF MSA and form part of them as if it had originally been included.

3. Section 6.1 of the FNBDP MSA is deleted and replaced with the following:

"As compensation for the services to be provided, and disbursements to be incurred hereunder, the Fund Manager shall be entitled to an administration fee ("Administration Fee") equal to _____ month."

4. Section 6.1 of the FNMF MSA is deleted and replaced with the following:

"As compensation for the services to be provided, and disbursements to be incurred hereunder, the Fund Manager shall be entitled to a monthly basic fee (the "Base Fee") of \$ _____ per month."

5. No amendment or modification of this agreement shall be binding unless in writing and executed by the parties.

6. Except as amended herein, all provisions of the FNBDP MSA and the FNMF MSA are confirmed and remain in full force and effect.

7. This agreement may be executed in several counterparts with the same effect as if all parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same original agreement.

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

FIRST NATIONS AND METIS FUND INC.

Per: _____
Name: _____
Title: _____

**CROWN INVESTMENTS CORPORATION OF
SASKATCHEWAN.**

Per: _____
Name: _____
Title: _____

WESTCAP MGT. LTD.

Per: _____
Name: _____
Title: _____

MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT dated for reference the 1st day of January, 2011 ("Effective Date").

BETWEEN:

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN,
a Crown corporation pursuant to Saskatchewan law, or its designated wholly-owned subsidiary;
(hereinafter referred to as "CIC")

- and -

WESTCAP MGT. LTD.,
a corporation incorporated under *The Business Corporations Act* (Saskatchewan);
(hereinafter referred to as the "Fund Manager")

WHEREAS CIC is funding the First Nations Business Development Program and wishes to engage the Fund Manager to provide management services for such and the Fund Manager is willing to provide such services on the terms and conditions herein provided;

NOW THEREFORE this Agreement witnesses that in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 **DEFINITIONS.** In this Agreement, and the recitals hereto, except as otherwise expressly provided or as the context otherwise requires the following words and phrases will have the meanings hereinafter set forth:

- (a) "Administration Fee" has the meaning given in section 6.1 hereof;
- (b) "Affiliate" means in respect of any Person, any other Person which, directly or indirectly is controlled by, controls or is under direct or indirect common control of such first Person;
- (c) "Agreement", "this Agreement", "hereto", "hereof", "herein", "hereunder", "hereby" and similar expressions referred, unless otherwise expressly stated mean this Management Services Agreement, including the recitals and any schedules or appendices hereto, as it may from time to time be supplemented or amended by one or more agreements entered into pursuant to the applicable provisions hereof, and not to any particular article, section, paragraph or other subdivision hereof;

- (d) "Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations, and all applicable official directives, orders, judgments and decrees of governmental bodies;
- (e) "Associate" shall have the meaning ascribed to it under in section 2(1) of *The Business Corporations Act*;
- (f) "Auditors" means the duly appointed auditors of CIC;
- (g) "Business Day" means a day other than a Saturday, Sunday or any other day on which the principal commercial banks located at the City of Saskatoon are not open for business during normal banking hours;
- (h) "CIC Directed Investment" means a Fund Investment that CIC directs the Fund Manager to place, even if such falls outside of established investment criteria, guidelines or Investment Limitations;
- (i) "Cost" means the amount that can be reasonably considered as the principal amount invested by CIC in a Fund Investment including any unrecovered costs and expenses paid by CIC directly related to the placement of the Fund Investment;
- (j) "First Nations Business" means any body corporate, organization, partnership, firm or other business that is at least 51% owned by First Nations Persons;
- (k) "FNBDP" means the First Nations Business Development Program wherein CIC will provide funding of up to \$3 million for loans to eligible First Nations Businesses to facilitate investment opportunities, support economic development and long term job creation;
- (l) "Fiscal Year" means the fiscal year of CIC;
- (m) "Fund Business" means the FNBDP's business of providing loans in the range of \$100,000 to \$750,000 per Investee to eligible First Nations Businesses in order to facilitate investment opportunities, support economic development and long term job creation;
- (n) "Fund Investment" means an investment by CIC in Securities issued by a First Nations Business that is not a Short-Term Investment;
- (o) "GAAP" means the accounting principles recommended by the Canadian Institute of Chartered Accountants as set forth from time to time in the "CICA Handbook";
- (p) "Investment Limitations" means the specific limitations applicable to all Fund Investments as identified in Schedule A attached hereto and forming a part hereof;
- (q) "Investee" shall mean any First Nations Business in which CIC invests or proposes to invest under the FNBDP;

