



VERTEX FUND

SUBSCRIPTION AGREEMENT

ONTARIO SUBSCRIBERS

INSTRUCTIONS

1. Complete and sign pages 1 and 2 of the Subscription Agreement.
2. If you are purchasing units having an aggregate subscription price of less than \$150,000 and are an accredited investor, complete and sign the **Accredited Investor Questionnaire – Appendix I**.
3. Cheques or bank drafts are payable in Canadian Funds to “RBC Dexia Investor Services Trust, in trust”.

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Wire Order#: _____

Share Class: _____

Account #: _____

Fund Code: _____

VERTEX FUND

**SUBSCRIPTION AGREEMENT
ONTARIO SUBSCRIBERS**

TO: Vertex Fund
c/o Vertex One Asset Management Inc.
Suite 1920, 1177 West Hastings Street
Vancouver, British Columbia V6E 2K3

AND TO: Computershare Trust Company of Canada

Re: Subscription for Units

Subscription

The undersigned (the "Subscriber") hereby tenders this subscription (the "Subscription") pursuant to the Confidential Offering Memorandum (the "Offering Memorandum"), as amended and restated from time to time, relating to the Vertex Fund (the "Fund") and subscribes for and agrees to take up and purchase Units (the "Units") in the Fund at a subscription price per Unit (the "Subscription Price") equal to the Net Asset Value per Unit on the next Valuation Date (the last business day of a given month). The number of Units hereby subscribed for equals the aggregate subscription price agreed to be paid hereby and tendered herewith divided by such Subscription Price. The Subscriber shall complete this subscription for Units by delivering to Vertex One Asset Management Inc. (the "Investment Manager"):

- (a) a cheque or bank draft for the Subscription Price, payable to "RBC Dexia Investor Services Trust, in trust"; and
- (b) if the Subscriber is purchasing units having an aggregate subscription price of less than \$150,000 and is an accredited investor as defined in National Instrument 45-106 ("NI 45-106"), the **Accredited Investor Questionnaire – Appendix I**.

Aggregate Subscription Price: \$_____.

The Terms and Conditions attached to this Subscription as Schedule A are incorporated into and form part of this Subscription Agreement.

By signing this Subscription and delivering it to Vertex One Asset Management Inc. you are acknowledging and agreeing to the Terms and Conditions in Schedule A.

DATED at _____, this _____ day of _____, _____.

Name of Subscriber (please print)

Authorized Signature(s)

Co-Subscriber for Joint Accounts (please print)

Authorized Signature(s)

by: _____
Official Capacity or Title (If a Corporation,
Partnership or Other Entity - please print)

(Please print name of individual whose signature
appears above if different than the name of the
Subscriber)

(Address of Subscriber)

(Social Insurance Number) or (Business Number)

(City)

(Telephone Number)

(Postal Code)

(Business Telephone Number)

(Email Address)

(Facsimile Number)

Details of Beneficial Purchaser If Not Same as Subscriber:

(Name - please print)

(Beneficial Purchaser's Address)

(if space is inadequate please attach a schedule
containing the necessary information)

This subscription is accepted by Vertex One Asset Management Inc. on behalf of the Fund this _____ day of _____, _____.

VERTEX ONE ASSET MANAGEMENT INC.

Per:

Authorized Signatory

- Complete This Form If You Are:**
- **Purchasing Units for Less than \$150,000; and**
 - **An Accredited Investor**

APPENDIX I

ACCREDITED INVESTOR QUESTIONNAIRE

The undersigned, as a purchaser of Units (the “Units”) of Vertex Fund (the “Fund”), has represented to the Fund and Vertex One Asset Management Inc. (the “Investment Manager”) that the undersigned is an accredited investor as defined in Section 1.1 of National Instrument 45-106. The undersigned has indicated below the categories which it, he or she satisfies to qualify as an accredited investor.

The undersigned understands that each of the Fund and the Investment Manager is relying on this information in determining to sell securities to the undersigned in a manner exempt from the prospectus requirements of applicable securities laws.

