

CONTINUOUS DISTRIBUTION DEALER AGREEMENT

THIS AGREEMENT is made as of _____, 2011.

A M O N G:

BETAPRO MANAGEMENT INC., a corporation incorporated under the laws of Canada, as trustee and manager of the Horizons BetaPro exchange traded funds listed in Schedule A hereof, each of which is a trust created under the laws of the Province of Ontario (collectively, the “**ETFs**” and individually, an “**ETF**”)

(“**BetaPro**”)

- and-

a corporation incorporated under the laws of _____

(the “**Dealer**”)

WHEREAS:

- A. BetaPro, as trustee and manager of the ETFs, and the Dealer wish to enter into this Continuous Distribution Dealer Agreement (the “**Agreement**”) which will apply to each of the ETFs set out in Schedule A, as such Schedule A may be amended by the parties from time to time, to provide for the continuous distribution of Class A Units of such ETFs.
- B. A copy of the master declaration of trust dated as of the 4th day of January 2007 establishing the ETFs, as amended from time to time, (the “**Trust Agreement**”) has been delivered or made available to the Dealer.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the subject matter or context otherwise requires:

“**Bank Holiday**” means, any Trading Day that deposit taking banks in the United States or Canada are not open for business;

“**Canadian securities legislation**” means the laws, regulations, requirements and policies of the securities regulatory authority in each province and territory of Canada which are in effect from time to time and applicable to the ETFs.

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Class A Unit**” means a redeemable, transferable class A unit of an ETF.

“**Custodian**” means State Street Trust Company Canada for all ETFs other than for the Horizons S&P/TSX 60TM Index ETF (“**HBP S&P 60 ETF**”) and Horizons S&P 500[®] Index (C\$ Hedged) ETF (“**HBP S&P 500 ETF**”) in which case it means CIBC Mellon Trust Company.

“**Initial Subscription Order**” has the meaning given to such term in the Designated Broker Agreement entered into between BetaPro and the Dealer on the date hereof.

“**Issuance Day**” means, in respect of an ETF, the day on which such ETF issues Class A Units.

“**Material Contracts**” means, in respect of an ETF, the contracts identified as material contracts in the applicable Prospectus.

“**Maximum Purchase Amount**” means, in respect of an ETF, the maximum number of Class A Units of the ETF that the Dealer can buy on a Trading Day, as determined by BetaPro, in its sole discretion, from time to time.

“**Prescribed Number of Class A Units**” means, in respect of an ETF, the number of Class A Units of the ETF determined and published by BetaPro from time to time.

“**Prospectus**” means, in respect of an ETF, the current prospectus qualifying the issuance of Class A Units of the ETF for distribution to the public, including any amendments to such prospectus.

“**Qualifying Jurisdictions**” means, in respect of an ETF, all of the provinces and territories of Canada where the Prospectus of such ETF has been filed, and “**Qualifying Jurisdiction**” means one of them.

“**Registrar and Transfer Agent**” has the meaning given to such term in the respective Prospectus.

“**Settlement Day**” means either:

- (i) the first Trading Day following the effective date of the relevant Subscription Order, provided that such Trading Day is not a Bank Holiday; or
- (ii) the second Trading Day following the effective date of the relevant Subscription Order, if the first Trading Day following the effective date of the Subscription Order is a Bank Holiday.

“**Subscription Order**” means (i) an order in the form of Schedule 2.1(a) placed by the Dealer to BetaPro evidencing the Dealer’s request to subscribe for at least the Prescribed Number of Class

A Units of an ETF and (ii) where the context requires, may mean an Initial Subscription Order or Subsequent Subscription Order pursuant to a Designated Broker Agreement entered into between BetaPro and the Dealer on the date hereof.

“**Subsequent Subscription Order**” has the meaning ascribed thereto in the Designated Broker Agreement entered into between BetaPro and the Dealer on the date hereof.

“**Supplementary Material**” means any amendment or supplement to a Prospectus or to any documentation supplemental thereto or any amending or supplemental prospectus or other supplemental documentation or any similar document required to be filed by BetaPro or an ETF under any Canadian securities legislation in connection with the continuous distribution of its Class A Units.

“**Trading Day**” has the meaning given to such term in the respective Prospectus.

“**Underlying Index**” has the meaning given to such term in the respective Prospectus.

“**Valuation Time**” means the time on each Trading Day as of which the net asset value per Class A Unit of an ETF is determined by BetaPro in accordance with the valuation principles set out in the Trust Agreement.

