PENDER

NOTICE OF ANNUAL GENERAL MEETING

PENDER GROWTH FUND INC.

Notice is hereby given that the Annual General Meeting (the "**Meeting**") of the shareholders of Pender Growth Fund Inc. (the "**Company**") will be held on Tuesday, June 24, 2025 at 1830 – 1066 West Hastings Street, Vancouver, British Columbia, Canada, at the hour of 10:00 a.m. (local time in Vancouver, B.C.) for the following purposes:

1. To receive the audited annual financial statements of the Company for its fiscal year ended December 31, 2024, and accompanying report of the auditor.

2. To appoint KPMG LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing fiscal year and authorize the directors to fix the auditor's remuneration.

3. To elect the following persons as directors of the Company for the ensuing year:

David Barr	Kelly Edmison
Kristal Hamakawa	Derek Hemmes

4. To transact such further or other business as may properly come before the Meeting and any adjournments thereof.

Accompanying this Notice is an Information Circular and a form of Proxy for the holders of the Class C Participating Common Shares. The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice.

Shareholders unable to attend the Meeting in person should read the notes to the enclosed Proxy, as applicable, and complete and return the Proxy to the Company within the time required by, and to the location set out in, the notes to the Proxy.

The Company encourages shareholders to access the meeting by zoom or teleconference. The Company strongly encourages all shareholders to vote their shares prior to the meeting. **Shareholders will not be able to vote through zoom or the conference call and** we encourage you to vote your shares by proxy ahead of the Meeting.

Details of Zoom and telephone conference:

Zoom link: https://us06web.zoom.us/j/82795790462?pwd=C8GAf75oB1bmRh2JOrptbtJI2vFPjl.1

Dial in number (Canada): (647) 558-0558

Webinar ID: 827 9579 0462

Passcode: 693309

We hope you will be able to participate in the Meeting. Your vote is important regardless of the number of shares you own. Please review the voting instructions set out in the Information Circular under the heading "Appointment of Proxyholder and Revocation of Proxies".

The enclosed Proxy is solicited by management of the Company and you may amend it, if you wish, by inserting in the space provided the name of the person you wish to represent you as proxy holder at the Meeting.

DATED at Vancouver, British Columbia, this 21st day of May 2025.

BY ORDER OF THE BOARD

"Kelly Edmison"

Kelly Edmison
Chair

PENDER GROWTH FUND INC.

Suite 1830 – 1066 West Hastings Street, Vancouver, B.C. V6E 3X2
Telephone: (604) 688-1511 Facsimile: (604) 563-3199

INFORMATION CIRCULAR

(containing information as at May 21, 2025, 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 "Company"), for use at the Annual General Meeting of the shareholders of the Company, to be held on June 24, 2025 (the "Meeting") at the time and place and for the purposes set forth in the accompanying Notices of Meeting (the "Notice"). The Company 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 Company and the Manager at nominal cost. The cost of solicitation will be borne by the Company.

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 Company's management. A shareholder of the Company (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 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 Company.

The Company has enclosed a form of Proxy. Shareholders must complete the form of Proxy in respect of the shares of the Company 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 Company's registrar, TSX Trust Company, Attn: Proxy Department at Box 721, Agincourt, ON M1S 0A1.

Please see your enclosed form of Proxy for further voting instructions, including how to vote over the Internet.

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 Company 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 Company to determine the availability, and instructions for the use, of this option.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold shares in their own name. Shareholders who hold their shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Company's registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those shares will, in all likelihood, not be registered in the shareholder's name. 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 acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). 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 who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

Pursuant to the provisions of NI 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-011**"), the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a Beneficial Shareholder, you can expect to receive a scannable VIF from TSX Trust Company. Please complete and return the VIF to TSX Trust Company in the envelope provided or by facsimile or by email. In addition, telephone voting and internet voting instructions can be found on the VIF. TSX Trust Company will tabulate the results of the VIFs received from the Company's NOBOs (as defined below) and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the shares in that capacity. NI 54-101 allows a Beneficial Shareholder who does not object to their identity being made known to the issuers of the securities which they own (a "**NOBO**") to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting. A Beneficial Shareholder who wishes to attend the Meeting and to vote their shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same in accordance with the instructions contained in the VIF.