ACCREDITED INVESTOR STATUS

The undersigned represents and warrants that it, he or she is **[check each applicable item]**:

- _____ (a) a Canadian financial institution (as defined under NI 45-106), or an authorized foreign bank listed in Schedule III of the *Bank Act* (Canada);
- _____ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
- _____ (c) a subsidiary of any person referred to in paragraphs (a) or (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;
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
- _____ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada, as a representative of a person referred to in paragraph (d);
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montréal or an intermunicipal management board in Québec;
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;

- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements;
- _____ (n) an investment fund that distributes or has distributed its securities only to:
 - (i) a person that is or was an accredited investor at the time of the distribution,
 - (ii) a person that acquires or acquired securities in the circumstances referred to in Sections 2.10 – Minimum Amount Investment and 2.19 – Additional Investment in Investment Funds of NI 45-106, or;
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under Section 2.18 – Investment Fund Reinvestment of NI 45-106;
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person:
 - (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and
 - (ii) in Ontario, is purchasing a security that is not a security of an investment fund;
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) through (d) or paragraph (i) in form and function;
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect, or beneficial, except the voting securities required by law to be owned by directors, are persons that are Accredited Investors;

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor.

IN WITNESS WHEREOF, the undersigned has executed this Questionnaire as of the _____ day of _____, _____.

If a Corporation, Partnership or Other Entity:

If an Individual:

Name of Entity

Signature

Type of Entity

Print or Type Name

Signature of Person Signing

Print or Type Name and Title of Person Signing

As used in this Questionnaire, the following terms have the following meanings:

A “**person**” includes:

- (a) an individual,
- (b) a corporation,
- (c) a partnership, trust fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“**subsidiary**” occurs when a person or corporation is controlled by another person or corporation.

“**\$**” means Canadian Dollars.

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SCHEDULE A TERMS AND CONDITIONS

1. Conditions, Acceptance and Delivery

The Subscriber acknowledges and agrees that the issuance by the Fund to it, him or her of the Units is subject to prior sale and to:

- (a) the acceptance of this Subscription, in whole or in part, by the Investment Manager on behalf of the Fund in its sole and absolute discretion; and
- (b) the availability to the Fund and the Investment Manager of exemptions (“Exemptions”) under all applicable securities laws, rules and regulations which, in the opinion of counsel to the Fund and the Investment Manager, may be relied upon by the Fund in order to permit it to offer and sell the Units to the Subscriber without the necessity of filing and having approved a prospectus or registration statement, as applicable, pursuant to such securities laws, rules and regulations.

The Fund intends to issue the Units in reliance on the Exemptions set out in the applicable securities legislation of the jurisdiction in which the Subscriber is resident or to which the Subscriber is subject.

The Subscriber agrees to provide the Fund and the Investment Manager with such information and to execute and deliver to the Fund and the Investment Manager such securities forms as they may require, and such other undertakings, questionnaires and other documents as the Fund and the Investment Manager may request in order to enable them to determine the availability to them of Exemptions. Such information, forms, undertakings, questionnaires and other documents form part of and are incorporated into this Subscription with the same effect as if each constitutes a representation and warranty of the Subscriber set forth in Section 3 hereof. The Subscriber consents to the filing of such forms, undertakings, questionnaires and other documents with any securities regulatory authority in connection with the transactions contemplated hereby.

2. Receipt of Offering Memorandum

The Subscriber acknowledges the receipt of a copy of the Offering Memorandum.

3. Subscriber’s Representations, Warranties and Acknowledgements

The Subscriber represents, warrants and acknowledges, to the Fund and the Investment Manager as representations, warranties and acknowledgements that are true as of the date of this Subscription and will be true as of the date of acceptance that:

- (a) if the Subscriber is a corporation, the Subscriber is a valid and subsisting corporation, has the necessary corporate capacity and authority to execute and deliver this Subscription and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate action in respect thereof, or, if the Subscriber is a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to execute and deliver this Subscription and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof, and, in either case, upon acceptance by the Investment Manager, this Subscription will constitute a legal, valid and binding contract of the Subscriber enforceable against the Subscriber in accordance with its terms;
- (b) the Subscriber is a resident of only the jurisdiction referred to under “Residential Address of Subscriber” on the first page of this Agreement, which address is the residence or place of business of the Subscriber and was not created or used solely for the purpose of acquiring Units and the Subscriber was solicited in that jurisdiction;

