

PENDER

GROWTH FUND

PENDER GROWTH FUND INC.

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INFORMATION CIRCULAR

(containing information as at April 18, 2018, except as otherwise indicated)

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies (each a "Proxy" and collectively, "Proxies") by the management of PENDER GROWTH FUND INC. (the "Fund"), for use at the Annual General and Special Meeting of the shareholders of the Fund, to be held on May 23, 2018 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notices of Meeting (the "Notice"). The Fund is managed by PenderFund Capital Management Ltd. (the "Manager"). While the solicitation will be made primarily by mail, Proxies may be solicited personally or by telephone by the regular employees of the Fund and the Manager at nominal cost. The cost of solicitation will be borne by the Fund.

No person is authorized to give any information or to make any representations other than those contained in this Information Circular and, if given or made, such information or representations should not be relied upon as having been authorized.

APPOINTMENT OF PROXYHOLDER AND REVOCATION OF PROXIES

The persons named in the enclosed forms of Proxy are nominees selected by the Fund's management. A shareholder of the Fund (a "Shareholder") has the right to appoint a person to represent and vote for the Shareholder at the Meeting other than the persons designated in the enclosed forms of Proxy. To exercise this right, a Shareholder must strike out the names of the persons named in each of the enclosed forms of Proxy the Shareholder returns and insert the name of the Shareholder's nominee in the blank space provided, or complete another proper instrument of Proxy. Such other person need not be a Shareholder of the Fund.

The Fund has enclosed a form of Proxy. Shareholders must complete the form of Proxy in respect of the shares of the Fund the Shareholder intends to be voted by its proxyholder. Each Proxy must be signed by the Shareholder or by the Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer. Evidence of the authority of such attorney or officer, as applicable, must accompany each Proxy.

Each completed Proxy must be deposited at least 48 hours before the time of the Meeting or any adjournment thereof at which the Proxy is to be used, excluding Saturdays, Sundays and holidays, or, at the discretion of the Chairman of the Meeting, at any time prior to the Meeting.

Proxies for Class C Participating Common Shares are to be deposited at the office of the Fund's registrar, AST Trust Company (Canada), Attn: Proxy Department at Box 721, Agincourt, ON M1S 0A1.

A Shareholder may revoke a proxy on any matter on which it has not been previously exercised:

- (a) by depositing an instrument in writing executed by him or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer, with evidence of the authority of such attorney or officer, as applicable, accompanying the Proxy: (i) with the Fund at any time up to and including the last business day before the day of the Meeting or any adjournment thereof at which the Proxy is to be used, or (ii) with the Chairman of the Meeting at the scheduled commencement of the Meeting or adjournment thereof at which time the Proxy is to be used, or
- (b) in any other manner permitted by law.

Revocation of Proxies may also be done electronically. Shareholders who wish to revoke Proxies electronically are urged to contact the Fund to determine the availability, and instructions for the use, of this option.

ADVICE TO BENEFICIAL SHAREHOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their shares in their own name (referred to herein as "Beneficial Shareholders") are advised that only proxies from shareholders of record can be recognized and voted at the Meeting. Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered Shareholder. Each intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument of proxy supplied to Beneficial Shareholders may be almost identical to that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder.

If a Shareholder's shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those shares will not be registered in such Shareholder's name on the records of the Fund. Such shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee and custodian for many Canadian brokerage firms). Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Fund do not know for whose benefit the shares registered in the name of CDS & Co. are held.

In accordance with National Instrument 54-101 Communication with Beneficial Owners of the Canadian Securities Administrators, the Fund has distributed copies of the Notice, this Information Circular and the Proxies to the clearing agencies and intermediaries for onward distribution to non-registered shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived the right to receive Meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of Proxy provided by the Fund to the registered shareholders. However, its purpose is limited to instructing the registered shareholder on how to vote on behalf of the Beneficial Shareholder should a non-registered shareholder receiving such a form wish to vote at the Meeting, the non-registered shareholder should strike out the names of the Management Proxyholders named in the form and insert the non-registered shareholder's name in the blank provided. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Services Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy

forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.** All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice are to shareholders of record unless specifically stated otherwise.

VOTING AND EXERCISE OF DISCRETION OF PROXIES

The securities represented by a Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if the Shareholder specifies a choice with respect to any matter to be acted upon the securities will be voted accordingly.

In the absence of any instructions on how the securities represented by the Proxy are to be voted, the proxyholder will have discretionary authority to vote on such unspecified matters. The persons named in the enclosed form of Proxy intend to vote in favour of the motions proposed to be made at the Meeting as stated in the Notice and in this Information Circular.

The form of Proxy enclosed confers discretionary authority with respect to amendments or variations to the matters disclosed in the Notice and in this Information Circular, or any other matters, which may properly be brought before the Meeting. At the time of the printing of this Information Circular, the Fund's management is not aware of any such amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters which are not now known to the Fund's management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxyholder on such matters. If a shareholder does not wish to confer discretionary authority on the proxyholder, the shareholder should mark "against" under the item "*To approve the transaction of such other business as may properly come before the Meeting*" in the Proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Fund's authorized capital consists of Class B Convertible Non-Participating Common Shares (the "**Class B Shares**") which entitle the holder to five votes per Class B Share at general meetings of the Fund, Class C Participating Common Shares (the "**Class C Shares**") which entitle the holder to one vote per Class C Share at general meetings of the Fund and Class R Senior Participating Redeemable Convertible Preference Shares (the "**Class R Shares**" and collectively with the Class B Shares and the Class C Shares, the "**Shares**") which entitle the holder to four votes per Class R Share at general meetings of the Fund.

Unless otherwise permitted by law, only those Shareholders of record holding Shares on April 18, 2018 (the "**Record Date**") shall be entitled to vote at the Meeting, or any adjournment thereof, in person or by Proxy. On any poll, each Shareholder of record holding Shares on the Record Date is entitled to exercise the voting rights attached to each Share registered in his or her name on the list of Shareholders as at the Record Date, which list will be available for inspection during normal business hours at the office of the Manager and at the Meeting.

On the Record Date the Fund had approximately 4,152,545 Class C Shares issued and outstanding. Currently, there are no Class B Shares or Class R Shares issued and outstanding. To the knowledge of the directors and senior officers of the Fund, no person beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares.

