



May 20th, 2010

Attn: Mr. Charles Marleau
Palos Management Inc.
1 Place Ville Marie
Suite 1812
Montreal, Quebec
H3B 4A9

Dear Mr. Marleau,

Enclosed, for your record, is an original signed copy of the Client Commission Arrangement between Palos Management Inc and CIBC World Markets.

Regards

A handwritten signature in blue ink, appearing to read "Shoghig Kulidjian".

Shoghig Kulidjian
Executive Director
Head, Commission Management



CLIENT COMMISSION ARRANGEMENT

BETWEEN

Palos Management Inc.

- AND -

**CIBC World Markets Inc., in its capacity as executing broker,
("CIBC WM")**

This Agreement sets forth the terms by which CIBC WM ("CIBC WM", "we" or "us") will provide or continue to provide **Palos Management Inc.** ("you" or "your") with "order execution goods and services" and/or with "research goods and services", each as defined in National Instrument 23-102 – *Use of Client Brokerage Commissions* ("NI 23-102"), including research and brokerage services delivered by CIBC WM and/or third parties (each, a "Provider") and that may also qualify as "brokerage or research services" under Section 28(e) of the United States Securities Exchange Act of 1934, as amended, (collectively, "Services"), as applicable. The parties hereto acknowledge that you maintain an account with CIBC WM and, from time to time, pay CIBC WM commissions for the execution of purchases and sales of securities. CIBC WM is a broker-dealer registered under the *Securities Act* (Ontario) and is a member of the Investment Dealers Association of Canada.

The purpose of this Agreement is to enable you to receive, from time to time, Services from Providers and for CIBC WM to make payments to such Providers at your request, in a manner consistent with applicable securities laws and regulatory requirements. You may request that we pay fees to one or more Providers for Services to be delivered to you. Such requests will be made in the form attached as Schedule A hereto or other similar document. You will only request, and you shall be solely responsible to ensure that, requests and payments for Services will only be requested for Services that comply with the requirements of NI 23-102 and/or satisfy the safe harbor of Section 28(e) of the Securities Exchange Act (collectively, the "Regulatory Requirements"), as applicable, and we will pay fees only in connection with services that reasonably satisfy the applicable Regulatory Requirements. Provided that there are sufficient Research Credits (as hereinafter defined), we will pay the Provider directly for Services, review the description of the Services to be paid for with Research Credits for any indications that the Services are not within the applicable Regulatory Requirements, and develop and maintain procedures so that research payments are documented and paid for promptly. Subject to the provisions below, we will pay these fees to the extent we approve your requests. You agree and acknowledge that CIBC WM is not and does not agree to be financially obligated to any Provider unless we specifically agree otherwise in writing. Furthermore, you acknowledge and agree that CIBC WM is not required nor will it pay any interest on any Research Credits in your account.

The commission rate that will be applied to each order executed in accordance with this Agreement shall be set out in a rate card (the "Rate Card"), as amended from time to time and which is hereby

A handwritten signature in black ink is located in the bottom right corner of the page. The signature is stylized and appears to be a cursive name.

incorporated by reference into this Agreement. Commission rates shall be sub-divided into an execution portion and non-execution portion of the total commission rate. CIBC WM will be paid the execution portion of the commission rate for trades executed by CIBC WM on your behalf. The non-execution portion of the commission rate shall accrue in a research and brokerage services pool (collectively referred to herein as "Research Credits"). Such Research Credits shall be distributed to Providers in accordance with this Agreement. We will apply the commission rates set out in the latest Rate Card provided to us effective from the date set out therein. Unless otherwise agreed in writing, Research Credits will accrue on a monthly basis. All accrued Research Credits must be used by you not later than 90 days following the end of each calendar year and thereafter all accrued but unused Research Credits shall expire and have no further value. You will deliver or arrange to deliver an electronic payment request (in the form attached as Schedule A hereto or other similar document) to us semi-annually.