Capitalized terms used and not otherwise defined herein have the meanings given to them in the relevant Prospectus.

1.2 Appendices and Schedules

The following are schedules to this Agreement, which form an integral part hereof:

Schedule A	Current list of Horizons BetaPro ETFs that are subject to this Agreement
Schedule 2.1 (a)	Form of Subscription Order
Schedule 2.4	List of Transaction Fees

1.3 Article and Section Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and are not to affect the construction or interpretation of this Agreement.

1.4 Reference to “Hereof”, etc.

Reference in this Agreement to “herein”, “hereafter”, “hereby”, “hereto” and “hereunder” shall be deemed to refer to this Agreement and not to the article or section in which such words appear.

1.5 References

Reference in this Agreement to any enactment, including any statute, law, by-law, regulation, ordinance, rule, regulatory policy or order, will be deemed to include references to such enactment as re-enacted, amended or extended from time to time.

1.6 Entire Agreement

This Agreement and the Schedules referred to herein constitute the entire agreement between the parties hereto and supersede all prior agreements, representations, warranties, statements, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof.

1.7 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.8 Dollar Amounts

Unless specified otherwise, all statements of, or references to, dollar amounts in this Agreement are to lawful money of Canada.

1.9 Time

Unless otherwise specifically stated, all times in this Agreement are times in Toronto, Ontario.

ARTICLE 2 DISTRIBUTION

2.1 Distribution of Class A Units of an ETF

For each ETF:

- (a) At or before 9:30 a.m. (Toronto time) on a Trading Day, the Dealer may, by facsimile, electronic or other transmission method acceptable to BetaPro, place a Subscription Order (substantially in the form of the Subscription Order set out in Schedule 2.1 (a)) for at least the respective Prescribed Number of Class A Units of an ETF or multiple thereof, except in the case of HBP S&P 60 ETF and HBP S&P 500 ETF, where such Subscription Order must be placed at or before 12:00 p.m. (noon) and in the case of the Horizons GMP® Junior Oil and Gas Index™ ETF, where such Subscription Order must be placed at or before 4:00 p.m. A Subscription Order may not exceed the Maximum Purchase Amount for an ETF, unless waived by BetaPro. A Subscription Order received after the time specified in this Section 2.1(a) on any Trading Day, shall be deemed to have been received on the next Trading Day. The date on which a Subscription Order is deemed to be received under this Section 2.1(a) is, for the purposes of this Agreement, the “effective date” of the Subscription Order. For the purposes of this Section 2.1, “Prescribed Number of Class A Units” and “Maximum Purchase Amount” means, in respect of an

ETF, the Prescribed Number of Class A Units and Maximum Purchase Amount, respectively, in effect on the effective date of the Subscription Order.

- (b) BetaPro reserves the absolute right to reject any Subscription Order placed by the Dealer in respect of a subscription for Class A Units of an ETF.
- (c) The Dealer may, if a security comprising the Underlying Index of an ETF is halted during a Trading Day, withdraw any Subscription Order for Class A Units of the ETF up to 60 minutes prior to the Valuation Time of the ETF on such Trading Day.
- (d) BetaPro may, if trading on the principal market of the Underlying Index of an ETF has been suspended or halted, or if price limits are in effect, on a Trading Day, reject any Subscription Order for Class A Units of the ETF placed by the Dealer prior to the Valuation Time of the ETF on such Trading Day.
- (e) Upon the acceptance by an ETF of a Subscription Order, the price per Class A Unit of the ETF shall be the net asset value per Class A Unit of the ETF as of the Valuation Time on the effective date of the Subscription Order and the price of each fractional Class A Unit of the ETF shall be the proportionate part of such price.
- (f) Unless BetaPro determines pursuant to Section 2.1(b) or 2.1(d) to reject a Subscription Order or the Dealer withdraws the Subscription Order pursuant to Section 2.1(c), upon receipt of payment pursuant to Section 2.1(h) the ETF shall issue the Class A Units of the ETF subscribed for to CDS, for credit to the account of the Dealer in CDS on the applicable Settlement Day.
- (g) The Dealer shall comply with all laws, rulings and orders applicable to its actions in connection with the purchase of Class A Units pursuant to this Agreement and the trade of Class A Units in the secondary market.
- (h) By no later than the last available settlement cycle within CDS on the applicable Settlement Day the Dealer shall make payment for the Class A Units of the ETF in respect of which the Subscription Order has been accepted by delivering to the ETF's custodial account with the Custodian an amount in cash equal to the value of the Class A Units of the ETF for which the Subscription Order has been accepted.
- (i) If the Dealer does not make payment for the Class A Units of the ETF subscribed for by it for the last available settlement cycle within CDS on the applicable Settlement Day and the Dealer has not undertaken to resolve the unsettled trade in a manner acceptable to BetaPro, the Class A Units of the ETF shall not be issued and the Dealer shall pay the ETF, immediately upon notification by BetaPro, on behalf of the ETF, the amount, if any, by which the value of the Class A Units of the ETF subscribed for, based on a price equal to the net asset value per Class A Unit of the ETF determined at the Valuation Time on the next Trading Day, exceeds the amount owing to BetaPro in connection with the Subscription Order. For greater certainty, where the value of the Class A Units of the ETF subscribed but not paid for, based on a price equal to the net asset value per Class A Unit of the ETF determined at the Valuation Time on the next Trading Day, is less than the amount owing to BetaPro in connection with the Subscription Order, such amount shall not be payable by the ETF to the Dealer.