APPOINTMENT AND REMUNERATION OF AUDITORS

The Shareholders of the Fund will be asked to pass an ordinary resolution to approve the re-appointment of KPMG LLP (“**KPMG**”), located at 777 Dunsmuir Street, Vancouver, British Columbia, as auditors for the Fund, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors of the Fund (the “**Board**”). KPMG was first appointed as the auditor of the Fund effective December 22, 2010.

ELECTION OF DIRECTORS

The Fund currently has four directors. The term of office of each of the present directors of the Fund expires at the Meeting. **The persons named below will be presented for election as directors at the Meeting as management's nominees.** All of the nominees are current directors of the Fund. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Shareholders of the Fund or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Fund or with the provisions of the British Columbia *Business Corporations Act* (the “**BCBCA**”).

The following table sets out the names of management's nominees for election as directors, the country and province in which each is ordinarily resident, all offices of the Fund now held by each of them, their principal occupations, the period of time for which each has been a director of the Fund, and the number of Shares of the Fund beneficially owned, or controlled or directed, directly or indirectly, by each as at the date hereof.

Name, Province or State and Country of Residence ⁽¹⁾ and Positions Held with the Fund	Principal Occupation or Employment During the Past Five Years ⁽¹⁾	Date Served as a Director	Number of Shares Beneficially Owned, or Controlled or Directed, as at Record Date
DAVID BARR ⁽²⁾ British Columbia, Canada Director	President and Chief Executive Officer of the Manager since April 2016; Chief Investment Officer of the Manager from April 2009 to April 2017; and Chief Executive Officer of the Fund since November 2006.	Since June 2015	243,469 Class C Shares
KELLY EDMISON ⁽²⁾⁽³⁾ British Columbia, Canada Chairman and a Director	Chairman of the Manager and the Fund since May 2003; and President and Chief Executive Officer of the Manager from December 2007 to April 2016.	Since May 2003	298,092 Class C Shares
IAN D. POWER ⁽³⁾ British Columbia, Canada Director	Independent consultant in corporate finance and accounting since 1993.	Since March 1994	10,000 Class C Shares
WENDY PORTER ⁽³⁾ British Columbia, Canada Director	Consultant with Focused Management Solutions Inc. from 2004 to present.	Since May 2006	40,000 Class C Shares

Notes:

- (1) The information as to Province or State and Country of residence, principal occupation or employment and the number of voting securities beneficially owned, or controlled or directed, directly or indirectly, by the nominees is not within the knowledge of the management of the Fund and has been furnished by the respective nominees.
- (2) Mr. Barr and Mr. Edmison are each directors, officers and shareholders of PenderFund Capital Management Ltd., the Manager of the Fund.
- (3) Member of the audit committee of the Fund.

The Board does not contemplate that any of management's nominees will be unable to serve as a director. If any vacancies occur in the slate of nominees listed above before the Meeting, then the proxyholders named in the accompanying form of Proxy intend to exercise discretionary authority to vote the shares represented by Proxy for the election of other persons as directors.

To the knowledge of the Fund, no proposed director of the Fund is, as at the date of this Information Circular, or was within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Fund), that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Fund, no proposed director of the Fund is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular:

- (a) a director or executive officer of any company (including the Fund) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

To the knowledge of the Fund, no proposed director of the Fund has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Fund entered into an agreement dated effective May 1, 2003 with PenderFund Capital Management Ltd. (the "**Manager**"), which was amended on October 1, 2003, then replaced by the Amended and Restated Management Agreement with the Manager dated effective June 22, 2006, then replaced by the Second Amended and Restated Management Agreement with the Manager dated effective July 22, 2010, which in turn was replaced by the Restated Management Agreement (the "**Management Agreement**") dated effective May 1, 2017.

Pursuant to the Management Agreement, the Manager provides management services relating to the Fund making investments and administration of the Fund's affairs. These services include structuring and negotiating prospective investments; monitoring the financial and operating performance of investee companies, and determining the timing, terms and method of disposing of the Fund's investments in its investee companies; and ensuring that appropriate accounting, bookkeeping and clerical records are maintained with respect to the operations of the Fund. See "Management Contracts".

Executive management services are provided to the Fund through the Manager under the terms of the Management Agreement and paid for by the Manager from the fees paid to the Manager under the Management Agreement. In these circumstances, the Fund considers that the compensation paid by the Manager to the individuals that act as the chief executive officer and chief financial officer of the Fund are matters that are more appropriately determined by the Manager's Board of Directors (the "**Board of the Manager**"). The Board has not considered the implications of the risks associated with the Manager's compensation policies and practices. The Fund does not have a policy preventing a Named Executive Officer (as defined below) or director of the Fund from purchasing financial instruments designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. The Fund does not grant equity securities as compensation.

Option Based Awards

The Fund does not currently have a stock option plan pursuant to which stock options may be granted. Under applicable securities laws, however, the Fund is permitted to grant stock options to certain persons (the "Qualified Persons") such as, without limitation, directors, officers, employees and consultants of the Fund. The Fund has in the past granted stock options to Qualified Persons pursuant to agreements with such Qualified Persons and in accordance with the requirements of the applicable regulatory authorities. The Board does not at the date of this Information Circular anticipate that it will grant stock options in the future. However, the Board has the right to revisit this decision in the future.

Summary Compensation Table

Set out below are particulars of compensation paid to the following persons (the "**Named Executive Officers**"):

- (a) the Fund's chief executive officer ("**CEO**");
- (b) the Fund's chief financial officer ("**CFO**");
- (c) each of the Fund's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and the CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6 Statement of Executive Compensation for that financial year; and

- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Fund, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2017, the Fund had two Named Executive Officers, David Barr, President and Chief Executive Officer, and Kelvin Kwong, its Chief Financial Officer. The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended December 31 for the years indicated:

Name and Position of Principal	Year ⁽¹⁾	Salary ⁽²⁾	Share Based Awards	Option Based Awards	Non-equity incentive plan compensation (\$)		Pension Value	All other compensation	Total Compensation
					Annual incentive plans	Long-term incentive plans			
David Barr President, Chief Executive Officer	2017	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
	2016	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
	2015	\$40,000	Nil	Nil	Nil	Nil	Nil	Nil	\$40,000
Kelvin Kwong Chief Financial Officer	2017	\$30,000	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000
	2016	\$30,000	Nil	Nil	Nil	Nil	Nil	\$15,000	\$45,000
	2015	\$30,000	Nil	Nil	Nil	Nil	Nil	Nil	\$30,000

Notes:

- (1) Financial years ended December 31 of the years indicated.
(2) These salaries represent the compensation paid to the individual by the Manager in connection with services the Manager provided to the Fund.

