

BDG ACCESS FUND LP

SUMMARY OF TERMS

August 20, 2025

The following information is a summary of terms of BDG Access Fund LP (the “Partnership”). Investors should consult with their advisors and legal counsel before considering an investment in the Partnership.

The Partnership BDG Access Fund LP is a limited partnership established under the laws of the Province of Québec.

General Partner of the Partnership Spartan Fund GP Inc., an Ontario corporation (the “**General Partner**”), is the general partner of the Partnership.

Manager of the Partnership Spartan Fund Management Inc., an Ontario corporation (the “**Manager**”), is the manager, administrator and portfolio advisor of the Partnership. The Manager directs the day-to-day business, operations and affairs of the Partnership.

Investment Objectives of the Partnership The Partnership’s investment objective is to generate returns and capital appreciation by investing in BDG – Appalaches Fund III, L.P. (the “**BDG Fund**”).

Investment Strategies of the Partnership The Partnership intends primarily to invest in the BDG Fund, managed by BDG – Appalaches (General Partner) Inc., a Canadian corporation (“**BDG Fund GP**”).

The investment objective of the BDG Fund is to acquire controlling stakes in Canadian SMEs, in accordance with the Investment Policy (as defined herein), where an active operational and hands-on approach can be deployed for significant value creation.

The BDG Fund will seek to invest in portfolio companies (the “**Portfolio Companies**”) falling with the following parameters (the “**Investment Policy**”):

- **Growth market:** Portfolio Companies exposed to markets with strong long-term fundamentals and favorable growth prospects allowing the businesses to evolve under solid long term business conditions.
- **Geographical location:** Portfolio Companies having their headquarters and their principal operations located in Canada
- **Established business model:** Profitable Portfolio Companies, well established, mature with a solid revenue base from quality customers, and sustainable competitive and market position advantages.
- **Specific sectors:** Even though the BDG Fund is sector-agnostic, focus will be to invest in Portfolio Companies operating in manufacturing processing, distribution and specialized services sectors, and businesses ancillary to such sectors.

- **Positions:** The BDG Fund, as buy-out investor, will acquire majority positions in Portfolio Companies, therefore at least 51% of controlling shares.
- **Instruments:** The BDG Fund will mainly acquire equity and quasi-equity instruments in respect of its investments in Portfolio Companies. The BDG Fund may also acquire debt instruments in combination with equity instruments as part of its buy-out strategy.

Reserves

The Manager, in consultation with the General Partner, may cause the Partnership to retain a certain amount of a Limited Partner's commitment (the "**Reserved Capital Commitment**") and may make a Drawdown with respect to such Reserved Capital Commitment from time to time (the "**Reserve**"). The Reserve will be maintained in a cash account and will be debited from time to time for purposes of paying fees and expenses of the Partnership. The Reserve generally will be in an amount equal to less than 1% of the aggregate Commitments (as defined herein) of the Partnership.

Forward-Looking Information

This term sheet includes forward-looking statements that reflect the Manager's current expectations about the Partnership's, and the BDG Fund's prospects and opportunities and possible future market opportunities and developments. The Manager has tried to identify forward-looking statements by using words such as "may," "will," "expect," "anticipate," "believe," "intend," "should," "estimate" or the negative of those terms or similar expressions. These forward-looking statements are based on information currently available to the Manager and in some cases on the Manager's analysis and subjective assessments and opinions. They are inherently subject to a number of risks and uncertainties based on factors, both known (some but not all of which are described in this term sheet) and unknown, that could cause the Partnership's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements.

Interests

An investment in the Partnership will be represented by an interest in the Partnership (the "**Interest**"). Interests are not transferable by limited partners of the Partnership ("**Limited Partners**"), except in very limited circumstances. No Interest shall be issued until the Partnership shall have received in full the price for such Interest, according to the applicable Call Notice.

The Partnership will not issue certificates representing any Interest in the Partnership. However, the General Partner may issue a confirmation indicating the number of Interests held by a Limited Partner at any given time.

Minimum Commitment Amount

The minimum Commitment of any Limited Partner will be \$25,000.

Drawdowns	<p>Limited Partner commitments (the “Commitments”) will be drawn down, pursuant to a drawdown notice of the Partnership (a “Call Notice”) from each Limited Partner, <i>pro rata</i>, as and when capital calls are made for the BDG Fund and at such other times on an as-needed basis upon at least five business days’ notice to the Limited Partners.</p> <p>Commitments will be drawn down from time to time as required to satisfy its obligations and commitments to the BDG Fund, to pay the Management Fee, to fund Operational Expenses, or to satisfy any other obligations of the Partnership.</p>
Default on Drawdown	<p>Failure by a Limited Partner to meet a Call Notice (such Limited Partner to be a “Defaulting Limited Partner”) may result in the application of default provisions to such Defaulting Limited Partner. Such default provisions may include, but will not be limited to, restrictions on the voting rights of the Defaulting Limited Partner, charging interest on amounts owed by the Defaulting Limited Partner to the Partnership, delaying, limiting or applying conditions to distributions in respect of the Defaulting Limited Partner, cancellation of the Defaulting Limited Partner’s entire Interest in the Partnership or the sale of its Interest in the Partnership.</p>
Subscription Date	<p>On or about August 29, 2025 (the “Initial Subscription Date”).</p>
Investing in the Partnership	<p>Interests are offered for sale to investors resident in Québec, Ontario, Alberta and British Columbia in reliance on exemptions from the prospectus requirements of applicable securities laws.</p>
Distributions	<p>The income or loss of the Partnership for a fiscal year shall be allocated as to 0.001% of the income or loss, to the General Partner, and as to 99.999% of the income or loss, to the Limited Partners in proportion to the respective capital contributions of such Limited Partners.</p> <p>The Partnership will not be required to make any distribution: (i) unless there is sufficient cash available; (ii) which would render the Partnership insolvent; or (iii) which, in the opinion of the General Partner, would or could leave the Partnership with insufficient funds or profits to meet any Operating Expenses.</p> <p>The Manager will be paying distributions to Limited Partners <i>pro rata</i> as soon as reasonably practicable upon receipt of the corresponding distributions from the BDG Fund. The proceeds of BDG Fund investments generally will be distributed promptly and in any case within 60 days after they are received by the BDG Fund; <i>provided, however</i>, that the BDG Fund may retain reasonable reserves that the BDG Fund GP, deems prudent to defray future expenses or liabilities of the BDG Fund and to enable the BDG Fund to fund portfolio investments in progress.</p> <p>The BDG Fund GP is entitled to receive from the BDG Fund, in respect of each limited partner, a distribution payable in advance of each quarter (the “Priority Distribution”) equal to the following amount (subject to applicable taxes):</p>