- (j) If the Dealer does not receive the Class A Units of the ETF subscribed for pursuant to a Subscription Order and paid for by the last available settlement cycle within CDS on the applicable Settlement Day after the effective date of the Subscription Order, BetaPro shall direct the Custodian to transfer all cash delivered by the Dealer pursuant to Section 2.1(h) back to the account(s) designated by the Dealer.

2.2 Compliance With Securities Laws

BetaPro, in its capacity as manager and trustee of the ETFs, on behalf of each ETF shall fulfil and comply with all Canadian securities legislation required to be fulfilled or complied with by the ETF to enable its Class A Units to be lawfully distributed in the Qualifying Jurisdictions through Dealers. In particular, and without limiting the generality of the foregoing, BetaPro, in its capacity as manager and trustee of the ETFs, on behalf of each ETF will file or cause to be filed annually, or more often as may be required, with the securities commission or securities regulatory authority in each Qualifying Jurisdiction, a Prospectus and all such Supplementary Material as may be required to comply with Canadian securities legislation in connection with the continuous distribution of such Class A Units.

2.3 Selling Restrictions

The Dealer:

- (a) will offer Class A Units of an ETF for sale to the public, only as permitted by Canadian securities legislation, upon the terms and conditions set forth in the Prospectus of the ETF and in this Agreement; and
- (b) will not solicit offers to purchase or sell Class A Units of the ETF in any jurisdiction other than the Qualifying Jurisdictions without the express written consent of BetaPro.

2.4 Administrative Fees

BetaPro may charge, in its sole discretion, an administrative fee to be paid on the issuance of Class A Units under this Agreement or on the redemption of Class A Units by the Dealer. BetaPro will promptly advise the Dealer in the event that it determines to charge an administrative fee. Administrative fees being charged as at the date hereof are set out in Schedule 2.4.

2.5 Deliveries

Forthwith after the execution and delivery of this Agreement, BetaPro, in its capacity as manager and trustee of the ETFs, on behalf of each ETF shall deliver or cause to be made available to the Dealer:

- (a) a copy of the Prospectus of each ETF in the English language signed and certified as required by Canadian securities legislation;
- (b) a copy of the Prospectus of each ETF in the French language signed and certified as required by Canadian securities legislation applicable in Québec;

- (c) upon the request of the Dealer, a copy of any other document required to be filed by an ETF under the laws of the Qualifying Jurisdictions in compliance with Canadian securities legislation; and
- (d) upon the request of the Dealer, a copy of a legal opinion dated the date of the Prospectus of an ETF addressed to BetaPro and the ETF from Québec counsel to BetaPro and the ETF, (i) to the effect that the French language version of the Prospectus of the ETF is, in all material respects, a complete and accurate translation of the English language version thereof, and (ii) regarding compliance with the laws of Québec relating to the use of the French language in connection with the distribution of Class A Units of the ETF.

2.6 Supplementary Material

BetaPro, on behalf of each ETF, shall prepare all Supplementary Material as may be required from time to time pursuant to Canadian securities legislation. Copies thereof (approved, signed and certified as required), where applicable in both the English and French language, shall be delivered or made available by BetaPro, on behalf of each ETF to the Dealer forthwith upon filing. Concurrently with the delivery or making available to the Dealer of any Supplementary Material, BetaPro shall deliver to the Dealer, upon request, opinions similar to those referred to in Section 2.5(d), if a French version of such material is required to be filed.