- (r) "Major Amendment" means any change, amendment, waiver, consent, release, discharge or supplementary agreement to any Security or Securities in respect of any Fund Investment (not including increases to the amount of the Fund Investment) which would alter the terms and conditions upon which a Fund Investment is made, including, without limitation, changes in conditions precedent to such investment or loan being advanced or other changes to the terms and conditions of a Fund Investment in or loan to an Investee, or which would impair the net realizable value of a Fund Investment or CIC's ability to realize on a Fund Investment, including, without limitation, changes to Security;
- (s) "Net Asset Value" means the net fair value of all of the assets of FNBDP at a particular time calculated by determining and aggregating the fair value of each individual Fund Investment and that of any other assets of FNBDP, including Short-Term Investments and then deducting the aggregate of:
- (i) all outstanding liabilities of FNBDP; and
 - (ii) accrued but unpaid distributions.
- (t) "Person" means an individual, corporation, body corporate, partnership, cooperative, syndicate, association, trust or unincorporated organization or any trustee, executor, administrator or other legal representative, or any Person that is a successor of any of the foregoing;
- (u) "Security" or "Securities" includes:
- (i) any document, instrument or writing commonly known as a security;
 - (ii) any document constituting evidence of title to or interest in the capital, assets, property, profits, earnings or royalties of any Person;
 - (iii) any document constituting evidence of an option, warrant, subscription or other interest in or to a security; and
 - (iv) any bond, debenture, mortgage, note or other evidence of indebtedness, share, stock, unit, unit certificate, participation certificate, certificate of a share or interest or reorganization certificate or subscription;
- (v) "Senior Executive Management Team" means the senior executive team of the Fund Manager, consisting of: _____, President, Chief Executive Officer and Director; _____, Chief Operating Officer and Director; _____; Senior Investment Manager; _____, Chief Financial Officer; _____; Vice President; and _____, Vice President;
- (v) "Short-Term Investments" means any temporary investment of capital of FNBDP pending placement in a Fund Investment or for working capital, liquidity purposes or other purposes; and

(w) "Term" has the meaning given to it in paragraph 8.1.

1.2 INTERPRETATION. In this Agreement:

- (a) a word importing the masculine, feminine or neutral gender only, includes members of the other genders;
- (b) a word defined in or importing the singular number has the same meaning when used in the plural number, and vice versa;
- (c) a reference to any act or regulation or to a provision thereof shall be deemed to include a reference to any act or regulation or provision enacted in substitution therefor or amendment thereof;
- (d) any reference to a currency is a reference to Canadian currency; and
- (e) the division of this Agreement into separate articles, sections, paragraphs and the insertion of headings and references are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 SEVERABILITY. If any term, condition, covenant, obligation or other provision of this Agreement, or the application thereof to any Person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such term, condition, covenant, obligation or other provision to Persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, condition, covenant, obligation or other provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

ARTICLE 2 APPOINTMENT OF FUND MANAGER

2.1 APPOINTMENT. Subject to the provisions of this Agreement, CIC hereby retains, engages and appoints the Fund Manager to manage the Fund Business for the Term on the terms and conditions herein contained. Notwithstanding the foregoing, CIC is entitled to contract with other fund managers in the event that the Fund Manager is unable to act by reason of a conflict of interest or where the Fund Manager has been terminated with respect to a specific Fund Investment and/or Investee, as a result of a conflict pursuant to Section 8.5 hereof.

2.2 ACCEPTANCE. The Fund Manager hereby accepts the engagement and appointment referred to in Section 2.1 and agrees to provide the said services to CIC, subject to the conditions herein set forth. The Fund Manager covenants and agrees to comply with all contractual obligations applicable to the operation of FNBBDP, insofar as shall be necessary and appropriate in respect of the performance of the Fund Manager's services hereunder. The Fund Manager shall provide the services of the necessary support and investment personnel in order to deliver the services hereunder in accordance with the standard of care indicated in Article 4.

2.3 REPRESENTATIONS AND WARRANTIES. The Fund Manager represents and warrants as follows:

- (a) it has highly qualified personnel with sufficient venture capital experience who are qualified and experienced to provide and perform the services described in this Agreement;
- (b) it has made all necessary registrations and filings under Applicable Law to carry out its services hereunder and will use its best efforts to maintain such registrations and filings to the extent required for the performance of its said services;
- (c) it is a corporation duly incorporated under *The Business Corporations Act* (Saskatchewan);
- (d) it is and will continue to be duly registered and qualified to carry on business and has the requisite authority, licences and permits to carry on the management services contemplated herein on behalf of CIC;
- (e) it has the capacity and corporate authority to act as Fund Manager of FNBBDP and to perform its obligations under this Agreement and such obligations do not and will not conflict with and are not and will not be prohibited by or represent a breach of any agreement to which the Fund Manager is a party or is otherwise bound; and
- (f) it will comply at all times with all Applicable Laws and if required, it shall become, and for so long as it remains the Fund Manager of FNBBDP remain, registered with the Saskatchewan Financial Services Commission as an Investment Fund Manager and Portfolio Manager.

2.4 SURVIVAL. The representations and warranties of the Fund Manager in this Agreement shall survive the termination of this Agreement and regardless of any investigation by or on behalf of CIC with respect thereto, shall continue for the benefit of CIC for a period of two years thereafter.

2.5 HEAD OFFICE. It is a condition of the engagement and continued engagement of the Fund Manager in the provision of the services described in this Agreement that the Fund Manager shall maintain its head and principal office for the conduct of its business in the Province of Saskatchewan.