- (c) the Subscriber is purchasing the Units as principal, for its own account, and not for the benefit of any other person, for investment only and not with a view to resale or distribution thereof, or is deemed to be purchasing as principal under all applicable securities laws, and is one of the following:
 - (i) purchasing a sufficient number of Units so that the aggregate acquisition cost to the Subscriber will not be less than \$150,000 paid in cash at the time of the trade, and if the Subscriber is not an individual: (1) it was not formed, created, established or incorporated for the purpose of permitting the purchase of the Units without a prospectus, or (2) the aggregate acquisition cost of the Units for each member, partner, beneficiary or shareholder of the partnership, syndicate, unincorporated organization, trust or corporation, as applicable, is not less than \$150,000; or
 - (ii) an accredited investor as defined in NI 45-106, and has confirmed such status to the Fund and the Investment Manager pursuant to a completed Accredited Investor Questionnaire in the form attached hereto as Appendix I;
- (d) the Subscriber has such knowledge and experience in financial and business affairs as to be capable of evaluating the merits and risks of the investment in the Units and is able to bear the economic risk of loss of such investment;
- (e) the Subscriber has read the Offering Memorandum and has had the opportunity to ask questions of, and receive answers from, the Investment Manager or a person authorized to act on behalf of either the Fund or the Investment Manager concerning the business and affairs of the Fund and the attributes of the Units which the Subscriber deems necessary and appropriate;
- (f) in investing in the Units, the Subscriber is relying solely on the representations and warranties contained in the Offering Memorandum;
- (g) the Subscriber has sought no advice in relation to the investment of the Units from the Investment Manager or any of its affiliates, associates, agents, employees or representatives and neither the Investment Manager nor any of its affiliates, associates, agents, employees or representatives has provided any advice to the Subscriber in relation to such purchase; and
- (h) none of the funds being used to purchase the Subscriber's Units are to the Subscriber's knowledge proceeds obtained or derived directly or indirectly as a result of illegal activities. The funds being used to purchase the Subscriber's Units which will be advanced by the Subscriber to the Fund hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) Act* (Canada) (the "PCMLA") and the Subscriber acknowledges that the Fund or the Investment Manager may in the future be required by law to disclose the Subscriber's name, and other information relating to this Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLA. To the best of its knowledge (a) none of the funds to be provided by the Subscriber are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it shall promptly notify the Fund and the Investment Manager if the Subscriber discovers that any of such representations ceases to be true, and to provide the Fund and the Investment Manager with appropriate information in connection therewith.

The foregoing representations, warranties and acknowledgements are made by the Subscriber with the intent that each may be relied upon by the Fund and the Investment Manager without further enquiry for purposes of determining the suitability of the Subscriber as a holder of the Units and of determining the availability to the Fund and the Investment Manager of the prospectus exemptions set out in Section 3.

4. Revocation

The Subscriber agrees that this Subscription is given for valuable consideration and, subject to the two day cancellation right available to certain Subscribers as described in the Offering Memorandum and, as applicable, the statutory or contractual rights of action provided for in the Offering Memorandum and subject to applicable

securities laws, may not be withdrawn, cancelled, terminated or revoked by the Subscriber. The acceptance of this Subscription will be effective upon endorsement of acceptance by the Investment Manager on behalf of the Fund.

5. Indemnity

The Subscriber agrees to indemnify and hold harmless the Fund, the Investment Manager and their directors, officers, employees, agents and shareholders from and against any and all loss, liability, claim, damage and expense whatsoever arising out of or based upon any representation or warranty of the Subscriber contained herein or in any document furnished by the Subscriber to the Fund or the Investment Manager in connection with this Subscription being untrue in any material respect or any breach or failure by the Subscriber to comply with any covenant or agreement made by the Subscriber herein or in any document furnished by the Subscriber to the Fund or the Investment Manager in connection herewith.