The Company's Beneficial Shareholders who object to their identity being known to the issuers of securities which they own (an "**OBO**") can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

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 Company'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 Company'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 Company's authorized capital consists of an unlimited number of Class C Participating Common shares (the "**Class C Shares**" or the "**Shares**") which entitle the holder to one vote per Class C Share at general meetings of the Company, of which there were 7,094,621 Class C Shares issued and outstanding as of the Record Date. The Company's authorized capital also includes an unlimited number of Preferred shares which do not entitle the holder to vote at general meetings of the Company, of which there were none issued and outstanding as of the Record Date.

Unless otherwise permitted by law, only those Shareholders of record holding Shares on May 21, 2025 (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.

To the knowledge of the directors and senior officers of the Company, 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 Company will be asked to pass an ordinary resolution to approve the re-appointment of KPMG LLP, Chartered Professional Accountants ("**KPMG**"), located at 777 Dunsmuir Street, Vancouver, British Columbia, as auditors for the Company, 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 Company (the "**Board**"). KPMG was first appointed as the auditor of the Company effective December 22, 2010.

ELECTION OF DIRECTORS

The Company currently has four directors. The term of office of each of the present directors of the Company 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 Company. 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 Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company 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 Company now held by each of them, their principal occupations, the period of time for which each has been a director of the Company, and the number of Shares of the Company 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 Company	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	Chief Executive Officer of the Manager since April 2016.	Since June 2015	251,469 Class C Shares
KELLY EDMISON[2][3][4] British Columbia, Canada Chairman and a Director	Chairman of the Manager and the Company since May 2003.	Since May 2003	282,764 Class C Shares
KRISTAL HAMAKAWA[3][4] British Columbia, Canada Director	Chartered Professional Accountant with over 15 years of accounting experience, including 3 years as an auditor and 8 years in the securities and brokerage industry.	Since August 2024	Nil
DEREK HEMMES[3][4] British Columbia, Canada Director	Self-employed technology consultant. Chief Operating Officer of technology company eRezLife Software Inc. from 2011 to 2021.	Since Nov 2023	86,176 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 Company and has been furnished by the respective nominees.

(2) Mr. Barr is a director, officer and shareholder through a corporate entity, and Mr. Edmison is a director and shareholder through a corporate entity of PenderFund Capital Management Ltd., the Manager of the Company.

(3) Member of the audit committee of the Company (the "**Audit Committee**").

(4) Member of the corporate governance and nominating committee of the Company (the "**Governance and Nominating Committee**").

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.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, no proposed director of the Company 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 Company), 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.

Individual Bankruptcies

To the knowledge of the Company, no proposed director of the Company 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 Company) 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.

Penalties or Sanctions

To the knowledge of the Company, no proposed director of the Company 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 Company entered into an agreement dated effective May 1, 2003 with PenderFund Capital Management Ltd. (the "**Manager**"), which was subsequently amended on each of October 1, 2003, June 22, 2006, July 22, 2010. The Company and the Manager entered into an amended and restated management agreement dated May 1, 2017, which was amended on each of March 7, 2019, May 21, 2019, and December 31, 2023. (the "**Management Agreement**").

Pursuant to the Management Agreement, the Manager provides management services relating to the Company making investments and administration of the Company'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 Company's investments in its investee companies; and ensuring that appropriate accounting, bookkeeping and clerical records are maintained with respect to the operations of the Company. See "Management Contracts".

Executive management services are provided to the Company 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 Company considers that the compensation paid by the Manager to the individuals that act as the chief executive officer and chief financial officer of the Company 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 Company does not have a policy preventing a Named Executive Officer (as defined below) or director of the Company 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 Company does not grant equity

securities as compensation.

Security Based Compensation

The Company does not currently have a security based compensation plan pursuant to which security based compensation may be granted and currently has no intention to adopt such a plan. However, the Board retains the discretion 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 Company's chief executive officer ("**CEO**");

(b) the Company's chief financial officer ("**CFO**");

(c) each of the Company'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 Company, nor acting in a similar capacity, at the end of that financial year.