Incentive Plan Awards

The Fund had no outstanding share options at December 31, 2017 or at any other time during the financial year ended December 31, 2017. Accordingly, no options vested or were exercised during the financial year ended December 31, 2017.

Pension Plan Benefits

The Fund does not provide a pension plan for executive officers or directors.

Termination of Employment, Change in Responsibilities and Employment Contracts

There are no compensatory plans or arrangements with the Named Executive Officers resulting from the resignation, retirement or other termination of employment of the Named Executive Officers or from a change of control of the Fund.

Director Compensation

Except as otherwise disclosed herein, there were no standard arrangements, or other arrangements in addition to or in lieu of standard arrangements, under which the directors were compensated by the Fund or any subsidiary thereof for services in their capacity as a director (including any additional amounts payable for committee participation or special assignments), or for services as consultants or experts, during the most recently completed financial year.

The following table sets out the compensation received by the Directors of the Fund during the financial year ended December 31, 2017:

Director Compensation Table

Name	Fees Earned	Share-based awards	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total
David Barr	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kelly Edmison	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ian D. Power	\$12,500	Nil	Nil	Nil	Nil	Nil	\$12,500
Wendy Porter	\$12,500	Nil	Nil	Nil	Nil	Nil	\$12,500

During the most recently completed financial year, the independent directors' fees for the financial year ended December 31, 2017 were \$2,500 per quarter. Each independent director also receives \$500 per meeting of which there are typically two to four per annum. These fees are paid quarterly, subject to the availability of funds. All directors are also entitled to be reimbursed for reasonable expenses incurred on behalf of the Fund.

There are no arrangements for compensation with respect to the termination of directors in the event of a change or control of the Fund.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Fund, no proposed nominee for election as a director of the Fund and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Fund or its subsidiaries; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Fund or its subsidiaries,

in relation to a securities purchase program or other program.

MANAGEMENT CONTRACTS

As disclosed under the heading "Compensation Discussion and Analysis" the Fund and the Manager entered into the Management Agreement dated May 1, 2017.

Management Services

In accordance with the Management Agreement, the Manager provides management services in connection with all aspects of the identification, investment, development, active monitoring and ultimate divestment of all investments of the Fund.

Support Services

The Manager also provides to the Fund such support services as may from time to time be requested by the Board with respect to the day to day operations of the Fund (including, without limitation, accounting, shareholder recordkeeping, responding to shareholder enquiries and preparing regulatory reporting and adhering to continuous disclosure requirements) and, otherwise, to such extent as may

be requested by the Board, assist the Fund and/or the Board with any such activities engaged in by the Fund. The Fund will reimburse the Manager for all expenses (including personnel costs) which the Manager incurs in providing such support services. See "Management Fees".

Termination of the Management Agreement

The Management Agreement is in effect until April 30, 2023 and will be renewed automatically for further successive terms of four years unless the Shareholders of the Fund resolves to terminate the engagement of the Manager at the expiry of any term by a special resolution at a meeting called for that purpose. The Manager may terminate the Management Agreement in certain circumstances and the Fund may terminate the Management Agreement on grounds such as material breach of the agreement by the Manager without remedy within 120 days of the Manager being notified of the breach.

In the event the Management Agreement is terminated by either party, the Fund will pay to the Manager:

- any management fees then due and owing to the Manager;
- all reimbursable expenses; and
- the management and performance fees payable in respect of the month in which termination occurs.

The Fund has agreed to indemnify the Manager in respect of any claims resulting from any mistakes or errors of judgment or from any act or omission of the Manager in carrying out its duties under the Management Agreement. Unless, in an action against the Manager the Manager achieves complete or substantial success as a defendant, the Manager will not be indemnified for any claim where there has been negligence, misfeasance or willful misconduct of the Manager or the Manager has failed to fulfill its standard of care set to the Fund set forth in the Management Agreement.

The name, municipality of residence and position of each of the directors and certain employees of the Manager are:

Name and Municipality of Residence	Position(s) with the Manager
Kelly Edmison ⁽¹⁾⁽⁴⁾ Vancouver, B.C.	Director and Chairman
Donald Campbell Winnipeg, M.B.	Director
David A. Barr ⁽²⁾⁽⁴⁾ North Vancouver, B.C.	President, Chief Executive Officer, Portfolio Manager, and Director
Felix Narhi ⁽⁴⁾ Vancouver, B.C.	Director, Chief Investment Officer and Portfolio Manager
Gina Jones Vancouver, B.C.	Chief Compliance Officer and Chief Operating Officer
Kelvin Kwong ⁽³⁾⁽⁴⁾ Vancouver, B.C.	Chief Financial Officer and Corporate Secretary

Notes:

(1) Mr. Edmison is also the Chairman of the Fund.

(2) Mr. Barr is also the President, Chief Executive Officer, and a Director of the Fund.

(3) Mr. Kwong is also the Chief Financial Officer and Secretary of the Fund.

(4) Kelly Edmison, David Barr, Kelvin Kwong and Felix Narhi are also shareholders of the Manager.

Management Fees

Annual Management Fees

Under the Management Agreement, the Manager is entitled to be paid an annual management fee (the "**Management Fee**") equal to 2.50% of the Net Asset Value (as defined in National Instrument 81-106 — *Investment Fund Continuous Disclosure* ("**NI 81-106**")) of the Fund up to \$50 million and 2.00% of the Net Asset Value of the Fund in excess of \$50 million. This Management Fee is calculated monthly, by multiplying the Fund's Net Asset Value on the last valuation date in the month in respect of which the fee is payable by the applicable percentage and dividing by twelve, and will be paid on receipt of the Manager's invoice therefore.

Performance Fee

Under the Management Agreement, the Manager is entitled to be paid a performance fee (the "**Performance Fee**"), the amount and basis of which is in accordance with practices typical within the venture capital industry. The Performance Fee is payable annually in arrears, and is equal to 20% of the amount by which the increase in the Fund's Net Asset Value exceeds an annual return of 6% since the most recent date as of which the Fund paid a Performance Fee (or, if no Performance has ever been paid, then since the Performance Fee commencement date).