ARTICLE 3 SERVICES TO BE PROVIDED BY THE FUND MANAGER

3.1 SERVICES.

- (a) Subject to specific directions given to the Fund Manager from time to time by CIC, the services of the Fund Manager shall consist of the general management and administration

of the business and affairs of FNBDP, including all required functions in the areas of investing, marketing, investor relations, information services, loan administration, accounting and office management, and including without limitation, the following:

- (i) promoting awareness of FNBDP and its investment criteria in the investment community generally and among sources of potential investment referrals in particular through BRIDG and First Nations and Metis Fund established network contacts;
- (ii) seeking out and identifying potential Investees by working in conjunction with the federal BRIDG initiative and with the First Nations and Metis Fund and other organizations interested in promoting First Nations entrepreneurs;
- (iii) consulting with the Ministry of First Nations and Metis Relations as directed by CIC from time to time;
- (iv) working with officials from Indian and Northern Affairs Canada in order to utilize FNBDP funds to leverage funds available under applicable federal programs, whenever possible;
- (v) reviewing investment and reinvestment opportunities, negotiating investment transactions and submission to CIC for review, vetting and approval of all recommendations for investment and reinvestment (including follow-on investments) by CIC;
- (vi) where possible and appropriate, in the opinion of the Fund Manager acting reasonably, working with communities enrolled in the federal BRIDG initiative in order to provide training and build capacity to review investment and reinvestment opportunities and to seek participation in investment transactions;
- (vii) monitoring Fund Investments (including, where appropriate, through directorships in Investees) and making submissions to CIC for review, vetting and approval of all recommendations for divestment and liquidation of any Fund Investment and monitoring such divestment and liquidation activities;
- (viii) establishing an underwriting and due diligence framework;
- (ix) conducting all necessary research, studies, investigations and other efforts in the nature of due diligence, including all necessary dealings with financial, legal and other advisors, in respect of investments and prospective investments of the assets of FNBDP;
- (x) providing CIC, no later than 30 days after the end of each three-month period in each Fiscal Year, a report on each Fund Investment highlighting material changes on an individual basis, which report will contain an estimated valuation of the investment, including current principal and interest balances owing and an

opinion on the likelihood of recovery for debt investments. Valuations of investments in Investees which are not publicly traded will be prepared by the Fund Manager in accordance with valuation guidelines approved by CIC and Generally Accepted Accounting Principles;

- (xi) as of the end of each Fiscal Year, or more frequently if required by Applicable Law, ensuring that the Auditors review the internally prepared valuation of all Fund Investments as an aspect of the annual audit. If directed by CIC, the Fund Manager shall ensure that a chartered business valuator acceptable to CIC is on the Fund Manager's internal audit team when the Auditors review the valuation. The Fund Manager shall supply to the Auditors such information as is necessary to conduct their work hereunder;
 - (xii) maintaining accurate and complete records of all transactions of FNBDP effected by the Fund Manager;
 - (xiii) attending to all applicable regulatory requirements for FNBDP;
 - (xiv) maintaining accurate and complete accounting and other records of all transactions related to the services provided by the Fund Manager hereunder;
 - (xv) doing any and all lawful acts and things that a reasonably prudent person in the position of the Fund Manager would do and that are necessary for the preservation, protection, improvement and enhancement in value of FNBDP and repayment of investments made by FNBDP;
 - (xvi) generally advising CIC as to any matter which the Fund Manager considers relevant or material in connection with the operation of FNBDP;
 - (xvii) placing all Securities, completing and signing all security and/or loan documents on behalf of CIC as limited agent, in a reasonable and prudent manner, and not entering into or agreeing to any Major Amendment or supplement to the Securities or security documents or causing their release or discharge without the approval of CIC;
 - (xviii) carrying out any specific direction from CIC for CIC Directed Investments; and
 - (xix) providing such other services reasonably ancillary or complementary to the foregoing as may be necessary to effectively discharge the performance of the foregoing services and operation of FNBDP.
- (b) The Fund Manager shall provide to CIC reasonable access, on reasonable notice, to CIC to all accounts, records and documents related to FNBDP which are in its possession, and, at the request of CIC, shall provide such information to the Auditors of CIC and to tax or regulatory authorities.

- (c) The Fund Manager agrees that, in the provision of its services, it shall not make any fundamental change in its policies or practices which would have any material adverse effect on its services hereunder, without obtaining the prior approval of CIC.

3.2 REPORTING.

- (a) Upon the commencement of the performance of its services and annually thereafter during the term of this Agreement, the Fund Manager will prepare operational plans (the "Operational Plans") for the approval of CIC no later than February 15 of each Fiscal Year. The Operational Plans will provide an outline of the general nature and structure of transactions that the Fund Manager intends to pursue, in accordance with the investment policies, objectives, strategies and restrictions of FNBBDP, over the forthcoming year or such further period of time as the Fund Manager, in consultation with CIC, may determine to be reasonable, regarding investment and other activities of the Fund Manager hereunder applicable to FNBBDP. The Operational Plans may take the form of rolling three-year plans and will outline the exit strategy and/or loan maturity date for each Fund Investment. As part of the Operational Plans, the Fund Manager will provide to CIC a budget of anticipated costs and expenses relating to the performance of the Fund Manager's services which costs and expenses will be for the account of CIC; and
- (b) The Fund Manager will provide quarterly reports to CIC no later than 30 days after the end of each quarter, on the status and results of its marketing, investment, performance management objectives and other activities and such other information respecting its services as CIC may reasonably require. Personnel of the Fund Manager will be available at all times upon reasonable notice for consultation with CIC. The Fund Manager will make available to CIC any studies and research reports which may be relevant to the assets of FNBBDP, other than those prepared specifically for a client of the Fund Manager other than CIC.