- a) until the fifth anniversary from July 11, 2024, 2% per annum of the aggregate commitments of such limited partners, calculated on the last business day prior to the end of each quarter; and
- b) thereafter, 2% per annum of the net invested capital in respect of such limited partner

Income and capital proceeds from the BDG Fund will, after satisfying or reserving amounts for any current or contingent, fees, costs, expenses and liabilities of the BDG Fund, be distributed as follows:

- a) *First*, 100% to the BDG Fund GP until it has received an amount corresponding to the total unpaid Priority Distributions, if applicable;
- b) *Second*, 100% to such limited partner of the BDG Fund, until it has been repaid its contributed capital in full;
- c) *Third*, 100% to such limited partner of the BDG Fund, until the cumulative amount distributed to such limited partner is equal to an annual rate of return of 8%, compounded annually, for such limited partners;
- d) *Fourth*, 100% to BDG III Carry Partner, L.P., as the carried interest partner in the BDG Fund (the “**Carried Interest Partner**”) until the Carried Interest Partner has received cumulative distributions equal to 20% of the sum of distributions made under the paragraph (c) and this paragraph (d); and
- e) *Fifth*, (i) 80% to such limited partner, and (ii) 20% to the Carried Interest Partner.

The BDG Fund will not be required to make any distribution: (i) unless there is sufficient cash available; (ii) which would render the BDG Fund insolvent; or (iii) which, in the opinion of the BDG Fund GP, would or could leave the BDG Fund with insufficient funds or profits to meet any operating expenses or priority distribution to be incurred within 90 days from the receipt of the proceeds or any investment to be funded within 90 days from the receipt of the proceeds.

Recycling

The General Partner may, in its sole discretion and at any time during the Investment Period, (A) reinvest distributable proceeds that have not yet been distributed, or (B) recall distributions, provided, however, that at no time may the aggregate cost of all investments paid by the Partnership exceed 100% of the aggregate Commitments. If the General Partner determines that distributable proceeds may be subject to recall, the General Partner will deliver written notice to each Limited Partner, concurrently with or within 7 business days after the distribution of such distributable proceeds, of the percentage or amount of the distribution made to such Limited Partner that is subject to recall (which percentage must be uniform for all Limited Partners and partners (or members or owners) of the parallel vehicles receiving such distribution), and that amount is subject to recall.

Retention and Recall

The General Partner may recall distributions made to a Limited Partner to meet any liability or obligation incurred by the Partnership; provided

however, that no Limited Partner will be required to contribute amounts under this provision following the date which is three (3) years after the termination of the Partnership.

Withdrawal

A Limited Partner may not withdraw from the Partnership except in very limited circumstances set out in the limited partnership agreement of the Partnership (the “**Limited Partnership Agreement**”). Limited Partners must be prepared to hold their Interest in the Partnership until the end of the Partnership’s Term. For the avoidance of doubt, no Limited Partner shall be entitled to demand the repayment of, or to be repaid its contributed capital other than in accordance with the Limited Partnership Agreement. Limited Partners will not have a general right to redeem, at their option, their Interests in the Partnership. A Limited Partner shall only be entitled to a return of its capital contribution upon the termination or liquidation of the Partnership and in certain limited circumstances as set out in the Limited Partnership Agreement.

Term

The term of the Partnership shall continue until the final liquidating distribution of the BDG Fund. The BDG Fund has a stated an initial term of ten years from July 11, 2024, which may be extended for up to two consecutive one-year terms. If the term of the BDG Fund is extended, the term of the Partnership shall automatically be extended for an equal period of time. The Partnership is subject to earlier commencement of winding up upon the occurrence of certain events described in the Limited Partnership Agreement.

Management Fee

Commencing on the Initial Subscription Date, the Partnership shall pay the Manager a fee (the “**Management Fee**”) consisting of:

- a) a monthly management fee equal to the greater of \$8,333.33 and 0.0167% of the total initial commitments of the Limited Partners’ subscriptions for Interests; and
- b) after the first anniversary date of Initial Subscription Date, a monthly services fee of \$250, which shall increase by an additional \$250 on each subsequent anniversary.

Payments of the Management Fee shall be made quarterly in advance on the first day of each fiscal quarter of each year, and payments of the Management Fee shall be pro-rated (on a daily basis) for any partial period of less than a fiscal quarter. The first payment of a Management Fee shall be due upon the initial drawdown date or such later time as determined by the Manager. The Partnership’s first payment shall be for the pro rata amount due from the Initial Subscription Date until the next succeeding fiscal quarter.

Organizational Expenses

The expenses incurred in respect of the establishment, capitalization and organization of the Partnership will be paid by the Partnership.

Operating Expenses

All of the expenses related to the administration and operation of the Partnership are paid by the Partnership. Such operating expenses will include but will not be limited to audit, administration and FundSERV costs. The Partnership will also indirectly bear its *pro rata* share of the expenses of the BDG Fund, including management fees payable by the BDG Fund.

Borrowing

The Partnership has the authority to borrow money from time to time for the purposes of cash management, making interim investments in the BDG Fund and unfunded Commitments, including, but not limited to, entering into credit facilities from time to time. A credit facility may be secured by the assets of the Partnership, including, without limitation, the unfunded Commitments and the right to call such unfunded Commitments. Limited Partners may be required to cooperate with the General Partner in securing any credit facility and to: (i) confirm their Commitment(s) and unfunded Commitment(s); (ii) provide additional information to the credit provider or lender; and/or (iii) execute such documents, in each case, as may be reasonably required by the General Partner or the credit provider or lender.

Risk Factors

There are a number of risks associated with an investment in the Partnership as set out in **Appendix “A”**. An investor should not invest in the Partnership unless they are willing to lose their entire investment. Potential investors should speak with their advisor to understand the risks associated with this investment.

Income Tax Considerations

The Partnership will calculate its income or loss in accordance with the provisions of the *Income Tax Act* (Canada) (its “**Taxable Income**”) and will allocate its Taxable Income to the General Partner and to the Limited Partners in accordance with the Limited Partnership Agreement.

Upon the redemption or other actual or deemed disposition of an Interest by a Limited Partner, a capital gain (or a capital loss) will generally be realized to the extent that the proceeds of disposition of the Interest, net of any costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Limited Partner of the Interest.

Interests do not qualify as an eligible investment for deferred income plans such as registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts.

Documents

In addition to the Limited Partnership Agreement, investors will receive copies of the limited partnership agreement and, upon request, the term sheet for the BDG Fund.