For so long as this Agreement is in effect, you represent, warrant and covenant (and acknowledge that CIBC WM will be relying on these representations, warranties and covenants) that:

1. you will maintain in full force and effect all applicable registrations, permits, licenses, agreements, and other permissions necessary to carry out this Agreement; the execution and delivery of this Agreement has been authorized by all required corporate or other action, the person signing this Agreement is authorized to sign on your behalf and the execution, delivery and performance of this Agreement constitutes a valid and binding obligation, enforceable against you, in accordance with its terms, subject to except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws affecting the rights of creditors generally and except as the application of equitable remedies by limited by a court's discretion; this Agreement does not conflict with your governing documents or any offering document issued by you, or any contract, agreement or judgment by which you are bound; you have made and shall make all disclosures regarding and related to this Agreement and the arrangements contemplated by this Agreement that are required by applicable laws, rules and regulations, including, without limitation, your fiduciary duties; you are in material compliance with all laws, rules and regulations applicable to you, including without limitation any fiduciary duties; and your participation in this arrangement will not violate any law (including applicable Regulatory Requirements) regulation or duty you owe to your clients;
2. you will not direct brokerage transactions to CIBC WM as payment for goods or services provided to it other than Services and in compliance with all applicable Regulatory Requirements;
3. no payment has been or will be requested by you to be paid by CIBC WM on your behalf under this Agreement that does not comply with the applicable Regulatory Requirements and the Research Credits used to pay for Services submitted by you to CIBC WM for payment on your behalf pursuant to this Agreement have and will benefit the same investors that have generated the commissions;
4. prior to directing us to make any payments under this Agreement and to the extent we pay for Services at your request, Services will be used by you solely for lawful and appropriate assistance in your performance of investment decision-making responsibilities, and the fees for such Services will be determined by you in good faith, without any involvement from us, to be reasonable in light of the value of the Services received;
5. CIBC WM will not be responsible for use or misuse of any Services or for any payment made on your behalf by CIBC WM pursuant to this Agreement, you specifically understand and acknowledge that CIBC WM is acting only as intermediary, and without liability, in facilitating the payment of Services provided to you by Providers in accordance with applicable Regulatory Requirements;



6. you will provide us with any information that we may reasonably request relating to Services that we pay for, and your use thereof, including, without limitation, general descriptions of such Services and your use thereof;
7. CIBC WM is not a fiduciary with respect to your account or any of your discretionary accounts, and the Services do not and will not serve as the sole basis for any investment decisions made with respect to such accounts. You further acknowledge that we are not undertaking to manage money hereunder;
8. all fees you request we pay to Providers are compensation solely for Services and, in particular, no portion of fees (a) is or is intended to compensate a Provider, directly or indirectly, for referrals or other distribution-related services, or (b) may be conditioned, directly or indirectly, on the execution of any transaction or transactions in securities described or analyzed in the Services;
9. you will notify us promptly in the event that any of the representations, warranties or covenants contained in this Agreement becomes untrue or misleading; and
10. no action, suit or proceeding is pending or, to your knowledge after due enquiry, threatened against you, your affiliates or any of its or your directors, officers, trustees, employees or agents before or by any court, administrative agency or other governmental authority that brings into question the validity of the transactions contemplated by this Agreement or that could impair the consummation by you of this Agreement or the transactions contemplated hereby.