3.3 LIMIT ON AUTHORITY. Notwithstanding anything in this agreement to the contrary, the Fund Manager shall have no authority to act for, represent, bind or obligate CIC except as specifically provided or necessarily implied herein. Without limiting the generality of the foregoing, the Fund Manager shall have no right to make any investment, reinvestment, divestiture or liquidation decisions without the prior approval of CIC.

ARTICLE 4 STANDARD OF CARE AND LIABILITY OF FUND MANAGER

4.1 STANDARD OF CARE.

- (a) The Fund Manager and its directors, officers, employees, agents and other representatives, shall exercise its powers and discharge its duties under this Agreement:
 - (i) honestly, in good faith and with integrity;

- (ii) in a prudent and workmanlike manner and in accordance with good industry practice;
- (iii) in the best interests of FNBDP and CIC and with the utmost fairness towards FNBDP and CIC;
- (iv) in accordance with the Applicable Laws; and
- (v) in accordance with this Agreement and any reasonable directions given by CIC.

In performing its duties and obligations under this agreement, the Fund Manager (including its directors, officers, employees, agents and other representatives) shall be held to the standard of care of a reasonable and prudent Person in a similar business carried on in a comparable marketplace. Notwithstanding such, the aforementioned standard of care shall apply to the ongoing management of CIC Directed Investments, but not to the placement of CIC Directed Investments;

- (b) The performance of the Fund Manager will be reviewed annually, or more frequently, if requested by CIC. The annual (or more frequent) reviews are intended to provide CIC with the opportunity to assess comprehensively the performance of the Fund Manager over the preceding period and to raise with the Fund Manager any questions or concerns regarding the standard of performance of the Fund Manager services. The Fund Manager agrees that it will give effect to any adjustments or variations in the manner, timeliness or other aspects of the performance of its services required by CIC arising out of the performance reviews, provided that such adjustments or variations are not inconsistent with the terms of this Agreement. The annual review process shall in no manner limit the rights of CIC to act under Article 8 herein;
- (c) Notwithstanding anything in this Agreement to the contrary, the Fund Manager acknowledges and agrees that the Fund Manager is a fiduciary of CIC;
- (d) The Fund Manager acknowledges and agrees that all arrangements respecting investments made on behalf of CIC for the purposes of the FNBDP shall provide that all loan payments, interest, directors fees, negotiation and/or work fees and other remittances to be made by an Investee shall, except in the case of services provided by the Fund Manager to an Investee in a capacity other than as Fund Manager hereunder and amounts recovered by the Fund Manager from an Investee for out-of-pocket expenses of the Fund Manager, be paid exclusively to the account of CIC. All Payments from Investees paid to or otherwise received by the Fund Manager for the account of CIC shall, once received, be sent promptly to CIC; and
- (e) The Fund Manager will not be liable to CIC for any loss sustained by reason of the adoption or implementation of any investment policy in accordance with the provisions of Article 5 or for the purchase, sale or retention of any Security, whether or not such purchase, sale or retention was based upon the investigation and research of the Fund Manager if such services have been performed to the standard of care described in Article

4 hereof. Nothing herein contained shall be construed to protect the Fund Manager against any liability to CIC by reason of loss resulting from misfeasance, malfeasance, nonfeasance or negligence or failure to have met the standard of care applicable to its services set out herein, or any breach of this Agreement by the Fund Manager.

4.2 INDEMNITY BY CIC:

- (a) CIC agrees to indemnify and hold harmless the Fund Manager, its directors, officers, employees and agents (for the purposes of this Paragraph 4.2, an "Indemnified Party" or the "Indemnified Parties") from and against any and all losses, actions, suits, claims, damages or liabilities of any nature whatsoever (collectively, "Claims"), including the reasonable fees and disbursements of its, his or her counsel that may be incurred in defending any Claims that may be made or threatened against an Indemnified Party, insofar as such Claims arise out of or are based upon the services rendered by the Fund Manager to CIC hereunder; provided however that CIC shall not be liable under the foregoing indemnification provisions to the extent that any Claims result from an Indemnified Party's misfeasance, malfeasance, nonfeasance, negligence or failure to have met the standard of care applicable to its services set out in Article 4 hereof, or any other breach of this agreement by the Fund Manager;
- (b) Each Indemnified Party will promptly, upon receipt of notice of any Claims against it, notify CIC in writing of the receipt thereof and provide it with full particulars thereof to the extent known to the Indemnified Party;
- (c) CIC will assume the defence of any Claims in respect of which an Indemnified Party claims indemnity hereunder provided that such Indemnified Party will be entitled to employ separate counsel at its own expense;
- (d) Where any director, officer, employee, agent or representative of the Fund Manager is acting as a director of an Investee at the request of, or as the representative of CIC, the indemnity set forth in this Paragraph 4.2 shall expressly extend to such persons, while so acting, provided such person:
 - (i) has acted honestly and in good faith with a view to the best interests of the Investee;
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, had reasonable grounds for believing that his or her conduct was lawful; and
 - (iii) resigns from such directorship if requested to by CIC;
- (e) It is agreed that the Fund Manager will act as trustee for the benefit of its directors, officers, employees or representatives as regards the covenants of CIC contained in this Section 4.2 to the extent necessary to ensure that such individuals receive the benefit of the said covenants.