Rights of Action

In addition to and without derogation from any right or remedy that a purchaser of Interests may have at law, the *Securities Act* (Ontario) (the “**Act**”) provides that a purchaser has rights of rescission and damages where an “offering memorandum” contains a misrepresentation. This term sheet may be considered to be an “offering memorandum” under the Act. Any such rights must be exercised by the purchaser within prescribed time limits.

Attached as **Appendix “B”** is a summary of the rights of rescission and damages available to purchasers under the Act.

Currency

The Partnership will be denominated in Canadian dollars.

Appendix “A”

Risk Factors

An investment in the Partnership involves a significant degree of risk and is suitable only for investors of substantial means who have no immediate need for liquidity of the amount committed for investment and who can afford a risk of loss of such entire amount. Investors will be subject to a number of risks, only some of which are set forth below. In addition to the other information contained in this term sheet, each prospective investor should consult with his, her or its personal legal, tax and financial advisers and carefully consider and evaluate the risks before executing any documents with respect to the Partnership.

The following summary of certain risk factors does not purport to be a complete explanation of the risks involved in the offering of Interests.

Risks Associated with an Investment in the Partnership

Liquidity, Marketability and Transferability of Interests

A Limited Partner may not voluntarily withdraw from the Partnership, nor make full or partial redemption of its Interest in the Partnership. Accordingly, Interests should only be acquired by investors willing and able to commit their funds for an appreciable period of time. There is no market for the Interests and their resale and transfer are subject to restrictions imposed pursuant to the Limited Partnership Agreement, including consent by the General Partner, and applicable securities legislation. Consequently, holders of Interests may not be able to liquidate their investment in a timely manner and the Interests may not be readily accepted as collateral for a loan. As a result, an investment in the Partnership is suitable only for sophisticated investors who do not require liquidity for their investment and are able to bear the financial risk of the investment for an extended period of time.

Nature of Interests

The Interests are neither fixed income nor equity securities. An investment in Interests does not constitute an investment by Limited Partners in the BDG Fund or any of the portfolio investments held by the BDG Fund or any other fund managed by the BDG Fund GP. Limited Partners will not own the securities in the BDG Fund held by the Partnership by virtue of owning Interests in the Partnership. Interests are dissimilar to debt instruments in that there is no principle amount owing to Limited Partners. Limited Partners will not have the statutory rights normally associated with ownership of shares of a corporation including, for example the right to bring “oppression” or “derivative” actions.

Other Activities

The Manager, the General Partner and their affiliates will devote such portion of their time to the affairs of the Partnership as they in good faith consider necessary for the proper performance of their duties. However, other activities of the Manager, the General Partner and their affiliates may require them to devote substantial amounts of their time to matters unrelated to the business of the Partnership.

Legal, Tax and Regulatory Risks

Legal, tax and regulatory changes, either in the Canadian, United States (the “US”) or other countries’ investment environment or otherwise, may occur during the term of the Partnership which could have an adverse effect on the Partnership, or the BDG Fund. The legal, regulatory and tax considerations in Canada and the US, affecting the ability of the Partnership and the BDG Fund to achieve its investment objectives, are complicated and subject to change.

Tax Liability

In computing each Limited Partner's share of income or loss for tax purposes, only realized gains and other factors, including the date of purchase or redemption of Interests by a Limited Partner in a fiscal year, will be taken into account. Therefore, the change in value of a Limited Partner's Interests may differ from his share of income and loss for tax purposes. Furthermore, investors may be allocated income for tax purposes and not receive any cash distributions from the Partnership.

In-Kind Distributions

If the Partnership were to make a distribution in-kind to Limited Partners, the distributed property may not be a "qualified investment" for registered plans for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"). Significant taxes and other adverse consequences may arise for registered plans that hold property that is not a "qualified investment" for the purposes of the Tax Act.

Possible Loss of Limited Liability

Under the *Code Civil of Québec*, the General Partner has unlimited liability for the debts, liabilities, obligations and losses of the Partnership to the extent that they exceed the assets of the Partnership. The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the value of money or other property the Limited Partner has contributed or agreed to contribute to the Partnership. In accordance with the *Code Civil of Québec*, if a Limited Partner has received a return of all or part of such Limited Partner's contribution to the Partnership, the Limited Partner is nevertheless liable to the Partnership, or where the Partnership is dissolved, to its creditors, for any amounts not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims arose before the return of the contribution. The limitation of liability of a Limited Partner may be lost if a Limited Partner takes part in the control of the business of the Partnership.

Funding Deficiencies

Other than with respect to the possible loss of the limited liability as outlined above, no Limited Partner shall be obligated to pay any additional assessment on the Interests held or subscribed. However, if, as a result of a distribution by the Partnership, the Partnership's capital is reduced and the Partnership is unable to pay its debts (including any amounts owing to the BDG Fund) as they become due, the Limited Partners may have to return to the Partnership any such distributions received by them to restore the capital of the Partnership. If the Partnership does not have sufficient funds to meet its requirements and must default because the deficiency is not funded, Limited Partners may lose their entire investment in the Partnership.

Defaulting Limited Partner of the BDG Fund

If the Partnership, as a limited partner of the BDG Fund, is in default with respect to its obligations to pay any portion of its commitment on the due date thereof or any other payment required to be made by it when due or otherwise is in material breach of its obligations as a limited partner of the BDG Fund, it may suffer certain adverse consequences including a reduction of a portion of its capital account or a forfeiture of all or a portion of the Partnership's interest in the BDG Fund. Such adverse consequences will be indirectly borne by the Limited Partners in the Partnership regardless of whether any particular Limited Partner is in breach of its obligations to the Partnership or otherwise.

Leverage/Borrowing

The Partnership may use financial leverage by borrowing funds against the assets of the Partnership. The use of leverage increases the risk to the Partnership and subjects the Partnership to higher current expenses. Also, if the Partnership's portfolio value drops to the loan value or less, Limited Partners could sustain a total loss of their investment.

Fees and Expenses

The Partnership is obligated to pay its operating and administrative expenses, legal fees, other expenses and sales taxes regardless of whether the Partnership realizes profits.

In addition, because of the “fund on fund” structure, investors must consider that certain fees and expenses are being charged at each of the Partnership and the BDG Fund levels.

Lack of Independent Experts Representing Investors

Each of the Partnership, the Manager, and the General Partner have consulted with a single legal counsel regarding the formation and terms of the Partnership and the offering of Interests. The Limited Partners have not, however, been independently represented. Therefore, to the extent that the Partnership, the Limited Partners or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisers regarding the desirability of purchasing Interests and the suitability of investing in the Partnership.