2.7 Prospectus and Supplementary Material

Delivery or making available of a Prospectus and any Supplementary Material shall constitute a representation and warranty by BetaPro and the applicable ETF to the Dealer that:

- (a) all information and statements contained in the Prospectus and any Supplementary Material are true and correct in all material respects and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the ETF and the Class A Units;
- (b) no material fact or information has been omitted from such disclosure which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
- (c) such documents comply in all material respects with the requirements of Canadian securities legislation.

2.8 Commercial Copies

BetaPro shall cause commercial copies of the Prospectus and any Supplementary Material of each ETF in the English and French languages to be delivered or made available to the Dealer without charge, in such numbers and in such cities as the Dealer may reasonably request. Such delivery shall be effected as soon as possible upon receipt of such request from the Dealer. Such deliveries shall constitute the consent of BetaPro, on its own behalf and on behalf of the ETF, to the Dealer's use of the Prospectus and any Supplementary Material in connection with the

distribution of Class A Units of the ETF in such Qualifying Jurisdictions in compliance with this Agreement and Canadian securities legislation.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the ETFs

Except as otherwise disclosed in any applicable Prospectus or Supplementary Material, upon the issuance of Class A Units to the Dealer by an ETF in accordance with Section 2.1 hereof, the ETF shall be deemed to make to the Dealer the following representations and warranties:

- (a) the ETF is a trust established by the Trust Agreement and is validly existing under the laws of the Province of Ontario;
- (b) the ETF has all requisite power, authority and capacity to create, offer, sell and deliver its Class A Units and to carry out its obligations hereunder and under the Material Contracts to which the ETF is a party in compliance in all material respects with all applicable laws, rules and regulations;
- (c) with the exception of dealers and designated brokers, no person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, subscription and issuance of any Class A Units of the ETF or other securities of the ETF;
- (d) there are no actions, suits, proceedings or inquiries pending or threatened against or affecting the ETF at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign;
- (e) other than as disclosed in the Prospectus or any Supplementary Materials, the ETF has no liabilities (contingent or otherwise) which are material to it;
- (f) none of the execution and delivery of this Agreement or of the Material Contracts, the fulfilment of the terms hereof and thereof on the part of the ETF (including, without limitation, the issuance and sale of Class A Units of the ETF in the Qualifying Jurisdictions) conflicts with or will conflict with or constitutes or will constitute a default under, or creates a state of facts which after notice or lapse of time, or both, would constitute a default under, any of the terms, conditions or provisions of any trust indenture, mortgage, note, lease, agreement, instrument or other document to which the ETF is a party, or any judgment, decree, order, statute, rule or regulation applicable to the ETF;
- (g) the ETF is current and up-to-date with all material filings required to be made by it under Canadian securities legislation;
- (h) prior to the issuance of Class A Units of the ETF under this Agreement, all consents, approvals, authorizations and orders will have been obtained that are required under Canadian securities legislation and in all other jurisdictions and from all courts or

governmental agencies or bodies and all stock exchanges required for the consummation of the transactions contemplated hereby or in the Prospectus;

- (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading of Class A Units of the ETF has been issued or made by any securities commission or stock exchange or any other regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the ETF (without having made any inquiries of any securities commission or other regulatory authority), contemplated or threatened by any such authority or under any Canadian securities legislation;
- (j) the execution and delivery of and compliance with this Agreement by the ETF, and the execution and delivery of and compliance with the Material Contracts to which the ETF is a party, have been duly and validly authorized by all necessary action on the part of the ETF and BetaPro and this Agreement and the Material Contracts have been duly executed and delivered by BetaPro, on behalf of the ETF, and constitute legal, valid and binding obligations of the ETF enforceable against the ETF in accordance with their respective terms, subject to applicable bankruptcy, insolvency, winding-up, moratorium or reorganization or other similar laws affecting creditors' rights generally and to the availability of equitable remedies and to the fact that rights to indemnity, contribution and waiver may be limited by applicable law;
- (k) the terms and conditions of the continuous offering of Class A Units of the ETF comply in all material respects with Canadian securities legislation including, without limitation, National Instrument 81-102 *Mutual Funds* and National Instrument 81-104 *Commodity Pools*, except to the extent that exemptions therefrom have been obtained from applicable securities regulatory authorities in each of the Qualifying Jurisdictions;
- (l) the Class A Units of the ETF have attributes substantially and in all material respects as set forth in the Prospectus of the ETF; and
- (m) at the time of issuance of any Class A Units of the ETF hereunder, such Class A Units will be listed and posted for trading on the TSX.