4.3 INDEMNITY BY THE FUND MANAGER. The Fund Manager agrees to indemnify and hold harmless CIC, and its respective directors, officers, employees and agents, including any members of any committee of CIC (for the purposes of this Section 4.3, an "Indemnified Party" or the "Indemnified Parties") from and against any and all losses, actions, suits, claims, damages or liabilities of any nature whatsoever (collectively, "Claims"), including the reasonable fees and disbursements of its, his or her counsel that may be incurred in defending any Claims that may be made or threatened against an Indemnified Party, insofar as such Claims arise out of or are based upon the Fund Manager's (or any person from whom they are responsible) misfeasance, malfeasance, nonfeasance, negligence or failure to have met the standard of care applicable to its services set out in Section 4.1 hereof, or any breach of this agreement by the Fund Manager.

ARTICLE 5 INVESTMENT POLICIES, OBJECTIVES AND STRATEGIES

5.1 INVESTMENT POLICIES, OBJECTIVES AND STRATEGIES. The Fund Manager agrees to strictly adhere at all times to any investment policies, Investment Limitations, eligibility requirements, lending criteria or guidelines, strategies and objectives provided to it by CIC from time to time. CIC reserves the right to direct capital to specific economic initiatives at anytime and the Fund Manager agrees to comply with all such directions from CIC relating to CIC Directed Investments.

5.2 LIMITATIONS. The Investment Limitations shall apply to all Fund Investments. CIC reserves the right to change the Investment Limitations at any time, upon notice to the Fund Manager.

5.3 ACCESS TO CAPITAL. Subject to all necessary approvals, the Fund Manager will request CIC to contribute capital to FNBBDP, up to a maximum total approved investment in FNBBDP of \$3 million over the Term, net of expenses.

ARTICLE 6 REMUNERATION OF FUND MANAGER

6.1 ADMINISTRATION FEE. As compensation for the services to be provided, and disbursements to be incurred hereunder, the Fund Manager shall be entitled to an administration fee ("Administration Fee") equal to \$_____ per year, payable quarterly in arrears, for the duration of the Term.

6.2 ADMINISTRATION COSTS AND EXPENSES. In consideration of payment of the Administration Fee the Fund Manager agrees that all costs and expenses associated with the general administration and the operation of the Fund Manager, except for those specifically allocated to CIC under this Agreement will be for the account of the Fund Manager and shall be payable by it, including without limitation normal due diligence expenses in reviewing actual or potential Fund Investments and any Investee or potential Investee.

6.3 OTHER COSTS AND EXPENSES. The following expenses incurred in the operation of FNBDP will be for the account of CIC:

- (a) the cost of the audits of FNBDP, including any work done by a chartered business valuator, in performing the audit;
- (b) bank charges (including escrow fees) on accounts maintained for and on behalf of CIC;
- (c) costs, fees and expenses of CIC;
- (d) investor meetings, reasonable costs of receptions, including informational events and seminars directed toward building awareness of the FNBDP, and communication expenses (such as newsletters, annual reports and trade shows), but excluding travel and management costs of representatives from the Fund Manager;
- (e) all legal and other professional or consulting fees (e.g. trustee fees) and disbursements of FNBDP in relation to Fund Investments or potential Fund Investments including realization or recovery fees and related charges, to the extent the same are not recovered from the Investee, but excluding normal due diligence costs associated with the review of potential Fund Investments or investees which are the responsibility of the Fund Manager under Section 6.2;
- (f) extraordinary consulting fees incurred as part of the Fund Manager's due diligence procedures to the extent that such fees are incurred for consulting services to review and report on a prospective investment in respect of which the Fund Manager, acting reasonably, considers it necessary to obtain such services due to a lack of expertise within the Fund Manager's personnel to adequately review the same, and:
 - (i) the Fund Manager has been unable to obtain payment of such fees by the prospective investee; and
 - (ii) CIC has given prior approval for the same;
- (g) extraordinary expenses (being those expenses which by their nature are not, at the particular time, typical of the normal business of FNBDP and are not expected to occur regularly or not on a recurring basis over a period of years). Notwithstanding the foregoing, any extraordinary expenses for the account of FNBDP to be incurred by the Fund Manager will be subject to prior approval by CIC; and
- (h) extraordinary travel expenses, such as the cost of travel to remote locations incurred as part of the Fund Manager's due diligence procedures, provided that CIC has given prior approval for same.

6.4 TAXES. In addition to the Administration Fee, CIC agrees to pay to the Fund Manager all sales, use, value-added or other taxes, if any, required by law to be charged by the Fund

Manager to CIC in and for the performance of the Fund Manager's services hereunder. For greater clarification, CIC is exempt from paying GST and CIC shall provide the Fund Manager with verification of such upon request.

6.5 FULL PAYMENT. The Fund Manager (including its agents, employees or other representatives) shall not be entitled to any benefits of any kind or nature from CIC other than the payments specified in this Article 6.