Conflicts of interest

The Partnership and the Manager may be subject to various conflicts of interest.

No Operating History

Although persons involved in the management of the Partnership and the service providers to the Partnership have had long experience in their respective fields of specialization, the Partnership has no operating or performing history upon which prospective investors can evaluate the Partnership’s likely performance. Investors should be aware that the past performance by those involved in the investment management of the Partnership should not be considered as an indication of future results.

Past Performance

There can be no assurance that either the Partnership or the BDG Fund will achieve their respective investment objectives. Past investment performance of the BDG Fund or other funds managed by the BDG Fund GP should not be construed as an indication of the future results of an investment in the BDG Fund.

Not a mutual fund offered by prospectus

The Partnership is not a mutual fund offered by prospectus. In addition, the Partnership will not invest in a manner similar to the investments made by a mutual fund offered by prospectus. Investors should note that as the Partnership is not a mutual fund offered by prospectus, the rules designed to protect investors who purchase securities of a mutual fund offered by prospectus will not apply to the Interests.

Potential Indemnification Obligations

Under certain circumstances, the Partnership or the BDG Fund might be subject to significant indemnification obligations in respect of, among others, the General Partner, the Manager, the BDG Fund GP or certain parties related to them. The Partnership and the BDG Fund do not carry insurance to cover such potential obligations and none of the foregoing parties are insured for losses for which the Partnership, or the BDG Fund has agreed to indemnify them. Any indemnification paid by the Partnership or the BDG Fund would reduce the BDG Fund’s assets and, by extension, the value of the Interests.

Tracking Error

Although the Partnership invests in the BDG Fund, its performance will not be identical to the returns achieved by the BDG Fund. The costs and expenses applicable to an investment in the Partnership itself (including the Management Fee) will necessarily result in the Partnership underperforming the BDG Fund. In addition, a variety of other factors may contribute to deviations between the performance of the Partnership and the BDG Fund, including, but not limited to, the size of the Partnership's cash reserve that is not invested in the BDG Fund, the timing of subscriptions and the ability of the Partnership to fully invest new subscription proceeds in the BDG Fund as of the same subscription date. From time to time and over time, there will be tracking error between the performance of the Partnership and the performance of the BDG Fund that could, under certain circumstances, be material.

Operational Risk

The Partner is subject to operational risk, including the possibility that errors may be made by the Manager, the General Partner, the Partnership's service providers (including third party fund administrators), or any of their respective affiliates in certain transactions, calculations, or valuations on behalf of, or otherwise relating to, the Partnership. Limited Partners may not be notified of the occurrence of an error or the resolution of any error. Generally, the Manager, the General Partner, the Partnership's service providers, and any of their respective affiliates will not be held accountable for such errors, and the Partnership may bear losses resulting from such errors.

Cyber Security Breaches and Identity Theft

The information and technology systems of the General Partner, Manager, and BDG Fund and their respective affiliates and service providers may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons, other security breaches and/or usage errors by their respective professionals. The techniques used to obtain unauthorized access to data, disable or degrade service or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. The parties may incur substantial costs for cyber-security risk management to prevent any cyber incidents in the future.

Catastrophic Risks

The Partnership may be subject to the risk of loss arising from direct or indirect exposure to a number of types of other catastrophic events, including without limitation: pandemics, hurricanes, earthquakes, tornadoes, fires, flooding and other natural disasters; acts of war, military conflicts, social unrest or terrorism, including the impact of the uncertainty regarding reciprocal tariffs, cyberterrorism, prolonged power outages, network interruptions, or other major events or prolonged disruptions. Such events could exacerbate political, social and economic risks and result in significant breakdowns, delays and other disruptions on a local, regional and global scale, which may have adverse effects on the operating performance of the Partnership. The extent of the impact of any such catastrophe or other emergency on the Partnership's operational and financial performance will depend on many factors, including the duration and scope of such emergency, the extent of any related travel advisories and restrictions, the impact on overall supply and demand for goods and services, investor liquidity, consumer confidence and levels of economic activity, and the extent of its disruption to important global, regional and local supply chains and economic markets, all of which are highly uncertain and cannot be predicted. In particular, to the extent that any such event occurs and has a material effect on global financial markets or specific markets in which the BDG Fund participates, the risks of loss could be substantial and could have a material adverse effect on the BDG Fund and the ability of the BDG Fund to fulfill its investment objectives.

Although the Partnership and/or its affiliates have implemented, or expect to implement, measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, the manager of the Partnership, or its affiliates, and service providers may have to make a significant investment to fix or replace them. The failure of these systems for any reason could cause significant interruptions in such parties' operations and/or a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to investors (and the beneficial owners of investors). Such a failure could harm the reputation of the Partnership and subject it to legal claims and/or otherwise affect its financial performance. Specifically, cyberattacks and the failure of such systems may interfere with the processing of subscriptions or redemptions, impact the ability to value its assets, cause the release of confidential information and/or subject the Partnership to regulatory fines, penalties or financial losses, reimbursement or other compensation costs, and/or additional compliance costs. The Partnership and its Limited Partners could be negatively impacted as a result.

Indirect Investment in the BDG Fund

In addition to the risks detailed in this term sheet, because the Partnership will invest in and conduct its investment program through the BDG Fund, prospective investors should also carefully consider the risks that accompany an investment in the BDG Fund. For a detailed discussion with regard to risks and conflicts of interest generally applicable to the BDG Fund, please see the BDG Fund term sheet dated July 11, 2024 (the "**BDG Fund Term Sheet**") (a copy of which is available to prospective investors upon request to the Manager). The risks and conflicts of interest described in the BDG Fund Term Sheet with respect to the BDG Fund, and an investment therein apply generally to the Partnership and the Interests. The returns of the Partnership will depend almost entirely on the performance of its indirect investment in the BDG Fund and there can be no assurance that the BDG Fund will be able to implement its investment objective and strategy. Certain ongoing operating expenses of the Partnership, which will be in addition to those expenses borne by the Partnership as an investor in the BDG Fund (e.g., the portfolio investments' performance allocations, organizational expenses, investment expenses, operating expenses and other expenses and liabilities borne by investors in the portfolio investments), generally will be borne by the Partnership and the Limited Partners with a corresponding impact on the returns to the Limited Partners. Such additional expenses of the Partnership will reduce the Partnership's performance relative to both the BDG Fund. Although the Partnership will be an investor in the BDG Fund, investors in the Partnership will not themselves be investors of the BDG Fund and will not be entitled to enforce any rights directly against the BDG Fund or assert claims directly against the BDG Fund or its affiliates. An investor in the Partnership will have only those rights provided for in the Limited Partnership Agreement. Neither the General Partner nor the Manager takes any part in the management of the BDG Fund or has any control whatsoever over its strategies or policies. The Partnership is subject to the risk of bad judgment, negligence, or misconduct of the BDG Fund GP. The terms of the BDG Fund are subject to change. There can be no assurances that the partners of the BDG Fund will not further amend the BDG Fund's governing agreement. Neither the Partnership nor the Manager will have the ability to unilaterally block any amendment of the BDG Funds's governing agreement. None of the Partnership, the Manager or the General Partner will have any liability or responsibility to any member for any changes to the terms of the BDG Fund. None of the Partnership, the Manager or the General Partner is under any obligation to revise or supplement this term sheet, notwithstanding any amendments to the BDG Fund's governing agreement.