3.2 Representations and Warranties of BetaPro

Except as otherwise disclosed in any applicable Prospectus or Supplementary Material, upon the issuance of Class A Units of an ETF to the Dealer by the ETF in accordance with Section 2.1 hereof, BetaPro shall be deemed to make to the Dealer the following representations and warranties:

- (a) BetaPro is a corporation existing under the laws of Canada;
- (b) BetaPro has all requisite corporate power and authority to carry on the business customarily carried on by it, to own, lease and operate its property and assets and to carry out its respective obligations hereunder and under each of the Material Contracts to which it is a party, has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on (and is current and up-to-date with all material filings

required to be made in such jurisdictions) and is properly licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as it is now conducted and to perform its obligations;

- (c) there are no actions, suits, proceedings or inquiries pending or threatened against or affecting BetaPro at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, agency or instrumentality, domestic or foreign, which may, in any way, materially and adversely affect the offering and issuance of Class A Units of the ETFs;
- (d) BetaPro has no liabilities (contingent or otherwise) which might interfere with the performance of the obligations of BetaPro hereunder or under any of the Material Contracts;
- (e) none of the execution and delivery of this Agreement or any of the Material Contracts by BetaPro or the performance of the terms hereof and thereof conflicts with or will conflict with or constitutes or will constitute a default under, or creates a state of facts which after notice or lapse of time, or both, would constitute a default under, any of the terms, conditions or provisions of any mortgage, note, lease, agreement, instrument or other document to which BetaPro is a party, or any judgment, decree, order, statute, rule or regulation applicable to BetaPro or any terms, conditions or provisions of the constating documents or the by-laws or resolution of the directors or shareholders of BetaPro;
- (f) the execution and delivery of and compliance with this Agreement and each of the Material Contracts have been duly authorized by all necessary corporate action on the part of BetaPro and this Agreement and each such Material Contract has been duly executed and delivered by BetaPro, and constitutes a legal, valid and binding obligation enforceable against BetaPro, in accordance with their respective terms, subject to applicable bankruptcy, insolvency, winding-up, moratorium or reorganization or other laws affecting creditors' rights generally and to the availability of equitable remedies and to the fact that rights to indemnity, contribution and waiver may be limited by applicable law; and
- (g) none of the shareholders, directors or officers of BetaPro or any associate or affiliate of BetaPro had, has or, to the actual knowledge of BetaPro, intends to have, any material interest, direct or indirect, in any material transaction contemplated by this Agreement, any of the Material Contracts or the Prospectus of an ETF or in any proposed material transaction with an ETF which materially affects, is material to or will materially affect, the ETF, except as and to the extent disclosed in the Prospectus.

3.3 Survival of Representations and Warranties

The representations, warranties, obligations and agreements of the ETFs and BetaPro contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of Class A Units of an ETF shall survive the purchase of such Class A Units and shall continue in full force and effect unaffected by any subsequent disposition of such Class A Units by the Dealer or the termination of the Dealer's obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Dealer in connection with

the preparation of the Prospectus, any Supplementary Material of the ETF or the distribution of its Class A Units.

ARTICLE 4 MATERIAL CHANGE

4.1 Notification of Material Change

BetaPro and BetaPro, in its capacity as manager and trustee and on behalf of each ETF shall promptly, and in any event within any applicable time limitation, comply with all applicable filings and other requirements under Canadian securities legislation as a result of:

- (a) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of an ETF;
- (b) any material fact which has arisen or has been discovered and would have been required to have been stated in any Prospectus had the fact arisen or been discovered on, or prior to, the date of such Prospectus; and
- (c) any change in any material fact contained in any Prospectus or Supplementary Material which change is, or may be, of such a nature as to render any statement in such Prospectus or Supplementary Material misleading or untrue or which would result in a misrepresentation in such Prospectus or Supplementary Material or which would result in such Prospectus or Supplementary Material not complying (to the extent that such compliance is required) with Canadian securities legislation.

4.2 Mutual Fund Trust Status

For greater certainty, an ETF ceasing to qualify as a mutual fund trust for the purposes of the *Income Tax Act* (Canada) is a material change for the purposes of Section 4.1.