ARTICLE 7 CONSULTING AND PLACEMENT FEES

7.1 PLACEMENT FEES. Any placement or other fee paid by an Investee in respect of a Fund Investment shall be for the account of CIC. Fees generated for any consulting or financial services provided by the Fund Manager to an Investee unrelated to a Fund Investment will be for the account of the Fund Manager. The Fund Manager will at the time of engagement by an Investee disclose to CIC in writing any additional consulting or financial services to be provided to an Investee, by the Fund Manager and thereafter not less frequently than quarterly any compensation received or to be received from an Investee and the nature of the consulting or financial services related to such compensation. If such engagement amounts to a conflict of interest under the terms of this Agreement CIC shall be entitled to exercise its rights under Section 8.5 hereof

ARTICLE 8 TERM AND TERMINATION

8.1 TERM. The Term of this Agreement shall commence on the Effective Date and shall expire December 31, 2013, unless sooner terminated in accordance with this Agreement.

8.2 TERMINATION.

- (a) This Agreement shall terminate prior to expiry of the Term without notice or other act on the date all Fund Investments have been liquidated or otherwise disposed of;
- (b) This Agreement may be terminated by CIC in the following circumstances:
 - (i) the winding-up, dissolution, bankruptcy or insolvency of the Fund Manager;
 - (ii) the Fund Manager ceases to carry on business;
 - (iii) a material breach of this Agreement by the Fund Manager, if such breach has not been cured within 30 days after written notice of such breach has been provided to the Fund Manager;
 - (iv) a breach by the Fund Manager of any fiduciary obligation owed to CIC;

- (v) is no longer an active member of the Senior Executive Management Team, unless other members of the Senior Executive Management Team remain active in the management of the Fund Manager;
- (vi) If the funding for FNBDP is terminated by the CIC Board or the Government of Saskatchewan. In such case, CIC shall give the Fund Manager three months prior notice of the termination; or
- (vii) If no Fund Investments have been completed by the Fund Manager 12 months after the Effective Date.

8.3 PAYMENT UPON TERMINATION.

- (a) Subject to Section 6.5, if this Agreement is terminated pursuant to Paragraph 8.2 other than pursuant to the provisions of Paragraph 8.2(b)(iii) or(iv), the Fund Manager will be entitled to the Administration Fee, if any, due and owing to the Fund Manager prorated to the date of early termination;
- (b) CIC will have 30 days from the date of termination to pay the amount referred to in Paragraph 8.3(a); and
- (c) If this Agreement is terminated pursuant to Paragraphs 8.2(b)(iii) or (iv) , the Fund Manager shall not be entitled to any amount referred to in section 8.3(a).

8.4 DELIVERY OF BOOKS AND RECORDS. Notwithstanding anything to the contrary in this Agreement, upon any termination or expiry of this Agreement, the Fund Manager agrees to deliver to the replacement fund manager, or to any other person designated for such purpose by CIC, any assets (including without limitation, books, records and contracts) which constitute property of CIC.

8.5 CONFLICT OF INTEREST.

- (a) The Fund Manager shall, immediately upon learning that it is in a conflict of interest with CIC with respect to any Fund Investment or Investee or potential Fund Investment or Investee, disclose in writing the nature and circumstances of the conflict of interest to CIC (the "Conflict of Interest");
- (b) CIC acknowledges that a Conflict of Interest arising solely from the fact that the Fund Manager manages investments with a Fund Investment or Investee or potential Fund Investment or Investee on behalf of the First Nations and Metis Fund or under the federal BRIDG initiative is acceptable from CIC's point of view and need not be declared by the Fund Manager as a Conflict of Interest, unless other circumstances exist that would add to the Conflict of Interest.
- (c) Notwithstanding anything in this Agreement to the contrary, in the event that the Fund Manager is in a Conflict of Interest with CIC, CIC shall, without limiting any other rights

to which it may be entitled under this Agreement or at law, have the right, without penalty, to terminate the services of the Fund Manager with respect to the subject Fund Investment and/or Investee;

- (d) Following written disclosure by the Fund Manager of the Conflict of Interest, CIC shall advise the Fund Manager in writing within thirty (30) days, or within such greater length of time as may be reasonably required by CIC, of its intention to exercise its rights under Paragraph 8.5(c). CIC agrees to make its best efforts to provide to the Fund Manager its written decision regarding the conflict of interest on a timely basis. If CIC advises the Fund Manager that it does not intend to exercise its rights under Paragraph 8.5(c), CIC shall be deemed to have waived such rights in respect of the disclosed conflict of interest.
- (e) Notwithstanding a waiver given in accordance with Paragraph 8.5(d), if CIC becomes aware of any information not previously disclosed by the Fund Manager that gives rise to or materially affects an existing conflict of interest of the Fund Manager, CIC will be free to exercise its rights under Paragraph 8.5(c) notwithstanding any previous disclosure of a Conflict of Interest by the Fund Manager.

8.6 PAYMENTS IN THE EVENT OF CONFLICTS. Notwithstanding anything in this Agreement to the contrary, in the event that the Fund Manager has been terminated in respect of a particular Fund Investment or Investee pursuant to Section 8.5 hereof, the Administration Fee payable to the Fund Manager under Paragraph 6.1 hereunder shall be reduced by an amount equivalent to the percentage the Fund Investment represented of the total Net Asset Value.

ARTICLE 9 FUND MANAGER ACTING FOR OTHER CLIENTS

9.1 ACTING FOR OTHER FUNDS. Subject to Section 7.1 and 8.5, notwithstanding that the engagement of the Fund Manager by CIC is on an exclusive basis, CIC acknowledges that the Fund Manager provides investment management and other services to other parties and clients.