The Partnership May Not Call Full Capital Commitment Amount

The BDG Fund may determine to call all or a portion of the Partnership's capital commitment to the BDG Fund at any time during the relevant capital commitment period or may determine not to call any portion of the Partnership's capital commitment. The BDG Fund has no obligation to call capital at any time and it is possible that all or a material portion of the Partnership's capital commitment to the BDG Fund may remain uncalled at the end of the Partnership's relevant capital commitment period. Correspondingly, the Partnership may call all or a portion of a Limited Partner's Commitment at any time during the relevant

capital commitment period, or may not call any portion of a Limited Partner's Commitment. It is possible that all or a material portion of a Limited Partner's Commitment may remain uncalled at the end of the relevant capital commitment period.

Certain Risk Factors Applicable to the Investment Strategy of the Partnership

In addition to the risks described above and detailed in this term sheet, the Partnership, as an investor in the BDG Fund, is subject to all the risks relating to the BDG Fund as described herein and in the BDG Fund Term Sheet and therefore, the Interests will be subject, indirectly, to all such risks.

There can be no guarantee or representation that the BDG Fund will achieve its investment objectives. Exposure to the BDG Fund is speculative and involves certain considerations and risk factors which prospective investors should consider before investing, some of which are described in the BDG Fund Term Sheet. Investors will be deemed to acknowledge the existence of the risks set out in the BDG Fund Term Sheet, and to have waived any claim with respect to, or arising from, the existence of any such risks. The summary contained herein and in the BDG Fund Term Sheet is not a complete or exhaustive list or explanation of all risks involved in an investment in the Partnership and the investments by the BDG Fund in the portfolio investments. Investors who are considering making a commitment to the Partnership should be aware of certain investment risk considerations and should carefully review and evaluate these with their financial, tax and legal advisers before subscribing.

INVESTORS SHOULD BE AWARE THAT THEY WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE PARTNERSHIP, INCLUDING THEIR UNCONDITIONAL OBLIGATION TO MAKE CAPITAL CONTRIBUTIONS TO THE PARTNERSHIP. MOREOVER, IN THE EVENT ONE OR MORE LIMITED PARTNERS FAIL TO MEET CAPITAL CALLS BY THE PARTNERSHIP AND THE PARTNERSHIP IS NOT OTHERWISE ABLE TO OBTAIN SUFFICIENT FUNDS TO MEET ITS CAPITAL CALLS TO THE BDG FUND, THE PARTNERSHIP WOULD BE IN DEFAULT WITH RESPECT TO ITS INTERESTS IN THE BDG FUND. ANY SUCH DEFAULT MAY HAVE MATERIAL ADVERSE CONSEQUENCES TO ALL LIMITED PARTNERS, EVEN THOSE THAT HAVE MADE ALL REQUIRED CAPITAL CONTRIBUTIONS TO THE PARTNERSHIP, AND COULD RESULT IN THE LOSS OF ALL OR PART OF THEIR INVESTMENT IN THE PARTNERSHIP. IF PROSPECTIVE INVESTORS HAVE ANY QUESTIONS AS TO THE SUITABILITY OF THIS INVESTMENT, THEY SHOULD CONTACT THEIR PROFESSIONAL ADVISORS.

For a detailed discussion with regard to risks and conflicts of interest generally applicable to the BDG Fund, please review the BDG Fund Term Sheet and the other material agreements relating to the BDG Fund (copies of which are available to prospective investors upon request to the Manager). The risks and conflicts of interest described in the BDG Fund Term Sheet with respect to the BDG Fund and an investment therein apply generally to an investment in the Partnership and the Interests. Prior to subscribing for Interests, a prospective investor should carefully review the BDG Fund Term Sheet. The returns of the Partnership will depend almost entirely on the performance of its indirect investment in the BDG Fund and there can be no assurance that the BDG Fund will be able to implement its investment objective and strategy.

General Economic and Market Conditions

General economic and market conditions, such as interest rates, inflation rates, general levels of economic activity and the price of securities, may affect the BDG Fund's activities and the value and number of investments made by the BDG Fund or considered for prospective investment. Portfolio Companies in which the BDG Fund invests may be sensitive to adverse changes in the overall economy and, in particular, recessionary economic conditions. These circumstances may also create uncertainties in the financial markets that could adversely affect the ability of the BDG Fund to realize on its investments and the values of such investments. Further, certain economic factors specific to a Portfolio Company may have an adverse effect on the BDG Fund's investment in that company.

Unexpected volatility or illiquidity relating to general economic and market conditions could impair the BDG Fund's profitability or result in losses. Deteriorating market conditions and uncertainty regarding economic markets generally could result in declines in the market values of potential investments or declines in the market values of portfolio investments after they are made by the BDG Fund. Such declines may be exacerbated by other events, such as the failure of significant financial institutions or private markets funds, dislocations in other investment markets or other extrinsic events. In particular, catastrophic events including the global spread of disease or illnesses, such as the outbreak of COVID-19, may cause substantial volatility in the global financial markets. Such volatility could lead to weakened investment opportunities for the BDG Fund, could require the BDG Fund to dispose of its investments at a loss while such unfavourable market conditions prevail and/or could prevent the BDG Fund from successfully meeting its investment objective.