ARTICLE 5 CONDITIONS

5.1 Closing Conditions

The Dealer's obligations hereunder, and under any Subscription Order that may from time to time be delivered, shall be subject to the following conditions:

- (a) the terms and conditions of the Class A Units of the ETF specified in the Subscription Order shall conform in all material respects to the description thereof in the Prospectus of the ETF;
- (b) the Prospectus of the ETF shall not contain a misrepresentation;
- (c) at the request of the Dealer, acting reasonably, the Dealer shall have received a copy of a favourable legal opinion, dated as of the applicable Issuance Day, of counsel to the ETF and BetaPro in form and substance reasonably satisfactory to the Dealer, which counsel

may in turn rely on certificates of the auditors of the ETF, public and stock exchange officials and officers of BetaPro and the ETF that:

- (i) The ETF has been established as a trust under the laws of the Province of Ontario and has all requisite power, capacity and authority to issue, sell and deliver its Class A Units.
- (ii) BetaPro is a corporation incorporated under the laws of Canada and has the corporate power and capacity to enter into and perform its obligations under each of the Material Contracts to which it is a party.
- (iii) The authorized capital of the ETF consists of an unlimited number of Class A Units.
- (iv) All necessary action has been taken by each of BetaPro and the ETF to authorize the execution and delivery of the preliminary prospectus of the ETF and the Prospectus in both the English and French languages and the filing thereof under applicable securities laws in the Qualifying Jurisdictions.
- (v) The Class A Units purchased have been duly authorized and, upon receipt by the ETF of the consideration therefor, such Class A Units will be validly issued and outstanding as fully paid and non-assessable.
- (vi) The attributes of the Class A Units of the ETF purchased hereunder conform, in all material respects, with the description thereof contained in the Prospectus of the ETF.
- (vii) All necessary action has been taken by the ETFs and BetaPro to authorize the execution, delivery and performance of each of the Material Contracts to which it is a party.
- (viii) The Registrar and the Transfer Agent has been duly appointed as the registrar, transfer agent and distribution disbursing agent for the Class A Units of the ETF at its principal office in the City of Toronto.
- (ix) All necessary documents have been filed, all requisite proceedings have been taken and all legal requirements have been fulfilled by the ETF to qualify the Class A Units of the ETF for distribution or distribution to the public in British Columbia, Alberta, Ontario and Québec through investment dealers or brokers registered in such categories under the applicable laws of British Columbia, Alberta, Ontario and Québec who have complied with the relevant provisions of such applicable laws.
- (x) The listing of the Class A Units of the ETF on the TSX has been approved by the TSX, subject only to the filing of documents and evidence of satisfactory distribution in accordance with the requirements of the TSX on or before the date indicated in the conditional listing approval letter provided by the TSX in respect of the ETF.

- (xi) The statements contained in the Prospectus under the heading “Income Tax Considerations - Taxation of Holders” and “Income Tax Considerations - Taxation of ETF” are an accurate summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Class A Units of an ETF by a holder of Class A Units of the ETF who acquires Class A Units of the ETF pursuant to the Prospectus, subject to the assumptions, limitations and qualifications stated or referred to in the Prospectus.
 - (xii) The statements contained in the Prospectus under the heading “Eligibility for Investment” are an accurate summary of such matters, subject to the assumptions, limitations and qualifications stated or referred to in the Prospectus of the ETF.
 - (xiii) All laws of the Province of Québec relating to the use of the French language and, in particular, the Charter of the French language (R.S.Q., c. C-1 1), will have been complied with in connection with the offer and sale of Class A Units of the ETF to purchasers in the Province of Québec, if such purchasers receive copies of the Prospectus of the ETF in the French language only, or in the French language and the English language, and forms of order confirmation relating to the sale of Class A Units of the ETF in the French language only or in bilingual form; and
- (d) at the request of the Dealer, acting reasonably, the Dealer shall have received a certificate of BetaPro dated as of the applicable Issuance Day and signed by an appropriate signing authority on its own behalf and on behalf of each ETF, respectively, certifying for and on behalf of BetaPro and each ETF, respectively, to the best of the knowledge of the person signing such certificate, after examining the Prospectus and Supplementary Material, that:
- (i) the ETF and BetaPro, as the case may be, have duly complied with their respective covenants and satisfied all conditions herein on their part to be performed or satisfied;
 - (ii) the representations and warranties of the ETF and BetaPro, as the case may be, contained in this Agreement are true and correct as of the settlement time with the same force and effect as if made at and as of the settlement time after giving effect to the transactions contemplated hereby; and
 - (iii) the ETF qualifies as a mutual fund trust for the purposes of the *Income Tax Act* (Canada).