During the financial year ended December 31, 2024 the Company had two Named Executive Officers, David Barr, President and Chief Executive Officer, and Gina Jones, 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:

					Non-equity incentive plan compensation ($)				
Name and Position of Principal	**Year[1]**	**Salary[2]**	**Share Based Awards**	**Option Based Awards**	**Annual incentive plans**	**Long-term incentive plans**	**Pension Value**	**All other compensation**	**Total Compensation**
David Barr President, Chief Executive Officer	2024 2023 2022	$47,112 $45,394 $43,302	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$47,112 $45,394 $43,302
Gina Jones Chief Financial Officer	2024 2023 2022	$61,769 $59,516 $56,774	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	$61,769 $59,516 $56,774

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 Company.

Incentive Plan Awards

The Company had no outstanding share options at December 31, 2024 or at any other time during the financial year ended December 31, 2024. Accordingly, no options vested or were exercised during the financial year ended December 31, 2024.

Pension Plan Benefits

The Company 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 Company.

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 Company 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 Company during the financial year ended December 31, 2024:

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
Kristal Hamakawa	$9,609	Nil	Nil	Nil	Nil	Nil	$9,609
Derek Hemmes	$26,000	Nil	Nil	Nil	Nil	Nil	$26,000
Wendy Porter	$26,000	Nil	Nil	Nil	Nil	Nil	$26,000

During the most recently completed financial year, the independent directors' fees for the financial year ended December 31, 2024, were $6,000 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 Company.

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

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 Company, no proposed nominee for election as a director of the Company 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 Company 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 Company 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 Company and the Manager entered into the Management Agreement dated May 1, 2017, as amended March 7, 2019, May 21, 2019 and December 31, 2023.

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 Company.

Support Services

The Manager also provides to the Company such support services as may from time to time be requested by the Board with respect to the day to day operations of the Company (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 Company and/or the Board with any such activities engaged in by the Company. The Company 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

On April 30, 2023, the Management Agreement was renewed automatically for a further term of four years, until April 30, 2027. The Management Agreement will be renewed automatically for further successive terms of four years unless the Shareholders of the Company resolve 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 Company 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 Company 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 Company 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 Company 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 Chair
Donald Campbell Winnipeg, M.B.	Director
David A. Barr[(2)(4)] North Vancouver, B.C.	Chief Executive Officer, Portfolio Manager, and Director
Felix Narhi[(4)] North Vancouver, B.C.	Director and Portfolio Manager
Gina Jones[(3)(4)] Vancouver, B.C.	Chief Operating Officer
Amanda Patterson North Vancouver, B.C.	Chief Financial Officer and Chief Compliance Officer

Notes:

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

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

(3) Ms. Jones is also the Chief Financial Officer of the Company.

(4) Kelly Edmison, David Barr, Felix Narhi, Gina Jones, and Amanda Patterson 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, plus applicable taxes (as defined in the Management Agreement as available under the SEDAR+ profile of the Company on sedarplus.ca) of the Company up to $15 million and 1.75% of the Net Asset Value of the Company in excess of $15 million, plus applicable taxes. This Management Fee is calculated monthly, by multiplying the Company'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.

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 Company's Net Asset Value exceeds an annual return of 6% since the most recent date as of which the Company paid a Performance Fee, plus applicable taxes.

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 Company, 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 Company and/or effectively manage the investment portfolio of the Company, which will be paid or reimbursed by the Company. The Manager is also separately reimbursed for all expenses incurred by the Manager for administrating the day-to-day operations of the Company.

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 Company's current annual information form and most recent audited financial statements for more details.

Fees Earned and Paid in 2024

During the fiscal year ended December 31, 2024, the Manager earned Management Fees of $1,923,608,

For the year ended December 31, 2024, the Company earned performance fees on investment performance of $1,130,673. The manager agreed to waive $282,668 of the performance fee it earned, reducing the net performance fee to $848,005 except the 2021 Unrealized Performance Fee as discussed below. This performance fee was paid in April 2025.