Any Performance Fee paid to the Manager in respect of any year shall not be subsequently refunded by virtue of a reduction in the Net Asset Value.

The Performance Fee will be calculated and paid annually in arrears. In the event that the Management Agreement is terminated, the Performance Fee will continue to be payable in respect of the month in which termination occurs.

The Management Fee and Performance Fee are intended to cover all of the expenses incurred by the Manager in managing the Fund, except travel expenses and expenses incurred by the Manager to obtain such specialized legal, accounting and/or other consulting and/or professional services, to attend such specialized conferences and/or trade shows, and to obtain such specialized research reports, industry and marketing studies, operational analyses, executive searches and other professional advisory studies and/or other specialized information as the Manager may from time to time be required to obtain and/or to attend in order to be able to effectively research and analyze potential investment and divestiture opportunities available to the Fund and/or effectively manage the investment portfolio of the Fund, which will be paid or reimbursed by the Fund. The Manager is also separately reimbursed for all expenses incurred by the Manager for administering the day-to-day operations of the Fund.

The calculation of any Performance Fee and the determination as to whether such a fee is payable to the Manager is a complex process. Shareholders are advised to refer to the Fund's current annual information form and most recent audited financial statements for more details.

Fees Paid in 2017

During the fiscal year ended December 31, 2017, the Manager was paid Management Fees of \$499,522. No Performance Fees were paid in 2017.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, proposed nominee, or informed person of the Fund or any associate or affiliate of any such person has, since the commencement of the last fiscal year of the Fund, had, directly or indirectly, any material interest in any transaction which materially affected the Fund or has, directly or indirectly, any material interest in any proposed transaction which has materially affected or would materially affect the Fund or any of its subsidiaries, other than as set forth under "Management Contracts", or as set forth as follows.

Kelly Edmison
Chairman, Director and Shareholder of the Fund

- (a) Mr. Edmison is a director and shareholder of the Manager;
- (b) Mr. Edmison is a shareholder of BasicGov Systems, Inc., D-Wave Systems, Inc. and Espial Group Inc., companies in which the Fund has made an investment; and

David Barr
President, Chief Executive Officer, Director and Shareholder of the Fund

- (a) Mr. Barr is a director, officer and shareholder of the Manager; and
- (b) Mr. Barr is a director of One45 Software Inc., a company in which the Fund has made an investment.
- (c) Mr. Barr is a shareholder of Espial Group Inc. and Prontoforms Corp., companies in which the Fund has made an investment.

Kelvin Kwong
Chief Financial Officer, Secretary and Shareholder of the Fund

- (a) Mr. Kwong is an officer and shareholder of the Manager.
- (b) Mr. Kwong is a director and secretary of BasicGov Systems, Inc., a company in which the Fund has made an investment;
- (c) Mr. Kwong is a shareholder of Espial Group Inc., a company in which the Fund has made an investment; and

Wendy Porter
Director and Shareholder of the Fund

- (a) Ms. Porter is a shareholder of Espial Group Inc., a company in which the Fund has made an investment.

Ian Power
Director and Shareholder of the Fund

None.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of:

- (a) the directors or senior officers of the Fund at any time since the beginning of the last financial year of the Fund;
- (b) the proposed nominees for election as a director of the Fund; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Fund where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of shares in the capital of the Fund, other than the election of directors or the appointment of auditors.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

At the Meeting, Shareholders will be asked to consider an ordinary resolution (the “**Transition Resolution**”) approving the proposed transition of the Fund from the Canadian securities regulatory regime for investment funds to the regulatory regime for reporting issuers that are not investment funds (the “**Proposed Transition**”). The text of the Transition Resolution is set out in Schedule A to this Circular. If Shareholder approval is obtained, the Proposed Transition is expected to be effective in the fourth quarter of 2018 but the specific date will be determined by the Board.

An “ordinary resolution” means a resolution passed by the majority of the votes cast, either in person or by proxy, at a meeting of shareholders entitled to vote at such meeting.

Background to the Proposed Transition

The Fund is a corporation established under the laws of the Province of British Columbia pursuant to the provisions of the BCBCA. The Fund was established in 1994 as a “Venture Capital Corporation” (a “**VCC**”) under the provisions of the *Small Business Ventures Capital Act* (the “**SBVCA**”) which offered investors in the Fund certain provincial tax credits at the time the Fund’s shares were issued from treasury. The SBVCA also restricted the Fund’s investment objectives and strategies to investments in “Eligible Small Businesses” as defined in the SBVCA. Effective November 4, 2016, the Fund voluntarily cancelled its registration under the SBVCA, this permitted the Fund to employ various investing strategies that were previously not available to it, including, without limitation, investments in the public equity market and investments in larger and more established businesses based outside of British Columbia. The cancellation of the Fund’s registration under the SBVCA was approved by shareholders of the Fund on July 12, 2016. The Fund is currently considered a non-redeemable investment fund (“**NRIF**”) and is subject to the Canadian securities regulatory regime for investment funds (the “**Investment Funds Regime**”) and as such, is subject to National Instrument 81-102 — *Investment Funds* (“**NI 81-102**”) and has been providing continuous disclosure pursuant to such Investment Funds Regime, including but not limited to, the provisions under NI 81-106.

Pursuant to the provisions of NI 81-102, the Fund is now restricted from purchasing a security of an issuer (a) if the Fund would, immediately after the purchase, hold more than 10% of the votes or outstanding equity of the issuer or (b) for purposes of exercising control over, or management of, the issuer (the “**Control Restrictions**”). While the Fund was registered as a VCC, it was able to rely on an exemption from the Control Restrictions. However, as the Fund is no longer registered as a VCC, it is now subject to the Control Restrictions which, as set out in further detail below, may prevent the Fund from executing its objectives and strategies.

Management of the Fund and the Manager have determined that the Control Restrictions prohibit the Fund from making investments that the Manager has determined would otherwise fit within the Fund’s investment objectives and strategies.

The Fund’s objective is to provide long-term capital appreciation to its shareholders. To achieve this, the Fund has invested in a number of private and publicly-listed companies with an emphasis on established businesses requiring capital for growth, expansion or restructuring. In each situation, the Fund’s capital has been invested to improve the equity value of the company, through expansion of sales and marketing, investing in new product development or providing capital needed to stabilize operations. This approach has the potential to yield attractive returns over time if these companies are able to execute on their business plans and improve their growth and profitability.