Nature of Investment

An investment in the BDG Fund requires a long-term commitment. Investments in the BDG Fund may not generate current income. Therefore, the return of capital and the realization of gains, if any, from an investment generally will occur upon the partial or complete realization or disposition of such investment. While an investment may be realized or disposed of at any time, it is generally expected that the ultimate realization or disposition of most of the BDG Fund's investments will not occur for a number of years after such investments are made. The BDG Fund expects to invest primarily in securities that are illiquid and subject to resale restrictions. In addition, in some cases, the BDG Fund may be prohibited or limited by contract from selling certain securities for a period of time or may be subject to tag-along, co-sale or similar provisions, and as a result, may not be permitted to dispose of an investment at a time it might otherwise desire to do so. There can be no assurance that the BDG Fund will correctly evaluate the nature and magnitude of the various factors that could affect the value or the timing of disposition of such investments. Prices of the investments may be volatile, and a variety of other factors that are inherently difficult to predict, such as domestic or international economic, political, social and health developments, may significantly affect the results of the BDG Fund's activities, including the risk of war and the effects of terrorist attacks, labour disruptions, outbreaks and pandemics and social movements. In addition, the BDG Fund's strategy for a Portfolio Company may involve an acquisition program, restructuring, operational improvements and/or change of key personnel, all of which entail a high degree of uncertainty. As a result, the BDG Fund's performance over a particular period may not necessarily be indicative of the results that may be expected in future periods.

No Assurance of Investment Return

There is no assurance that the BDG Fund will be able to generate returns for its investors or that the returns will be commensurate with the risks of investing in the types of companies and transactions described herein. The marketability and value of any such investment will depend upon many factors beyond the control of the BDG Fund. The BDG Fund will bear the expenses of transactions that are not consummated. In addition, the BDG Fund may enter into agreements to consummate transactions which involve payments, such as reverse break-up fees, by the BDG Fund in certain circumstances if the BDG Fund does not consummate the transaction. As a result, the BDG Fund could incur substantial costs with no opportunity for a return. In an extreme scenario, an Investor could lose the entire amount of its contributed capital, and therefore an Investor should only invest in the BDG Fund if the investor can withstand a total loss of its investment.

Limited Number of Investments

The BDG Fund may participate in a limited number of investments and, as a consequence, the aggregate return of the BDG Fund may be substantially affected by the unfavourable performance of a single investment.

Asset Allocation Risk

The performance of the BDG Fund's investments depends upon the successful asset allocation by the BDG Fund GP. There is no guarantee that the BDG Fund GP's allocation techniques and decisions will produce the desired results. It is possible to lose money of an investment in the BDG Fund as a result of the BDG Fund GP's allocation decisions.

Fund Size

If the BDG Fund is underfunded and fails to attract other investments in subsequent closings or if the BDG Fund GP fails to create replacement partnerships, the BDG Fund may be forced to reduce the size of its operations, which could adversely affect the ability of the BDG Fund GP to manage the investments.

Dependence of BDG Fund GP on Key Personnel

The BDG Fund GP depends, to great extent, on the services of a limited number of individuals in the administration of the BDG Fund's activities. The loss of such individuals for any of the BDG Fund GP for any reason could impair their ability to perform their activities on behalf of the BDG Fund.

Allocation of Personnel

The BDG Fund GP's officers and employees will not be able to devote all of their business time and attention to the BDG Fund as they will continue to be involved in the operations of the BDG Fund GP's other managed BDG Funds. The BDG Fund GP's officers and employees will devote such time and attention to the business of the BDG Fund as they reasonably consider necessary to carry out the operations of the BDG Fund effectively.

No Prior Operating History and Unspecified Investments

The BDG Fund is a newly-formed entity and has no prior operating history upon which an Investor can base its prediction of future success or failure. The BDG Fund will begin operations upon closing, and currently has not identified any particular investments. An investment in units of the BDG Fund must rely upon the ability of the BDG Fund GP to identify, structure and implement successful investments.

Risk Arising from Supervising Portfolio Companies

The BDG Fund will designate one or more of the key persons to serve on the boards of directors of Portfolio Companies. The designation of directors and other measures contemplated could expose the assets of the BDG Fund to claims by the Portfolio Companies, their employees, their security holders, their creditors or others. While the key persons intend to cause Portfolio Companies to subscribe to directors & officers liability insurance and to indemnify all board members and to manage the BDG Fund in a way that will minimize exposure to these risks, the inability for Portfolio Companies to subscribe to such insurance and the possibility of uninsured, non-indemnified of successful claims cannot be precluded. In general, the BDG Fund will be provided D&O insurance coverage and will indemnify the BDG Fund GP and the key persons from such claims.

Investors Not to Participate in Management of the BDG Fund

Investors in the BDG Fund will not have the right to participate in the management of the BDG Fund or in decisions made by the BDG Fund GP on its behalf. As a result, Investors will have almost no control over their investments in the BDG Fund or their prospects with respect thereto.

Loss of Limited Liability

Although the BDG Fund Limited Partnership Agreement provides that Investors will have no right to participate in the management of the BDG Fund or to make any decisions with respect to the investments to be made by the BDG Fund, investors may lose limited liability in certain circumstances if they are deemed to have taken part in the control or management of the business of the BDG Fund. Limited liability may also be lost as a result of false statements in documents filed under, or other non-compliance with, legislation governing limited partnerships and in jurisdictions where there is a risk of non-recognition of the protection of limited liabilities with respect to creditors of the BDG Fund whose claims derive from liabilities incurred in such jurisdictions.

Recourse to the BDG Fund's Assets

The BDG Fund's assets, including any investments made by the BDG Fund and any capital held by the BDG Fund, are available to satisfy all liabilities and other obligations of the BDG Fund. If the BDG Fund itself becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the BDG Fund's assets generally and not be limited to any particular asset, such as the investment giving rise to the liability.

Operating Company Board Participation

It is expected that members of the BDG Fund GP will serve as directors of certain of the Portfolio Companies and, as such, may have duties to persons other than the BDG Fund. Although such positions in certain circumstances may be important to the BDG Fund's investment strategy and may enhance the BDG Fund GP's ability to manage investments, they may also have the effect of impairing the BDG Fund's ability to sell the related securities when, and upon the terms, it may otherwise desire, and may subject the BDG Fund GP and the BDG Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director-related claims. In general, the BDG Fund will indemnify the BDG Fund GP and its officers, employees and representatives from such claims.

Conflicts of Interest

The BDG Fund GP and its affiliates may engage in a wide range of advisory and investment activities. In addition, the BDG Fund GP and its affiliates may be selected to provide services to the BDG Fund or Portfolio Companies (including as part of the realisation or disposition of a portfolio investment) and be paid in relation to their services. This compensation is described under "Transaction Fees" in the BDG Term Sheet. Services rendered by the BDG Fund GP or its affiliates will be on terms that are generally no less favourable for the BDG Fund or the Portfolio Company than those which the BDG Fund could obtain if it were dealing at arm's length with an unrelated party.

Given the compensation formula, the BDG Fund GP may be encouraged to invest the BDG Fund's capital in companies that have a high level of risk designed to create higher return than would be considered acceptable by the limited partners. Conflicts of interest may therefore arise between the limited partners and the BDG Fund GP and its right to distributions by the BDG Fund.