In 2021, the performance fee expense of $27,743,466 comprised $22,514,596 that arose from the net increase in unrealized appreciation of the Company's direct and indirect holdings of Copperleaf ("2021 Unrealized Performance Fee") and $5,228,870 that arose from net realized gains and this latter amount was paid to the Manager in April 2022.

The Manager voluntarily agreed that the payment of the 2021 Unrealized Performance Fee would be deferred until the underlying gains were realized, so it was not paid upon the publication of the Company's 2021 audited annual financial statements as it otherwise would have been. Instead it was agreed that it would be recalculated based on the market price of Copperleaf at each period end, the accrual and expenses adjusted accordingly, and quarterly payments would be triggered from time to time as gains are realized. The quarterly payments would be equal to the total recalculated performance fee arising from the realized gain on the Company's holdings of Copperleaf while the weight of this holding exceeded 20% of the Company's shareholders' equity. When the Company's Copperleaf holdings were at or below a 20% weighting, the performance fee on the unrealized appreciation on those remaining holdings will be paid to the Manager. The high water mark will be recalculated accordingly.

As at December 31, 2024, the 2021 Unrealized Performance fee was recalculated, based on the realized gain, to be $14,437,921. The Manager voluntarily waived $3,609,480 of this performance fee and the net amount of $10,828,441 ($10,312,801 before GST) was paid to the Manager in September 2024.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Kelly Edmison, a director of the Company is also the Chair and a shareholder of the Manager. David Barr, the Chief Executive Officer, President and a director of the Company, is also the Chief Executive Officer, a director and a shareholder of the Manager and Gina Jones, the Chief Financial Officer of the Company, is

also the Chief Financial Officer and a shareholder of the Manager. Details on the fees paid by the Company to the Manager are included above under the heading "Management Contracts".

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, other than with respect to the election of the directors and the appointment of auditors, none of:

(a) the directors or senior officers of the Company at any time since the beginning of the last financial year of the Company;

(b) the proposed nominees for election as a director of the Company; 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 Company 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 Company.

AUDIT COMMITTEE

Pursuant to the provisions of National Instrument 52-110 Audit Committees ("**NI 52-110**") the Company is required to provide the following disclosure with respect to its Audit Committee.

Audit Committee Mandate

The text of the Audit Committee's Charter is attached as Appendix "A" to the AIF.

Composition of the Audit Committee

The Company's audit committee consists of Derek Hemmes, Kristal Hamakawa, and Kelly Edmison. Derek Hemmes and Kristal Hamakawa are independent of the Company. Kelly Edmison is a director and shareholder of the Manager and is, therefore, not considered to be independent of the Company.

Relevant Education and Experience

Each member of the Audit Committee has considerable experience participating in the management of private and/or publicly traded companies and has the ability to read and understand financial statements that present the breadth and level of complexity of accounting issues that would generally be expected to be raised by the Company's financial statements.

Kelly Edmison - Mr. Edmison was a commercial lawyer for over 20 years and has been a director and officer of a number of public and private companies. He holds a Bachelor of Arts in Economics from the University of Toronto and a law degree from Queen's University.

Kristal Hamakawa - Ms. Hamakawa is a Chartered Professional Accountant with over 15 years of accounting experience, including 3 years as an auditor and 8 years in the securities and brokerage industry. She is currently working in the governance advisory industry, and currently serves as treasurer on two non-profit cultural boards. She holds a Chartered Accountant designation earned from the Chartered Accountant School of Business, and Bachelor of Business Administration earned from Simon Fraser University.

Derek Hemmes - Mr. Hemmes has over 20 years of entrepreneurial and management experience with early-stage technology companies, including a number of board positions. He holds a Bachelor of Science degree from the University of British Columbia with a major in Bio-Psychology, accompanied by minors in Commerce and Computer Science.