The Fund’s ability to take control positions in its investee companies has been a significant factor in its success to date. The Fund’s investment objective, strategy and restrictions provide the Fund with an expansive investment mandate without any limitation on the extent of ownership or the degree of control to be exercised. The Fund’s continued performance depends on its ability to pursue investment objectives and strategy that are broader than those envisaged under NI 81-102.

The Control Restrictions in NI 81-102 effectively preclude the Fund from continuing to pursue its investment objectives of providing shareholders with long-term capital appreciation through its strategy of actively managing its portfolio of investments.

As a result of the foregoing, the Board has concluded it is in the best interests of the Fund to implement the Proposed Transition to transition from the Investment Funds Regime to the Canadian securities regulatory regime for reporting issuers that are not investment funds (the “**Corporate Issuer Regime**”), including, but not limited to, compliance with National Instrument 51-102 — *Continuous Disclosure Obligations* (“**NI 51-102**”). The Board’s decision to pursue the Proposed Transition is premised upon the following principal considerations.

- As noted above, the Manager believes that the Control Restriction will have a material adverse effect on the Fund’s continued successful achievement of its investment objective over the long-term, as the Fund’s investment mandate is significantly limited as a result of the Control Restrictions.
- While structured similarly to other funds to which NI 81-102 applies, the Fund has a number of key characteristics that distinguish it from those other funds:
 - The Fund it is not a “mutual fund corporation” under the *Income Tax Act* (Canada);
 - The Fund does not provide a redemption right at net asset value;
 - The Fund’s investment objective and investment restrictions provide the Manager with an expansive investment mandate, including no restriction on the extent of ownership or the degree of control exercised; and
 - The Proposed Transition will provide benefits to shareholders as it will allow the Fund to conduct its business successfully as it has done since the Manager assumed management of the Fund in 2003. The Fund’s ability to make virtually any investment (regardless of relative or absolute size) that meets its investment objective is, in the Manager’s view, what has helped make the Fund a compelling investment.

The Proposed Transition will provide benefits to Shareholders as it will allow the Fund, among other things, to continue to pursue investment opportunities based on its existing broad investment mandate including those that would give it a control investment (as prohibited under NI 81-102. In addition, more frequent reporting to Shareholders will be provided.

For more details on the benefits of the Proposed Transition, please refer to “*Benefits of the Proposed Transition*”.

Effects of the Proposed Transition

Under the Corporate Issuer Regime, the Fund would maintain its current investment objectives and strategies.

The continuous disclosure obligations for a NRIF under the Investment Fund Regime and for a non-investment fund issuer under the Corporate Issuer Regime both require periodic disclosure to investors on an annual and interim basis; however, there are a number of specific key differences. For a detailed comparison of the differences between the two regimes, please refer to Schedule B - *Comparison of Canadian Securities Regulatory Regime for Investment Funds and Public Companies*.

The Manager has reviewed these differences and believes the following discussion highlights the material differences as it relates to the Fund.

Frequency and Form of Financial Reporting

One of the key distinctions between the Investment Funds Regime and the Corporate Issuer Regime is the frequency of financial reporting. The Fund will release its financial statements and commentary on a quarterly basis rather than semi-annually.

The Manager expects that the majority of the content that is currently presented in the Fund's annual and semi-annual management report of fund performance ("**MRFP**") will be included in the quarterly and annual management discussion and analysis ("**MD&A**"). For the foreseeable future, Shareholders can expect the same analysis and information that is currently presented in the MRFP, including all portfolio-related disclosure.

In addition, the Manager expects that the MD&A will include the following additional items that address the broader financial condition requirements under the Corporate Issuer Regime:

- **Non-IFRS Measures:** an explanation of the definitions of non-IFRS (as defined below) terms used throughout the MD&A that would be considered typical for an investment fund (i.e., Assets Under Management, Net Asset Value, Net Asset Value Per Share, Management Expense Ratio, Trading Expense Ratio);
- **Transition to Corporate Issuer:** for the first fiscal year, the MD&A would include an explanation on the transition to the Corporate Issuer Regime describing why the Fund switched reporting regimes and the impact on reporting;
- **Quarterly Analysis:** in addition to the performance analysis and commentary currently included in the MRFP, the discussion would be expanded to incorporate quarterly performance;
- **Financial Review:** an analysis of significant financial statement captions with explanations for their variances between periods;
- **Quarterly Results:** further financial review that focuses on income or loss accounts on a quarterly basis;
- **Critical Accounting Estimates:** the Manager's review of critical accounting estimates;
- **Future Changes in Accounting Policies:** a discussion on future accounting pronouncements and their potential impact to the Fund;
- **Financial Instruments:** an explanation of the Fund's financial instruments and their classification under International Financial Reporting Standards ("**IFRS**"); and
- **Risks:** disclosure that the risks associated with investing in the Fund remain as set out in the annual information form.

With regard to the appearance of the financial statements, the Manager does not expect any material changes in presentation or disclosure other than the change in frequency of reporting to quarterly from semi-annually. The Fund currently reports under International Financial Reporting Standards and the change to the Corporate Issuer Regime does not impact the measurement, recognition or accounting policies currently presented in the Fund's annual and semi-annual financial statements. The Fund previously filed on SEDAR its unaudited semi-annual financial statements and MRFP for the period ended June 30, 2017 and its audited annual financial statements and MRFP for the year ended December 31, 2017 in accordance with National Instrument 81-106 — *Investment Fund Continuous Disclosure* and International Financial Reporting Standards.

Corporate Governance

A reporting issuer under the Corporate Issuer Regime has broad-based corporate governance requirements applicable to all aspects of governance. A public company must, at a minimum, have an independent audit committee.

A reporting issuer under the Corporate Issuer Regime should typically have a compensation committee and a nominating committee. If it does not have the relevant committee, the reporting issuer should describe what steps its board of directors takes to encourage an objective compensation and nomination process. A reporting issuer must make prescribed disclosure regarding its committees and corporate governance practices annually.