ARTICLE 10 CONFIDENTIALITY

10.1 CONFIDENTIALITY. The Fund Manager agrees that all records, reports, materials and information concerning any aspect of FNBDP, Fund Investments and Investees or potential Investees, shall be held in strict confidence, kept secure and, subject to lawful requirements, shall not be disclosed at any time to any Person, or used by the Fund Manager, or any Affiliate of the Fund Manager, or any of their respective directors, officers, employees, agents or other Persons for whom they are responsible in law or otherwise, except for the purposes of this Agreement.

ARTICLE 11 STATUS OF FUND MANAGER

11.1 STATUS. The parties intend that the Fund Manager be and is an independent contractor and the Fund Manager, its employees, agents or other representatives, will not be considered employees of CIC for any purpose and the Fund Manager shall, unless otherwise provided for herein, be responsible for all expenses incurred by the Fund Manager related directly or indirectly to the performance of its obligations under this agreement. The Fund Manager is responsible for submitting payments for Employment Insurance, Canada Pension, Provincial and Federal taxes, GST, contribution to the Workers' Compensation Fund, or any other payment of or in respect of or for the benefit of the Fund Manager, its employees, agents or other representatives, to the appropriate offices. The Fund Manager agrees to hold harmless CIC from and against any order, penalty, interest or tax that may be assessed or levied against them as a result of the failure or delay of the Fund Manager to file any return or information required by any law, ordinance or regulation or pay any amounts owing thereunder.

ARTICLE 12 BONDING AND INSURANCE

12.1 BOND. The Fund Manager covenants and agrees to obtain and maintain bonding or insurance during the term of this Agreement, at its sole cost and expense, as per the requirements under National Instrument 31-103(Registration Requirements & Exemptions).

12.2 INSURERS. The Fund Manager covenants and agrees that the bond or bonds shall be taken out with insurers acceptable to the Fund Manager and CIC and in form satisfactory from time to time to CIC. The Fund Manager agrees that copies of the bond or bonds shall be delivered to CIC as soon as practicable after the placing of the required bond or bonds.

ARTICLE 13 ARBITRATION OF DISPUTES

13.1 DISPUTES. All disputes, claims and questions regarding the rights and obligations of the parties under the terms of this Agreement shall be referred to the arbitration of a single arbitrator if the parties can agree upon one, otherwise to three arbitrators, one to be appointed by each party and a third to be chosen by the first two named before they enter upon the business of arbitration. Either party may make a demand for arbitration by serving such demand in writing upon the other party within 90 days after the dispute first arises. If within 30 days of serving of the notice, the parties fail to agree upon a single arbitrator or to appoint their respective appointees, then either party hereto may apply to the Court of Queen's Bench of Saskatchewan to have the required arbitrator appointed.

13.2 DECISION. The decision of the arbitrator or arbitrators so appointed shall be final and binding on the parties. The parties hereto agree that this paragraph shall be deemed to be a submission within the meaning of *The Arbitration Act*, 1992 (Saskatchewan). The costs of the arbitration shall be borne equally between the parties.

ARTICLE 14 MISCELLANEOUS MATTERS

14.1 NOTICE.

(a) Any notice or other written communication required or permitted to be given hereunder shall be in writing and:

- (i) delivered to the party to whom directed; or
- (ii) sent by registered mail with postage prepaid and return receipt requested; or
- (iii) sent by facsimile;

(b) All notices or other written communication shall be addressed to the party to whom directed at the following addresses:

To the Fund Manager:
Westcap Mgt. Ltd.
830,410 - 22nd Street East
Saskatoon, SK
S7K5T6
Facsimile No.: (306) 652-8186
Attention:

To CIC:
Crown Investments Corporation of Saskatchewan
400 - 2400 College Avenue
Regina, Saskatchewan
Facsimile No.: (306) 787 - 0294
Attention:

(c) Any party may at any time change its address hereunder by giving written notice of such change of address to the other parties in the manner specified in this Section; and

(d) Any such notice or other written communication shall be effective on the 5th Business Day after having been sent by registered mail, on the 1st Business Day after having been sent by telecopier or on the day of delivery.

14.2 FURTHER ASSURANCES. Each party hereto agrees to all such things and takes all such acts as may be necessary to give full force and effect to the matters contemplated by this Agreement.

14.3 ENTIRE AGREEMENT. This Agreement constitutes and contains the entire and only agreement among all the parties relating to the subject matter hereof and supersedes and cancels any and all pre-existing agreements and understandings amongst the parties relative thereto. Any and all prior and contemporaneous negotiations, memoranda of understanding or position, preliminary drafts and prior versions of this Agreement, whether signed or unsigned, leading up

to the execution hereof shall not be used by any party to construe the terms or affect the validity of this Agreement. No representation, inducement, promise, understanding, condition or warranty not set forth herein has been made or relied upon by any party.

14.4 ASSIGNMENT. This Agreement may not be assigned in whole or in part by the Fund Manager without the prior written consent of CIC, which consent shall not be reasonably withheld. For the purpose of this section "assignment" shall include any effective change in control of the Fund Manager. CIC may assign this Agreement to a wholly-owned subsidiary and shall provide the Fund Manager with notice of such.

14.5 ENUREMENT. This Agreement shall ensure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

14.6 REMEDIES. No remedy provided for herein for the enforcement of the rights of a party shall be exclusive of any other remedy whether provided for herein or available at law or in equity and such remedies may from time to time be exercised independently or in combination.