Each Audit Committee member has had extensive experience reviewing financial statements. Each member has an understanding of the Company's business and has an appreciation for the relevant accounting principles for that business.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

(a) the exemption in section 2.4 (De Minimis Non-Audit Services) of NI 52-110;
(b) the exemption in subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer) of NI 52-110;
(c) the exemption in subsection 6.1.1(5) (Events Outside Control of Member) of NI 52-110;
(d) the exemption in subsection 6.1.1(6) (Death, Incapacity or Resignation) of NI 52-110; or
(e) an exemption from NI 52-110 in whole or in part, granted under Part 8 of NI 52-110.

The Company is relying on upon the exemption in section 6.1 (Venture Issuers) of NI 52-110.

Audit Committee Oversight

For the year ended December 31, 2024, the Board adopted all recommendations by the Audit Committee with respect to the nomination and compensation of the external auditor.

Pre-Approval Policy and Procedures

The Audit Committee has adopted specific policies for the engagement of non-audit services to be provided to the Company by the external auditor which require the auditor to submit to the Audit Committee a proposal for services to be provided and cost estimates for approval.

External Auditor Service Fees

The following table sets forth the fees paid by the Company and its subsidiaries to KPMG LLP for services rendered in the years ended December 31, 2024 and December 31, 2023:

Category	**Year ended December 31, 2024**	**Year ended December 31, 2023**
Audit Fees(1)…….	$134,970	$118,000
Audit Related Fees(2)……..	nil	nil
Tax Fees(3)……...	$39,600	$69,250
Total…….	**$174,570**	**$187,250**

Notes:

(1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.

(2) "Audit related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that related to the review of the Company's financial statements and are not reported under "Audit fees" above.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, Disclosure of Corporate Governance Practices, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Board and senior management of the Company consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Company's approach to corporate governance is set out below.

Board of Directors

Management is nominating four individuals for election to the Company's Board at the Meeting, all of whom are current directors of the Company.

The definition of "independent" directors under NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. The "material relationship" is defined as a relationship, which could, in the view of the Company's Board, reasonably interfere with the exercise of a director's independent judgement. Of current members of the Board, Derek Hemmes, Wendy Porter and Kristal Hamakawa are considered to be independent within the meaning of NI 52-110. David Barr, who is President and CEO of the Company and President and CEO of the Manager, and Kelly Edmison, who is a shareholder and Chairman of the board of directors of the Manager, are not considered to be independent within the meaning of NI 52-110.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Company, provide leadership and direction to management, evaluate management, set policies appropriate for the business of the Company and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Company is delegated by the Board to the Manager and the management team of the Company. The Board will give direction and guidance to the Manager and will keep the Manager informed of its evaluation of the Manager in achieving and complying with goals and policies established by the Board.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia), is to manage or supervise management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees. The Board recommends nominees to the shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and Governance and Nominating Committee and the chairperson of each committee.

The Board establishes and periodically reviews and updates the mandates, charters, duties and responsibilities of each committee of the Board, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO/President and, CFO of the Company and establishes the duties and responsibilities of those positions and on the recommendation of the CEO/President, appoints the senior officers of the Company and approves the senior management structure of the Company.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Company are subject to prior approval of the Board. The Board will also review and approve, at least annually, a strategic plan, which takes into account, among other things, the opportunities and risks of the Company's business and affairs.

Directorships

No directors of the Company are also directors of other listed issuers.

Orientation and Continuing Education

The Company does not have a formal orientation and education program for new directors. New directors will be given the opportunity to familiarize themselves with the Company's operations and the current directors and members of management. Directors are also encouraged and given the opportunity for continuing education. Kelly Edmison holds the ICD.D designation granted by the Institute of Corporate Directors.

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of its overall stewardship responsibility. The Board has adopted a Code of Business Conduct and Ethics (the "**Code**") to be followed by the Company's directors, officers and employees. The Code is also to be followed, where appropriate, by the Company's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, promote full, fair, accurate and timely disclosure and comply with the applicable government laws and securities rules and regulations.

In accordance with applicable corporate law, any director who is in a position of conflict must refrain from voting on any resolution of the Board with respect to the conflict. The Board may also require the director to excuse himself or herself from deliberations of the Board or may alternatively refer the matter for consideration by a committee of independent directors of the Board.