The Fund does not currently, and if the Proposed Transition is approved, will not have a compensation committee or a nominating committee. The Manager and members of the Board may recommend suitable individuals for nomination as directors to be elected by the common shareholders of the Fund and the Manager. As a result of the Fund's arrangement with the Manager, it does not have any employees (or employment contracts). As such, the Board has determined that there is no need for a separate compensation committee.

A reporting issuer under the Corporate Issuer Regime is required to have an audit committee that is compliant with National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") and is required by NI 52-110 to provide certain disclosure on its Audit Committee to its shareholders annually.

The Fund currently has an Audit Committee and its composition is not expected to change. However, following the Proposed Transition, the Fund will provide the annual disclosure on its Audit Committee in accordance with NI 52-110.

Implementation of Proposed Transition

If Shareholder approval is obtained, the Proposed Transition is expected to be effective in the fourth quarter of 2018 but the specific date will be determined by the Board (the "**Transition Date**"). The Board will have the discretion not to implement, or to delay the implementation of, the Proposed Transition.

Benefits of the Proposed Transition

Continued Operation and Strong Returns

The Proposed Transition would allow the Fund to continue to execute on its current investment strategy, which is to invest in public and private companies requiring capital for growth, expansion or restructuring as well as later-stage companies that are already well-positioned for growth and where additional capital is used to further expand operations to increase revenue.

The Fund's investment objective and investment restrictions provide the Manager with a flexible investment mandate. The Fund's ability to take controlling positions in investee companies (regardless of relative or absolute size) that meets its investment objective is, in the Manager's view, what helps make the Fund a compelling investment.

Avoid Regulatory Uncertainty

The Manager has discussed the Proposed Transition with the British Columbia Securities Commission to ensure that the plan meets the requirements of Canadian securities regulators for the Fund to cease to be classified as an investment fund, thereby mitigating any risk that it could be adversely affected by the Control Restriction and any other future regulatory changes affecting NRIFs.

Increased Frequency of Reporting

Under the Corporate Issuer Regime, the Fund would comply with NI 51-102 continuous disclosure requirements. For a detailed comparison of the differences between the current continuous disclosure requirements under NI 81-106 and those required under NI 51-102, please refer to Exhibit B. One of the key distinctions, however, is that financial statements will be provided on a quarterly basis rather than semi-annually.

Potential for Analyst Coverage

Financial institutions in Canada typically do not provide research coverage of investment fund issuers. As the Proposed Transition would result in the Fund reporting as a more typical reporting issuer under the Corporate Issuer Regime, the Manager expects that research analysis coverage of The Fund would be more likely.

Potential to Facilitate Long-Term Growth for the Fund

Under the Corporate Issuer Regime, it is expected that the Fund will be able to issue a more diversified range of securities to investors, which will help facilitate growth of the Fund, as considered appropriate by the Board. Should the opportunity arise in the future to make an acquisition that is determined to be in the interests of the Fund, the increased ability to raise capital will also make such acquisitions more feasible.

Canadian Federal Income Tax Considerations

The Proposed Transition should not, in and of itself, have any consequences under the Income Tax Act (Canada) to the Fund or to Shareholders and will not result in a disposition of property by the Fund or a disposition of Shares by Shareholders. To the extent that the Fund makes an investment that is permitted under the Corporate Issuer Regime but would not be permitted under the Investment Funds Regime, the character of the gain (or loss) realized by the Fund on the disposition of such investment as a capital gain (or loss) or ordinary income (or loss) will depend on all the facts and circumstances.

Consultation with TSX Venture Exchange

The Fund has advised the TSX Venture Exchange (the “TSXV”) of the Proposed Transition. The TSXV has indicated that the Proposed Transition does not affect the listing of the Class C Shares. The Fund is currently considered an “investment issuer” by the TSXV and this will remain unchanged following the Proposed Transition. The Fund will continue to be subject to the TSXV listing requirements applicable to an “investment issuer” as described in the TSXV Corporate Finance Manual.

Recommendation of the Board

THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE PROPOSED TRANSITION.

OTHER MATTERS TO BE ACTED UPON

Management of the Fund knows of no matters to come before the Meeting other than those referred to in the Notice accompanying this Information Circular. However, if any other matters properly come before the meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote the same in accordance with their best judgment of such matters.

ADDITIONAL INFORMATION

Additional information relating to the Fund is available on the SEDAR website at www.sedar.com or on the Fund’s website at www.pendergrowthfund.com. The Fund’s Annual Information Form (“AIF”) includes a discussion on the Fund’s corporate governance can be found at both websites.

If you wish to receive a copy of the Fund's AIF, audited annual financial statements, unaudited semi-annual financial statements or Management Reports of Fund Performance, please contact the Fund at Suite 1640, 1066 West Hastings Street Vancouver, British Columbia, V6E 3X1; or by phone: (604) 688-1511; or email: info@pendergrowthfund.com and a copy of the documents you requested will be forwarded to you without charge. We will send you a reminder each year to determine whether you would like to receive such documents.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved, and the delivery of it to each shareholder of the Fund entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board of Directors of the Fund.

DATED at Vancouver, British Columbia, this 18th day of April, 2018.

By Order of the Board of Directors of

PENDER GROWTH FUND INC.

"Kelly Edmison"

KELLY EDMISON

Chairman

SCHEDULE A

RESOLUTION OF THE CLASS C SHAREHOLDERS OF PENDER GROWTH FUND INC. (the "Fund")

BE IT RESOLVED as an Ordinary Resolution that:

1. the transition (the "**Proposed Transition**") by the Fund from the Canadian securities regulatory regime for investment funds, including but not limited to compliance with National Instrument 81-102 — *Investment Funds* and continuous disclosure under National Instrument 81-106 — *Investment Fund Continuous Disclosure* and prospectus disclosure prepared under National Instrument 41-101F2, to the Canadian securities regulatory regime for reporting issuers that are not investment funds, including but not limited to compliance with continuous disclosure under National Instrument 51-102 — *Continuous Disclosure Obligations* and prospectus disclosure prepared under National Instrument 41-101F1, is approved.
2. Any one officer or director of the Fund be and is authorized and directed for and on behalf of the Fund to do and perform all acts and things and to execute and deliver all documents, certificates, instruments and agreements and to take all such steps as in the opinion of the officer or director may be necessary or advisable in order to carry out and give full effect to any of the foregoing resolution, the execution and delivery of such applications, documents, certificates, instruments and agreements by such director or officer being conclusive evidence of such determination.
3. Notwithstanding that the foregoing resolutions have been duly approved by the holders of Class C Shares of the Fund, the directors of the Fund, in their sole discretion, are hereby authorized and empowered to elect not to implement the Proposed Transition contemplated by the foregoing resolutions at any time before it is acted upon without further approval from the shareholders of the Fund.