6. Notices

Any notice or communication which the Fund or the Subscriber is required or may desire to give or to make upon the other hereunder will be effective and valid only if in writing, signed by or on behalf of the party giving the notice or making the communication, and delivered personally to the other party or sent by courier, delivery service or by registered or certified mail, addressed to their respective addresses set forth on page 1 hereof (or, in either case, to such other address or person of which either party has given notice or made communication to the other in accordance with the foregoing).

7. Use of Personal Information

The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the fact the Fund and the Investment Manager are collecting the Subscriber's (and any beneficial purchaser's) personal information for the purpose of completing the Subscriber's subscription. The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) acknowledges and consents to the Fund and the Investment Manager retaining the personal information for as long as permitted or required by applicable law or business practices. The Subscriber (on its own behalf and, if applicable, on behalf of any person for whose benefit the Subscriber is subscribing) further acknowledges and consents to the fact the Fund or the Investment Manager may be required by applicable securities laws, stock exchange or other rules to provide regulatory authorities any personal information provided by the Subscriber respecting itself (and any beneficial purchaser). The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of all beneficial purchasers.

8. Miscellaneous

The agreement resulting from the acceptance of this Subscription by the Investment Manager on behalf of the Fund contains the whole agreement between the Fund and the Subscriber in respect of the subject matters hereof and there are no representations, warranties, terms, conditions or collateral agreements, express, implied or statutory, other than as expressly set forth herein and in the Offering Memorandum and all amendments thereto. All representations, warranties, agreements and covenants made by the Subscriber herein will survive the execution, delivery and acceptance of this Subscription. Neither this Subscription nor any of the rights arising hereunder will be capable of assignment or transfer by the Subscriber in any manner except with the written consent of the Fund. This Subscription will enure to the benefit of and be binding upon the Fund, the Investment Manager and the Subscriber and their respective successors and permitted assigns and heirs, administrators, executors and other legal representatives. This Subscription and the rights and obligations of the parties hereunder will be governed by and construed in accordance with the laws of the Province of British Columbia and any legal action or proceeding with respect therein or hereto will be brought in the courts of the Province of British Columbia.

The Subscriber hereby authorizes the Investment Manager to correct any minor errors in, or complete any minor information missing from, the Accredited Investor Questionnaire (Appendix I) which has been executed by the Subscriber and delivered to the Investment Manager. The Subscriber consents to the filing of such documents and any other documents as may be required to be filed with any securities regulatory authority in connection with the Private Placement.

9. Income Tax Legislation

Since the provisions of the *Income Tax Act* (Canada) and any other legislation imposing taxation consequences on the Subscriber are complex and since the general effect of the aforesaid legislation (including their effect in the event of the death of the Subscriber or the sale of a Unit by or to the Subscriber) depends on the particular circumstances of each party, the Subscriber does hereby expressly acknowledge that it has been advised to seek independent professional advice on the taxation and investment aspects of the Fund and that neither the Investment Manager nor the Fund make representations with respect to matters of taxation and shall not be responsible for any taxation consequences, or without restricting the generality of the foregoing and notwithstanding the terms hereof and of the Offering Memorandum, for the deductibility or reasonableness of any expenses, or for any loss, costs, charges or expenses in respect thereof.

10. Rights of Action

Effective at the date of acceptance of this Subscription, the Fund hereby grants the applicable statutory or contractual right of action for rescission or damages to the Subscriber for the applicable province of residence of the Subscriber, as set forth in the Offering Memorandum as if such rights were fully set forth in this subscription and such rights are incorporated by reference into this subscription.

11. Defined Terms

Capitalized terms herein shall, unless otherwise defined herein, have the meanings ascribed to them in the Offering Memorandum.

12. Language

The parties hereto confirm their express wish that this Agreement and all documents and agreements directly or indirectly relating thereto be drawn up in the English language. Les parties reconnaissent leur volonté express que la présente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.