5.2 Information to be made Available by BetaPro

BetaPro will make available on its website at www.hbpetfs.com on each Trading Day, with respect to each ETF, the net asset value per Class A Unit of each ETF, the Prescribed Number of Class A Units of each ETF and the Maximum Purchase Amount of each ETF.

**ARTICLE 6
GENERAL**

6.1 Amendments

This Agreement, including any schedule, may be amended at any time and from time to time by mutual agreement of the parties hereto in writing.

6.2 Withdrawal by Dealer

The Dealer may withdraw from and terminate this Agreement at any time by notice to BetaPro, provided that no such withdrawal and termination shall be permitted after the Dealer has placed a Subscription Order with BetaPro that has been accepted and settlement of such Subscription Order has not yet occurred, except as set out in Section 2.1(c).

6.3 Notices

- (a) Unless specified otherwise, any notice, direction or other communication required or permitted to be sent or given under this Agreement shall be in writing and shall be given by facsimile or other means of electronic communication or by hand delivery.
- (b) Any such notice, direction or other communication,
 - (i) if sent by facsimile or other means of electronic communication, shall be deemed to have been sent and received on the day it is sent, if such day is a Trading Day and it is sent before the close of trading on such day, or on the next Trading Day, if such day is not a Trading Day or it is sent after the close of trading on such day, or
 - (ii) if delivered by hand shall be deemed to have been sent and received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee on the day it is delivered if such day is a Trading Day and it is delivered before the close of trading on such day or on the next Trading Day if such day is not a Trading Day or it is delivered after the close of trading on such day.
- (c) The sender and receiver of a notice, direction or other communication may agree to treat the notice, direction or other communication as having been sent and received on a particular day notwithstanding that it was sent or received early or late and where there is such agreement, the notice, direction or other communication shall be conclusively deemed to have been sent and received on the agreed day.
- (d) Notice of change of address shall also be governed by this section.
- (e) Notices, directions and other communications to BetaPro shall be addressed as follows:

BetaPro Management Inc.
26 Wellington Street East, Suite 700
Toronto, Ontario
M5E 1S2

Attention: Adam Felesky
Chief Executive Officer

Telephone: 416 933 5745
Fax: 416 933 5746
E-mail: afelesky@betapro.ca

and

- (f) if to the Dealer, to the address shown below under the signature of the Dealer.

6.4 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario. The parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

6.5 Severability

The provisions of this Agreement are severable and if any provisions are in conflict with any applicable law, the conflicting provisions will be deemed never to have constituted a part of this Agreement and will not affect or impair any of the remaining provisions of it.

6.6 Invalidity of Provisions

Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction.

6.7 Counterpart and Formal Date

This Agreement may be executed in any number of counterparts, and may be executed by a facsimile, all of which taken together, will constitute this Agreement.

[Remainder left intentionally blank]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.

**BETAPRO MANAGEMENT INC. as trustee
of the Horizons BetaPro ETFs**

By: _____

Name:

Title:

By: _____

Name:

Title:

By: _____

Name:

Title:

Address for notice:

Attention: _____

Telephone: _____

Facsimile: _____

Email: _____

SCHEDULE A
HORIZONS BETAPRO ETFs

1. Horizons BetaPro S&P/TSX 60™ Bull Plus ETF
2. Horizons BetaPro S&P/TSX 60™ Bear Plus ETF
3. Horizons BetaPro S&P/TSX Capped Financials™ Bull Plus ETF
4. Horizons BetaPro S&P/TSX Capped Financials™ Bear Plus ETF
5. Horizons BetaPro S&P/TSX Capped Energy™ Bull Plus ETF
6. Horizons BetaPro S&P/TSX Capped Energy™ Bear Plus ETF
7. Horizons BetaPro S&P/TSX Global Gold™ Bull Plus ETF
8. Horizons BetaPro S&P/TSX Global Gold™ Bear Plus ETF
9. Horizons BetaPro S&P/TSX Global Base Metals™ Bull Plus ETF
10. Horizons BetaPro S&P/TSX Global Base Metals™ Bear Plus ETF
11. Horizons BetaPro COMEX® Gold Bullion Bull Plus ETF
12. Horizons BetaPro COMEX® Gold Bullion Bear Plus ETF
13. Horizons BetaPro NYMEX® Crude Oil Bull Plus ETF
14. Horizons BetaPro NYMEX® Crude Oil Bear Plus ETF
15. Horizons BetaPro NYMEX® Natural Gas Bull Plus ETF
16. Horizons BetaPro NYMEX® Natural Gas Bear Plus ETF
17. Horizons BetaPro S&P 500® Bull Plus ETF
18. Horizons BetaPro S&P 500® Bear Plus ETF
19. Horizons BetaPro NASDAQ-100® Bull Plus ETF
20. Horizons BetaPro NASDAQ-100® Bear Plus ETF
21. Horizons BetaPro MSCI® Emerging Markets Bull Plus ETF
22. Horizons BetaPro MSCI® Emerging Markets Bear Plus ETF
23. Horizons BetaPro US Dollar Bull Plus ETF
24. Horizons BetaPro US Dollar Bear Plus ETF
25. Horizons BetaPro US 30-year Bond Bull Plus ETF
26. Horizons BetaPro US 30-year Bond Bear Plus ETF
27. Horizons BetaPro S&P/TSX 60™ Inverse ETF
28. Horizons BetaPro S&P/TSX Capped Financial™ Inverse ETF
29. Horizons BetaPro S&P/TSX Capped Energy™ Inverse ETF
30. Horizons BetaPro S&P/TSX Global Gold™ Inverse ETF
31. Horizons BetaPro COMEX® Gold ETF
32. Horizons BetaPro COMEX® Silver ETF
33. Horizons BetaPro Winter-Term NYMEX® Crude Oil ETF
34. Horizons BetaPro Winter-Term NYMEX® Natural Gas ETF
35. Horizons BetaPro COMEX® Silver Bull Plus ETF
36. Horizons BetaPro COMEX® Silver Bear Plus ETF
37. Horizons BetaPro S&P 500® Inverse ETF
38. Horizons BetaPro NYMEX® Natural Gas Inverse ETF
39. Horizons BetaPro NYMEX® Crude Oil Inverse ETF

40. Horizons BetaPro NYMEX® Long Natural Gas/Short Crude Oil Spread ETF
41. Horizons BetaPro NYMEX® Long Crude Oil/Short Natural Gas Spread ETF
42. Horizons BetaPro COMEX® Copper Bull Plus ETF
43. Horizons BetaPro COMEX® Copper Bear Plus ETF
44. Horizons S&P/TSX 60TM Index ETF
45. Horizons S&P 500® Index (C\$ Hedged) ETF
46. Horizons BetaPro S&P 500 VIX Short-Term FuturesTM ETF
47. Horizons BetaPro S&P 500 VIX Short-Term FuturesTM Bull Plus ETF
48. Horizons BetaPro COMEX® Copper ETF
49. Horizons GMP® Junior Oil and Gas IndexTM ETF
50. Horizons BetaPro U.S. Dollar Currency ETF
51. Horizons BetaPro Australian Dollar Currency ETF

SCHEDULE 2.1(a)

HORIZONS BETAPRO ETF SUBSCRIPTION ORDER

DATE:

TO: BetaPro Management Inc. (“BetaPro”), as trustee and manager of

[Ticker Symbol of Horizon BetaPro ETF]

Attention: _____

Fax No: _____

RE: Subscription Order under Section 2.1(a) of the Continuous Distribution Dealer Agreement dated _____ between the undersigned (the “Dealer”) and BetaPro

The Dealer hereby subscribes for _____ Class A Units of the ETF designated above by its Toronto Stock Exchange ticker symbol, to be issued to the Dealer as principal in Ontario.

This subscription shall be funded with (pick one):

Cash

Securities (in kind) listed below

Issuer

Number

[Dealer]

By _____

Name

Title:

SCHEDULE 2.4

LIST OF ADMINISTRATIVE FEES

Subject to the right of BetaPro as trustee and manager of the ETFs to waive such fees, the following transaction and administration fees shall be paid by the Dealer:

- (a) a fee equal to the listing fee for each unique initial public offering of a class of units of an ETF issued at the request of the Dealer shall be paid by the Dealer;
- (b) at such time as directed by BetaPro, a fee equal to such amount as may be payable by the ETF upon the amendment or renewal of its Prospectus in any Qualifying Jurisdiction which is calculated based on the value of any special class of Units distributed in that Qualifying Jurisdiction at the request of the Dealer; and
- (c) at such time as published by BetaPro on the website, www.hbpetfs.com, a fee of up to 0.25% of the redemption proceeds of the ETF upon the redemption of Class A Units of the ETF by the Dealer.