SCHEDULE B

COMPARISON OF CANADIAN SECURITIES REGULATORY REGIME FOR INVESTMENT FUNDS AND PUBLIC COMPANIES

	Investment Fund Regime	Corporate Issuer Regime
1. Key Legislation	NI 81-106, NI 81-107, NI 81-102	NI 51-102
2. Focus of Disclosure	Investor returns and portfolio management; investor focused data (e.g. net asset value (“NAV”) and management expense ratio (“MER”)).	Financial condition of revenue-generating operations. Focus is on the operational level. No prescribed framework for the reporting of investment portfolio performance and NAV, in the manner that the investment fund regime does.
	<i>Note: After the Effective Date of the Proposed Transition and for the foreseeable future, the Fund expects to continue to use terms such as NAV.</i>	
3. NAV and Management Expense Ratio calculations	An investment fund must, upon calculating the NAV of the investment fund under this section, make the following information available to the public at no cost: <ul style="list-style-type: none"> • the net asset value of the investment fund; and • the net asset value per security of the investment fund unless the investment fund is a scholarship plan. An investment fund may also disclose its calculation of its MER as set out in NI 81-106. Reference: Parts 14 and 15 of NI 81-106	The concept of calculating NAV and MER is generally not found in the Corporate Issuer Regime, but there is no prohibition on calculating a NAV or MER.
	<i>Note: The Fund currently reports its NAV on a weekly basis, as required by NI 81-106. After the Effective Date of the Proposed Transition and for the foreseeable future, the Fund will calculate and publish its NAV on a monthly basis and will continue to report its MER.</i>	
4. Corporate Governance Requirements	Investment funds must have an investment fund manager and an independent review committee, which are subject to prescribed criteria and disclosure obligations. Reference: National Instrument 31-103 – <i>Registration Requirements, Exemptions and Ongoing Registrant Obligations</i> (“NI 31-103”), NI 81-107 and Form 81-101F2 – <i>Contents of</i>	A public company has broad-based corporate governance requirements applicable to all aspects of governance. A public company must, at a minimum, have an independent audit committee. In addition, a public company should either have a compensation committee and a

	Investment Fund Regime	Corporate Issuer Regime
	<p><i>Annual Information Form (“NI 81-101F2”).</i></p>	<p>nominating committee, or describe what steps the board takes to encourage an objective compensation and nomination process if it does not have the relevant committees. A public company must make prescribed disclosure regarding its committees and corporate governance annually.</p> <p>Reference: National Instrument 52-110 Audit Committees, National Instrument 58-101 Disclosure of Corporate Governance Practices and National Policy 58-201 Corporate Governance Guidelines.</p>
	<p><i>Note: The Fund does not and will not have a compensation or nomination committee. The Manager and members of the Board may recommend suitable individuals for nomination as directors to be elected by the common shareholder. As a result of the Fund’s arrangement with the Manager, it does not have any employee (or employment contracts) and thus the Board has determined that there is no need for a separate compensation committee.</i></p>	
5. Approval of Fundamental Changes	<p>Investment funds are required to provide unitholders with a vote on certain fundamental changes, including:</p> <ul style="list-style-type: none"> • changes to the calculation of certain fees or expenses • change of manager • change of fundamental investment objectives • certain reorganizations or sale of the assets of an investment fund <p>Reference: NI 81-102</p>	<p>There is no corresponding requirement for a public company to provide shareholders a vote on fundamental changes, unless required under applicable corporate law, the relevant share conditions or stock exchange requirements.</p>
	<p><i>Note: There are no proposed changes to the matters that require the Shareholder approval of Class C Shares.</i></p>	
6. Audit and Accounting Standards	<p>Acceptable Accounting Principles: IFRS.</p> <p>Acceptable Auditing Standards: Canadian Generally Accepted Auditing Standards (“GAAS”).</p>	<p>Acceptable Accounting Principles: IFRS.</p> <p>Acceptable Auditing Standards: GAAS.</p>
	<p><i>Note: No change is required.</i></p>	
7. Annual Financial Statements	<p>Filing Deadline: Within 90 days after the financial year-end.</p>	<p>Filing Deadline: Within 120 days after the financial year-end, if the public company is</p>

	Investment Fund Regime	Corporate Issuer Regime
	<p>The annual financial statements must include:</p> <ul style="list-style-type: none"> • a statement of financial position; • a statement of comprehensive income; • a statement of changes in financial position; • a statement of cash flows; • a statement of investment portfolio as at the end of the financial year; • a statement of financial position; and • notes to the annual financial statements. <p>Reference: Section 2.1 of NI 81-106.</p>	<p>considered a “venture issuer”.</p> <p>The annual financial statements must include:</p> <ul style="list-style-type: none"> • an income statement; • a statement of retained earnings; • a cash flow statement; • a balance sheet as at the end of the financial year; and • notes to the financial statements. <p>Reference: Section 4.1 of NI 51-102.</p>
<p><i>Note: The Fund does not expect any change in the appearance of its financial statements. The Fund will however not be required to file its annual financial statements until 120 days after its year end rather than 90 days after its year end. While a statement of investment portfolio at the end of the financial year is not required under NI 51-102, the Fund will include one for the foreseeable future.</i></p>		
8. Interim Financial Statements	<p>Filing Deadline: Within 60 days of the most recent interim period of financial statements of the investment fund.</p> <p>Frequency: Once a year.</p> <p>Information required to be included in the interim financial statements are similar to those required in the annual financial statements.</p> <p>Reference: Section 2.3 of NI 81-106.</p>	<p>Filing Deadline: Within 60 days after the end of each of the first three quarters of each financial year, if the public company is a “venture issuer”.</p> <p>Frequency: Three times a year.</p> <p>Information required to be included in the interim financial statements are similar to those required in the annual financial statements.</p> <p>Reference: Section 4.3 of NI 51-102.</p>
<p><i>Note: After the Effective Date of the Proposed Transition, the Fund will increase its interim financial reporting to quarterly.</i></p>		
9. Annual Management Report	<p>Filing Deadline: Within 90 days after the investment fund’s financial year-end.</p> <p>An investment fund needs to file, together with the annual financial statements, an annual Management Report of Fund Performance (“MRFP”), setting out high level</p>	<p>Filing Deadline: Within 120 days after the financial year-end, if the public company is a “venture issuer”.</p> <p>A public company needs to file, together with the annual financial statements, an annual Management Discussion &</p>