14.7 PRESS RELEASES. No press release or other announcement concerning the entering into of this Agreement or any investment or other activity contemplated hereunder shall be made by the Fund Manager, without prior written consent of CIC (such consent not to be unreasonably withheld), except as may otherwise be required by Applicable Law or stock exchange rules.

14.8 SET-OFF. CIC shall be entitled to set-off, counterclaim or deduct against the Fund Manager, whether in law or equity, any amounts owing from time to time owing by the Fund Manager to CIC hereunder or pursuant hereto.

14.9 SURVIVAL. All obligations of the Fund Manager under this Agreement dealing with confidentiality and all other obligations of the parties which by their nature, expressly or implicitly survive termination or expiration of this Agreement, shall continue in full force subsequent to and notwithstanding such termination or expiration.

14.10 TIME. Time shall be of the essence hereof.

14.11 AMENDMENTS. No amendment of this Agreement shall be binding unless executed in writing by the parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

14.12 GOVERNING LAW. This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Saskatchewan and of Canada and shall be treated in all respects as a Saskatchewan contract and shall be deemed to have been executed in Saskatchewan. All judicial proceedings taken with respect to this Agreement shall be taken in the courts of the Province of Saskatchewan and the parties hereto agree to submit to the jurisdiction of the said courts.

14.13 COUNTERPARTS. This Agreement may be executed in any number of counterparts each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. This Agreement may be delivered by facsimile transmission and receipt of a facsimile copy of any party's signature shall be considered to be receipt of an original copy thereof, until such time as an original signature has been received by the other party or parties to this agreement.

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

**CROWN INVESTMENTS CORPORATION OF
SASKATCHEWAN**

Per: _____

Name:

Title:

WESTCAP MGT. LTD.

Per: _____

Name:

Title:

Schedule A
**to Management Services Agreement between Crown Investments Corporation of
Saskatchewan and Westcap Mgt. Ltd.**

Investment Limitations

Fund Investments shall be subject to the following limitations and criteria:

- (a) Fund Investments shall be in amounts no less than \$100,000 and no greater than \$750,000 per Investee and shall take the form of a zero interest debt investment repayable by the Investee out of profits from its business;
- (b) Fund Investments will, on average, have a targeted repayment term of 5-7 years, or as otherwise directed by CIC;
- (c) Fund Investments are to be made in First Nations Businesses that carry on business in Saskatchewan provided that CIC may approve an investment to a First Nations Business headquartered in Saskatchewan that carries on business outside of Saskatchewan, if the investment objectives and investment strategies of FNBBDP are met;
- (d) no Fund Investments will be made to any eligible Investees that are Affiliates in any manner with the Fund Manager or any of its respective shareholders, directors or senior officers; and
- (e) whenever possible, Fund Investments shall be utilized in conjunction with funds available to Investees from the federal government under applicable federal programs.

AMENDMENT TO MANAGEMENT SERVICES AGREEMENT

THIS AGREEMENT made effective as of the 1st day of January, 2014.

BETWEEN

CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN,
a Crown corporation pursuant to Saskatchewan law, or its designated wholly-owned subsidiary, (hereinafter referred to as "CIC")

- and -

WESTCAP MGT. LTD.,
a corporation incorporated under *The Business Corporations Act* (Saskatchewan),
(hereinafter referred to as the "Fund Manager")

WHEREAS CIC and the Fund Manager entered into a Management Services Agreement made effective January 1, 2011 (the "MSA") for the First Nations Business Development Program, and CIC and the Fund Manager now wish to amend the MSA;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the sum of one dollar (\$1.00), the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Unless specifically stated herein, this agreement is supplemental to the MSA and shall be interpreted in accordance with the MSA.
2. This agreement shall be incorporated into the MSA and form part thereof as if it had originally been included therein.
3. Section 6.1 is hereby deleted and replaced with the following:

"As compensation for the services to be provided, and disbursements to be incurred hereunder, the Fund Manager shall be entitled to an administration fee ("Administration Fee") equal to:

- (a) \$ 100,000 per year, payable quarterly in arrears, from the Effective Date to December 31, 2013; and
- (b) \$ 100,000 per year, payable quarterly in arrears, from January 1, 2014 for the duration of the Term."

4. Section 8.1 is hereby amended by deleting "December 31, 2013" and replacing it with "December 31, 2020".
5. No amendment or modification of this agreement shall be binding unless in writing and executed by the parties.

6. This agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same document. All counterparts shall be construed together and all constitute one and the same original agreement notwithstanding that all parties are not signatory to the same counterpart. It shall not be necessary in making proof of this agreement to produce more than one counterpart.
7. Except as amended herein, all provisions of the MSA are confirmed and remain in full force and effect.

IN WITNESS WHEREOF THE CROWN INVESTMENTS CORPORATION OF SASKATCHEWAN enters into this agreement by the hands of its duly authorized signing officers on the day and year written above.

**CROWN INVESTMENTS CORPORATION OF
SASKATCHEWAN**

Per: _____

Per: _____

IN WITNESS WHEREOF WESTCAP MGT. LTD. enters into this agreement by the hands of its duly authorized signing officers on the day and year written above.

WESTCAP MGT. LTD.

Per: _____

Per: _____