For so long as this Agreement is in effect, CIBC WM represents, warrants and covenants that:

1. it maintains in full force and effect all applicable registrations, permits licenses, agreements and other permissions necessary to carry out its obligations pursuant to this Agreement;
2. it is in material compliance with all applicable securities laws;
3. the execution and delivery of this Agreement has been authorized by all required corporate, the person signing this Agreement is authorized to sign on its behalf and the execution, delivery and performance of this Agreement constitutes a valid and binding obligation, enforceable against it, in accordance with its terms, subject to except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or similar laws affecting the rights of creditors generally and except as the application of equitable remedies by limited by a court's discretion;
4. it will notify you promptly in the event any of these representations, warranties or covenants shall be come untrue or misleading; and
5. no action, suit or proceeding is pending or, to its knowledge after due enquiry, threatened against it or any of its directors, officers, employees or agents before or by any court, administrative agency or other governmental authority that brings into question the validity of the transactions contemplated by this Agreement or that could impair the consummation by it of this Agreement or the transactions contemplated hereby.

You understand and acknowledge that your use of Services is subject to each Provider's terms of use and disclaimers. We disclaim all express and implied warranties relating to Services, including with respect to merchantability, accuracy, completeness, quality, timeliness or non-infringement. You will be solely responsible for your failure to comply with any Provider's terms of use. In addition, you understand and acknowledge that CIBC WM may provide information regarding You and your



account to regulatory or supervisory authorities with jurisdiction or supervision over CIBC WM when requested or required to do so by law as determined by CIBC WM, acting reasonably. Unless contrary to law or regulation, CIBC WM will advise the You if such a disclosure has been made.

The foregoing representations and warranties of the parties are continuing during the term of this Agreement and each of the parties agree to promptly notify the other party in writing, and in any event prior to any trade being made pursuant to this Agreement to which Research Credits will accrue to you, if at any time during the course of this Agreement any of the foregoing representations or warranties shall be or becomes inaccurate, untrue or misleading, and the facts related thereto.

All notices required to be given under this Agreement will deemed to have been received if sent by one party to the other party by: (i) facsimile; (ii) personal delivery; or (iii) ordinary mail (in which case the document will be deemed to have been received 5 business days after it is mailed). All communications conducted on the telephone will be confirmed in writing on or before the next business day.

Notices and other communication shall be addressed as follows:

(a) if to CIBC WM as follows:

CIBC World Markets Inc.
161 Bay St, 5th Floor
Toronto ON M5J 2S8
Phone: (416) • Fax: (416) •

(b) if to the Client as follows:

Palos Management Inc.
1 Place Ville-Marie, Suite 1812
Montreal (QC) H3B 4A9

Phone: 514-397-0188

Fax: 514-397-0199

You agree to indemnify and hold harmless each of CIBC WM and its affiliates, and each of its and their respective directors, officers, employees and agents (each such person, an "Indemnified Person"), against any losses, claims, damages or liabilities and reasonable expenses ("Claims") (including any subsequent tax assessment and any professional, including legal, or other expenses incurred by such Indemnified Party in connection with investigating or defending any Claim) incurred by such Indemnified Party, insofar as such Claim arises out of or is based upon, directly or indirectly, a breach of any of your representations, warranties, covenants or obligations contained in this Agreement or your performance of this Agreement. This obligation of indemnification will survive any termination of this Agreement.

The parties to this Agreement intend that the relationship between them will be at all times an independent contractor relationship, and that no agency, employment, fiduciary, joint venture or partnership is created by this Agreement. The parties understand that their respective businesses are separate and apart from any that may be operated by the other party. No party shall make any representations creating any apparent agency, employment, fiduciary, joint venture or partnership with the other. No party, nor their respective directors, officers, employees or agents shall be deemed directors, officers, employees or agents of, or co-venturers with, any other party by virtue of having entered into this Agreement or the transactions contemplated hereby. No party or its directors, officers, employees or agents has the capacity or authority to make commitments for or on behalf of



the other party and may not make any representation regarding the relationship between or among the parties without the prior written consent of the affected party.

You will be liable and responsible for any and all Canadian federal or provincial taxes payable (including federal goods and services tax under the *Excise Tax Act* (Canada) or any successor tax and provincial sales taxes) in respect to the transactions contemplated by this Agreement. If any such taxes are assessed by the relevant taxation authorities against CIBC WM, an amount equal to the amount of such taxes owing will be paid forthwith by you to CIBC WM. CIBC WM may make any deduction or withholding that is required by applicable law in respect of any payment made hereunder and shall, to the extent required and in accordance with applicable law, pay any such amounts deducted or withheld to the relevant taxation or other authority.