	Investment Fund Regime	Corporate Issuer Regime
	<p>information about the fund’s portfolio and market performance.</p> <p>Overall focus: The MRFP focuses primarily on an investment fund’s market performance and investor return and various risks, and compares trends over the last 10 financial years.</p> <p>A MRFP includes</p> <ul style="list-style-type: none"> • management discussion of fund performance; • financial highlights; • past performance; • summary of investment portfolio; and • other material information. <p>Reference: Form 81-106F1 Contents of Annual and Interim Management Report of Fund Performance (“NI 81-106F1”) (Part B) and may not incorporate by reference any other document.</p>	<p>Analysis (“MD&A”), setting out a detailed discussion of the company’s operational performance.</p> <p>Overall focus: The MD&A focuses primarily on a public company’s operational level results and financial condition and compares trends over the last eight quarters.</p> <p>An MD&A requires a disclosure of more diverse, specific information about the company’s operation and performance, including</p> <ul style="list-style-type: none"> • prescribed financial data derived from current annual financial statements and quarterly reports for each of the last eight quarters, discussion of factors that have caused period to period variations; • analysis of the company’s liquidity; • capital resources; • discussion of any off-balance sheet arrangement reasonably likely to have a current or future effect on the financial performance; • analysis of each of the company’s critical accounting estimates; • discussion of the nature and extent of companies use of financial instruments and their business purposes; and • if applicable, MD&A must include the disclosure required by National Instrument 52-109 - <i>Certification of Disclosure in Issuers’ Annual and Interim Filings</i> (“NI 52-109”). <p>Reference: Form 51-102F1 - <i>Management’s Discussion and</i></p>

	Investment Fund Regime	Corporate Issuer Regime
		<i>Analysis</i> (“NI 51-102F1”).
	Note: After the Effective Date of the Proposed Transition, the Fund will file an annual MD&A with its annual financial statements and expects that the majority of the content currently presented in its annual MRFP will be included in its annual MD&A.	
10. Interim Management Report	<p>Filing Deadline: Within 60 days after the end of a period of at least three months that ends six months before the end of a financial year.</p> <p>An investment fund needs to file, together with the interim financial statements, an interim MRFP. Information required to be included in the interim MRFP is similar to information required in the annual MRFP.</p> <p>Reference: Part C of NI 81-106F1.</p>	<p>Filing Deadline: Within 45 days after the end of each of the first three quarters of each financial year.</p> <p>A public company needs to file, together with the interim financial statements, an interim MD&A. Information required to be included in the interim MD&A is similar to information required in the annual MD&A.</p> <p>Reference: NI 51-102F1.</p>
	Note: After the Effective Date of the Proposed Transition, the Fund will file a quarterly MD&A with its quarterly financial statements and expects that the majority of the content currently presented in its quarterly MRFP will be included in its quarterly MD&A.	
11. Quarterly Portfolio Disclosure	<p>Filing Deadline: Must post to the investment fund’s website within 60 days of the end of each quarter.</p> <p>A quarterly portfolio disclosure must include:</p> <ul style="list-style-type: none"> • a summary of investment portfolio prepared in accordance with Item 5 of Part B of Form 81-106F1; and • the total net asset value of the investment. <p>Reference: Item 5 of Part B of NI 81-106F1.</p>	<p>No corresponding requirements for a public company to prepare separate quarterly disclosure in addition to the interim financial statements and interim MD&A.</p>
	Note: After the Effective Date of the Proposed Transition, the Fund will continue to publish to its website a summary of investment portfolio and total net asset value on a quarterly basis.	
12. Annual Information Form	<p>Filing Deadline: Within 90 days of its financial year-end.</p> <p>The prescribed content for an Annual Information Form of an investment fund requires the following disclosures that are not generally found in the Annual Information Form of a public company:</p>	<p>Filing Deadline: There is no requirement for a public company that is a “venture issuer” to file an annual information form.</p> <p>The prescribed content for an Annual Information Form of a public company requires the following disclosures that are not</p>

	Investment Fund Regime	Corporate Issuer Regime
	<ul style="list-style-type: none"> • Investment Restrictions • Valuation of Portfolio Securities • Calculation of Net Asset Value • Purchases and Switches <p>Reference: NI 81-101F2.</p>	<p>generally found in the Annual Information Form of an investment fund:</p> <ul style="list-style-type: none"> • Description of Business • Risk Factors • Additional Information • Information Circular Disclosure <p>Reference: NI 51-102F2</p> <p>Disclosure of executive compensation pursuant to NI 51-102F6 is required with the AIF or management information circular prepared in connection with an annual meeting of the shareholders.</p>
<p><i>Note: After the Effective Date of the Proposed Transition, the Fund may, but is not required to, voluntarily file an Annual Information Form on an annual basis. If the Fund elects to file an Annual Information Form, the content of the Annual Information Form will not be significantly different for the Fund under the Corporate Issuer Regime.</i></p>		
13. CEO/CFO Certifications	<p>There are no corresponding CEO/CFO certification obligations for an investment fund.</p>	<p>Filing Deadline: Concurrent with the filing of the annual and interim financial statements, as applicable, Annual and interim financial statements of a public company must be reviewed and approved by the board of directors, and certified by filing a certificate signed by the CEO and the CFO, or the persons acting in those capacities (who may be employees of an outside management company), certifying as to</p> <ul style="list-style-type: none"> • the accuracy and fair representation • no misrepresentation • disclosure controls and procedures; and • internal controls over financial reporting.

	Investment Fund Regime	Corporate Issuer Regime
		Reference: NI 52-109F1 - <i>Certification of Annual Filings Full Certificate</i> and NI 52-109F2 - <i>Certification of Interim Filings Full Certificate</i>
	<i>Note: After the Effective Date of the Proposed Transition, a certificate from the Fund's CEO and CFO will be filed, certifying the annual and interim financial statements, as applicable.</i>	