In addition to the above, the Code provides guidance on trading in securities of the Company to promote a culture of ethical conduct.

Nomination of Directors

The Governance and Nominating Committee consists of three directors: Kelly Edmison, Kristal Hamakawa, and Derek Hemmes. Kristal Hamakawa and Derek Hemmes are independent directors of the Company within the meaning of NI 52-110. Kelly Edmison is a director and shareholder of the Manager and is, therefore, not considered to be independent of the Company within the meaning of NI 52-110.

The Governance and Nominating Committee is responsible for developing and monitoring the Company's approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees at each annual meeting of shareholders.

In identifying possible nominees to the Board, the Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Governance and Nominating Committee makes recommendations to the Board with respect to the size and composition of the Board and the appropriateness of the committees of the Board and also annually reviews and makes recommendations with respect to the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Governance and Nominating Committee meets as many times as is necessary to carry out its responsibilities.

Compensation

The Company does not have a compensation committee as the Board would be responsible for determining all forms of compensation to be granted to the senior officers and directors of the Company, however no such compensation is currently paid by the Company. The independent Board members review and negotiate the Management Agreement with the Manager and the Company's senior officers and directors are compensated as employees of the Manager. In the event that the Company begins compensating its senior officers directly, it will be the responsibility of the Board to determine the appropriate compensation and to ensure that it is competitive and reflects the responsibilities and risks associated with each position. In these circumstances, the Board would consider the following factors in determining the compensation of its senior officers: (i) recruiting and retaining executives critical to the success of the Company and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and the Company's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general.

Other Board Committees

The Board has no committees, other than the Audit Committee and the Corporate Governance and Nomination Committee.

Assessments

In accordance with its Charter, the Corporate Governance and Nominating Committee is tasked with completing an annual performance evaluation of the Board. This report will compare the performance of the Board with the requirements of the Board's mandate. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate.

NORMAL COURSE ISSUER BID

During the year ended December 31, 2024, the Company continued to acquire its own Class C Shares in the market under the Normal Course Issuer Bid (the "**Prior NCIB**") that it launched on February 15, 2024. Under TSX Venture Exchange policies, during the one-year term of the Prior NCIB, the Company was entitled to purchase a maximum of 630,188 Class C Shares, being 10% of the Company's public float on launch date. During the year ended December 31 2024, the Company purchased 235,000 Class C Shares at an average price of $9.69, for a total price of $2,278,263 under this Prior NCIB. From January 1, 2025 to the expiry of the Prior NCIB on February 14, 2025, the Company did not repurchase any Class C Shares. A total of 235,000 Class C Shares were repurchased under the Prior NCIB in the one-year period at an average price of $9.69.

On February 20, 2025, the Company launched a new Normal Course Issuer Bid (the "**Current NCIB**") Pursuant to the Current NCIB, the Company may purchase up to a maximum of 587,342 Class C Shares over the one-year term of the Current NCIB, representing 10% of its public float at the launch date of the Current NCIB. A copy of the Notice filed with the TSX Venture Exchange which contains full details on the Current NCIB may be obtained by any securityholder of the Company free of charge by contacting the Company at 604-681-1511 or by email at: info@pendergrowthfund.com.

OTHER MATTERS TO BE ACTED UPON

Management of the Company 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 Company may be found under the Company's profile on SEDAR at www.sedar.com. Financial information about the Company is provided in the Company's comparative annual financial statements for the year ended December 31, 2024, a copy of which, together with management's discussion and analysis thereon, can be found on the Company's SEDAR profile at www.sedarplus.com or may be obtained from the Company by contacting the Company at 604-688-1511 or by email at email: info@pendergrowthfund.com.

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 Company entitled thereto and to the appropriate regulatory agencies, has been authorized by the Board of Directors of the Company.

DATED at Vancouver, British Columbia, this 21st of May, 2025.

By Order of the Board of Directors of

PENDER GROWTH FUND INC.

"Kelly Edmison"

KELLY EDMISON

Chair