This Agreement constitutes the entire agreement between the parties concerning the subject matter of this Agreement and the transactions contemplated hereby and supercedes all other agreements, understandings, negotiations and discussions, whether written or oral between the parties. This Agreement may be amended only by written agreement of the parties hereto. This Agreement shall ensure to the benefit and be binding upon the parties hereto and their respective successors and permitted assigns. This Agreement or any of the rights or obligations under this Agreement may not be assigned by you without the written consent of CIBC WM.

This Agreement shall be non-exclusive, is subject to annual review and may be terminated by either party with 30 days prior written notice.

If on termination the Research Credit balance exceeds the payments made to Providers, we will continue to make payments of fees for Services until the Research Credits have been fully depleted. For the avoidance of doubt, the parties hereto agree that nothing contained in this Agreement shall entitle us to retain Research Credits for our own account. Any termination shall not affect any outstanding obligation or the indemnification obligation set forth above.

The laws of the Province of Ontario and the federal laws of Canada applicable therein will govern this Agreement without regard to conflict of laws principles.

This Agreement may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts and facsimile or other electronically delivered counterparts shall together constitute one and the same agreement.

[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 Entente ainsi que tous les documents et contrats s'y rattachant directement ou indirectement soient rédigés en anglais.][NTD: Insert the foregoing for agreements entered into with Quebec based counterparties.]

The parties hereto are authorized to enter into this Agreement and the individuals signing below are authorized to sign on their behalf.

CIBC WORLD MARKETS INC.

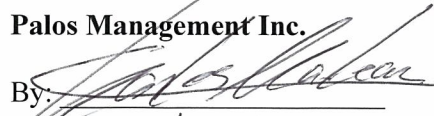
By: 

Name: RIK PARKHILL

Title: HEAD OF CASH EQUITIES.

Date: MAY 20/2010.

Palos Management Inc.

By: 

Name: Charles Marboan

Title: Director

Date: MAY 17/2010

**SCHEDULE A
Services Payment Request**

[Name of Client Commission Arrangement Partner]

Please pay the following research providers from our Research Credits. The tracking columns to the right are for your own use and are not reported back to us except for the date of payment.

Date Posted	Provider	Amount	Date Paid	Amount Paid	Notes	Details

Payments To Your Firm

Date	Broker	Payment Type	Fixed Amount	CSA Amount

CSA Commissions Carry Forward:	\$ ____
CSA Commissions YTD:	\$ ____
CSA Payments YTD:	\$ ____
Adjustments:	\$ ____
Remaining:	\$ ____

Payments By Your Firm

Date	Provider	Original Amount	Amount Paid	Date Paid

Managing Director
CIBC World Markets Inc.

Authorized Signatory
Name (Print)
Title
Client Name

RATE CARD
As of May 10, 2010

Palos Management Inc.

Qualifying Trades under the Client Commission Arrangement must meet the qualifying criteria

1. be in Canadian listed securities
2. not be solicited either through sales efforts or in response to the CIBC Block List
3. not include capital commitment trades

Trades that qualify will have their Commissions sub-divided into an execution portion and a non-execution portion representing 20% of the total commission rate. CIBC WM will be paid the execution portion of the commission rate for trades executed by CIBC WM on your behalf. The non-execution portion of the commission rate shall accrue in a research and brokerage services pool ("Research Credits"). The Research Credits will not exceed a total of \$120K per year. If at the end of a calendar year the payables exceed the Research Credits, Palos Management Inc. will have 12 months to cover the deficit in addition to that year's full payables amount. CIBC WM will not allow for concurrent deficit balances.