The key persons, or their associates, may come into possession of material information not available to the public which may restrict the BDG Fund's ability to buy or sell participations in its Portfolio Companies due to the impact of applicable securities laws. Such a situation could occur if a BDG Fund representative sits on the board of directors of a Portfolio Company or exercises any advisory capacity therefor.

Legal, Tax and Regulatory Risks

The BDG Fund and the Portfolio Companies must comply with various legal requirements, including requirements imposed by anti-money laundering laws, securities laws, competition laws, commodities laws, tax laws and pension laws. Legal, tax and regulatory changes to laws or administrative practice could

adversely affect the BDG Fund. Interpretation of law or administrative practice may affect the characterization of the BDG Fund's earnings as capital gains or income, which may increase the level of tax borne by the investor as a result of increased taxable distributions from the BDG Fund. Investors are urged to consult with their own tax advisors with respect to their tax situation and the effects of an investment in the BDG Fund. There can be no assurances that the structure of the BDG Fund or any investments made by the BDG Fund will be tax efficient for any particular investor. Further, in general, tax laws, rules and procedures are extremely complex and subject to change.

Lack of Liquidity

Units of the BDG Fund are being sold on a "private placement" basis in reliance on exemptions from prospectus requirements of applicable securities laws and therefore are subject to restrictions on transfer which may be indefinite. There will be no public or private market for the units, and none is expected to develop. In addition, the units are not transferable except with the consent of the BDG Fund GP, which may be withheld by the BDG Fund GP in its sole discretion, and subject to the terms and conditions of the BDG Fund Limited Partnership Agreement. Investors may not withdraw capital from the BDG Fund. Consequently, investors may not be able to liquidate their investments prior to the end of the BDG Fund's term.

Not a Public Mutual BDG Fund

The BDG Fund is not subject to the restrictions placed on mutual BDG Funds offered to the public to ensure diversification and liquidity of the BDG Fund's portfolio.

Not a Regulated Investment Fund or Insured Deposit

The BDG Fund is not an regulated investment fund and therefore is not subject to the regulation imposed on the formation, capitalization, management and investment of regulated investment funds under applicable securities legislation. A subscription for units of the NDG Fund and the resulting commitment of monies to the BDG Fund pursuant to the BDG Fund Limited Partnership Agreement do not constitute a deposit that is insured by any deposit insurance.

Future Investments

After the initial investment in a portfolio investment, the BDG Fund may be required to inject additional funds or have the opportunity to increase its investment in that company or fund additional investments through that company. There is no assurance that the BDG Fund will make future investments or that it will have sufficient funds to make all those investments. Any decision by the BDG Fund not to make future investments or an inability on its part to do so could have a material adverse effect on the Portfolio Company in need of these funds, or could prove to be a missed opportunity to maintain or increase the BDG Fund's interest in a successful company, or result in dilution of the BDG Fund's investment.

Distribution in Kind

The BDG Fund GP will be subject to certain limitations with respect to in-kind distributions, as set out in the Limited BDG Fund Agreement. Notwithstanding the foregoing, such distributions may be made in certain limited circumstances such as the dissolution of the BDG Fund.

Possible Clawback from Limited Partners

If the available assets of the BDG Fund do not allow it to fulfil its obligations, or if the BDG Fund is dissolved, creditors could claim from a limited partner the refund of distributions or subscription refunds

that it received, to the extent that those obligations arose before the BDG Fund tries to recover the distributions or subscription refunds.

Limited Partners in default

Limited partners who do not meet a call for capital could suffer serious financial consequences, including forfeiture of their units.

Currency Risk

Limited partners who use a base currency different from that of the units purchased should be aware that exchange rate variations may cause the value of the investment to increase or decrease regardless of the performance of the BDG Fund's investments.

Potential Costs of Indemnification

The BDG Fund GP and its members, agents, representatives, affiliates and its respective employees are entitled to indemnification by the BDG Fund, except in certain circumstances. The assets of the BDG Fund are used to fulfil these indemnification obligations and the Limited Partners may be required to return distributions to meet these obligations. These obligations shall survive the termination of the BDG Fund.

Absence of Registration as an Adviser, Portfolio Manager, Broker or Investment Fund Manager

The BDG Fund GP is not registered as an advisor, portfolio manager, investment fund manager or broker under applicable Canadian securities legislation and, therefore, the BDG Fund or the limited partners may not benefit from the protections afforded to clients of a registered adviser or broker under the securities legislation.

Lack of Independent Experts Representing the Limited Partner

The BDG Fund and the BDG Fund GP have consulted with one legal advisor regarding the creation of the BDG Fund and its terms and the offering of LP Units. However, the Limited Partners were not represented independently. Therefore, to the extent that the BDG Fund, the Limited Partners or this offering could benefit from another independent review, this benefit is not available. Each prospective investor should consult its own legal, tax and financial advisors as to whether it is desirable to purchase LP Units or invest in the BDG Fund.

Lack of participation of an unaffiliated sales agent

No external sales agent not affiliated with the BDG Fund GP has conducted an examination or investigation of the terms of this investment, the BDG Fund's structure or the history of the BDG Fund GP.

Taxation of the BDG Fund

There is no guarantee that the tax laws applicable to the BDG Fund will not be amended in a manner that could adversely affect the BDG Fund or its limited partners. In addition, there is no guarantee that the CRA will accept the qualification by the BDG Fund GP of the BDG Fund's profits and losses as capital gains or revenue in specific circumstances, as appropriate.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, the BDG Fund GP and the BDG Fund have become potentially more susceptible to operational risks through breaches of cyber security. A breach of cyber security refers to both intentional and unintentional events that may cause the

BDG Fund GP or the BDG Fund to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the BDG Fund GP or the BDG Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the BDG Fund GP's or the BDG Fund's digital information systems (e.g. through "hacking" or malicious software coding) but may also result from outside attacks, such as denial of service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of the BDG Fund GP's, the BDG Fund's, the BDG Fund's third party service providers (e.g. administrators and custodians) or companies that the BDG Fund invests in can also subject the BDG Fund GP and the BDG Fund to many of the same risks associated with direct cyber security breaches.

Industry Specific Risks Factors

Private Equity Industry Competition

The activity of identifying, completing and realizing attractive investments is highly competitive and involves a high degree of uncertainty, especially with respect to timing. The availability of investment opportunities generally will be subject to market conditions as well as, in some cases, the prevailing regulatory conditions or the political climate in industries and regions in which the BDG Fund invests and other factors outside the control of the BDG Fund. Over the past several years, an ever-increasing number of private investment BDG Funds have been formed (and many existing BDG Funds have grown in size). As a result, there can be no assurance that the BDG Fund will be able to identify and complete investments that satisfy its investment objectives or realize the value of such investments.

Mid-Market Companies

A component of the BDG Fund's investment objective and strategy is to invest in "mid-market" companies or "medium-sized" companies. While investments in mid-market companies may present greater opportunities for growth, such investments may also entail larger risks than are customarily associated with investments in large companies. Medium-sized companies may have more limited product lines, markets and financial resources, and may be dependent on smaller management groups. As a result, such companies may be more vulnerable to general economic trends and to specific changes in their business, operations, markets and technology. In addition, future growth may be dependent on additional financing, which may not be available on acceptable terms when required. Further, there is ordinarily a more limited options for the sale of interests in smaller, private companies, which may make realizations of gains more difficult, by requiring sales to other private investors or other companies within the same market. In addition, the relative illiquidity of private equity investments generally, and the somewhat greater illiquidity of private investments in small and medium-sized companies, could make it difficult for the BDG Fund to react quickly to negative economic or political developments.

Financial and Business Risks

Private equity investments will generally involve a significant degree of financial and/or business risk. Portfolio Companies of the BDG Fund may be leveraged and therefore may be more sensitive to adverse business or financial developments or economic factors. Such Portfolio Companies may face intense competition, changing business or economic conditions or other developments that may adversely affect their performance. Business risks may be more significant in smaller companies or those that are embarking on a build-up or operating turnaround strategy. If for any of these reasons a portfolio entity of the BDG Fund is unable to generate sufficient cash flow to meet principal or interest payments on its indebtedness or make regular dividend payments, the value of the portfolio investments of the BDG Fund could be significantly reduced or even eliminated, which may have a material adverse effect on the value of the BDG Fund and thus adversely affect the returns of the BDG Fund.

Growth risks

There is no certainty as to whether the companies targeted by the BDG Fund will continue to grow.

Investments in Public Companies

The BDG Fund may not invest in public companies. However, the BDG Fund could take private portfolio companies public or privatize public companies. Investments in public companies may subject the BDG Fund to risks that differ in type or degree from those involved with investments in privately held companies. Such risks include, without limitation, greater volatility in the valuation of such companies, increased obligations to disclose information regarding such companies, limitations on the ability of the BDG Fund to dispose of such securities at certain times (including due to the possession by the BDG Fund of material non-public information or within a certain period following the going-public transaction) increased likelihood of shareholder litigation against such companies' board members, which may include the BDG Fund GP's personnel, regulatory action by securities regulators and increased costs associated with each of the aforementioned risks.

Effects of Bankruptcy

The BDG Fund may make investments in companies that are or may become the subject of voluntary or involuntary bankruptcy proceedings under applicable bankruptcy laws. Certain risks that are faced in bankruptcy cases which must be factored into the investment decision include, for example, the potential total loss of any such investment. Upon confirmation of a plan of reorganization under applicable bankruptcy laws, or as a result of a liquidation proceeding, the BDG Fund could suffer a loss of all or a part of the value of its investment in a company. A bankruptcy filing may adversely and permanently affect an investment. The company could lose market position and key employees, and the liquidation value of the company may not equal the liquidation value that was believed to exist prior to the making of the initial investment.

Capital Market Fluctuations

The general instability of the debt securities market and other securities markets could impede the ability of the Portfolio Companies to raise capital.

Debt Service Obligations

The BDG Fund may invest in securities of Portfolio Companies that use debt as a means of improving the yield of the BDG Fund's investments or reducing the overall cost of the capital of these Portfolio Companies. The use of debt increases the exposure of the Portfolio Company to the risks of rising interest rates and can affect its operating performance and cash flows. If a Portfolio Company is unable to generate sufficient cash flow to meet its debt service obligations, the value of the BDG Fund's investment in that Portfolio Company could be significantly reduced or become null.

Appendix “B”

Statutory Rights of Action

As used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement in this term sheet or any amendment hereto not misleading in light of the circumstances in which it was made. A “**material fact**” means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Interests.

If this term sheet, together with any amendment or supplement to this term sheet, delivered to a purchaser of Interests resident in Ontario contains a Misrepresentation and it was a Misrepresentation at the time of purchase of Interests by such purchaser, the purchaser will have, without regard to whether the purchaser relied on such Misrepresentation, a right of action against the Partnership for damages or, while still the owner of the Interests purchased by that purchaser, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages against the Partnership, provided that:

- (a) the Partnership shall not be held liable pursuant to either right of action if the Partnership proves the purchaser purchased the Interests with knowledge of the Misrepresentation;
- (b) in an action for damages, the Partnership is not liable for all or any portion of such damages that it proves do not represent the depreciation in value of the Interests acquired by the purchaser as a result of the Misrepresentation relied upon;
- (c) the Partnership will not be liable for a Misrepresentation in forward-looking information if the Partnership proves that:
 - (i) this term sheet contains reasonable cautionary language identifying the forward-looking information as such, and identifying material factors that could cause actual results to differ materially from a conclusion, forecast or projection in the forward-looking information, and a statement of material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection set out in the forward-looking information; and
 - (ii) the Partnership has a reasonable basis for drawing the conclusion or making the forecasts and projections set out in the forward-looking information;
- (d) in no case shall the amount recoverable pursuant to such right of action exceed the purchase price of the Interests acquired; and
- (e) no action may be commenced to enforce such right of action more than:
 - (i) in the case of an action for rescission 180 days after the date of the purchase of the Interests; or
 - (ii) in the case of an action for damages, the earlier of:
 - (A) 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action; or
 - (B) three years after the date of the purchase of the Interests.

The foregoing rights do not apply if the purchaser purchased Interests under the “accredited investor” exemption and is:

- (a) a Canadian financial institution (as defined in OSC Rule 45-501) or a Schedule III bank;
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The summary is subject to the express provisions of the Act and regulations thereunder and reference is made thereto for the complete text of such provisions. Purchasers of Interests should refer to the applicable provisions of the Act for the particulars of these rights or consult with a legal adviser.

British Columbia, Alberta, and Québec

Notwithstanding that the *Securities Act* (British Columbia), the *Securities Act* (Alberta) and the *Securities Act* (Québec) do not provide, or require, the Fund to provide to purchasers resident in the Province of Alberta purchasing under the accredited investor exemption and to purchasers in British Columbia and Québec any rights of action in circumstances where this term sheet or an amendment hereto contains a Misrepresentation, the Fund hereby grants to such purchasers contractual rights of action that are equivalent to the statutory rights of action set forth above with respect to purchasers resident in Ontario.