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# Dividend Select

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**September 25, 2017**

**Dear Shareholders:**

You are invited to a special meeting (the “meeting”) of shareholders of Dividend Select 15 Corp. (“Dividend Select” or the “Company”) to be held at 11:30 a.m. on Wednesday, October 25, 2017 at the offices of Blake, Cassels & Graydon LLP, 199 Bay Street, 40th floor, Commerce Court West, Toronto, Ontario.

**The primary purpose of the meeting is to consider and vote upon a special resolution that would allow shareholders to maintain their investment beyond the scheduled termination date of December 1, 2017 while preserving all of their existing retraction rights on the originally scheduled termination date. Shareholders would also maintain all of their existing monthly and annual retraction rights during the extension period.**

**If the special resolution is approved, the termination date would be extended indefinitely.**

The primary reasons for the term extension are as follows:

- **Shareholders will have the opportunity to continue to participate in an investment fund with an attractive dividend yield.**

Shareholders have received a total of \$5.32 per share since inception. All distributions have been made in tax advantaged eligible Canadian dividends or capital gains dividends. As at September 22, 2017, the annualized current yield of the Equity shares was approximately 10%.

- **Shareholders will have the opportunity to continue to benefit from any market appreciation or dividend increases in the 15 Canadian companies (held in the portfolio), whose shares offer investors an above-average dividend yield over the extended time period.**

Equity shares had a one year total return of 12.71% and annual compound returns of 5.75% and 8.58% over the last 3 and 5 years ended November 30, 2016 (most recent fiscal year end).

- **Shareholders will benefit from cost savings.**

The elimination of the termination date will save the Company all of the associated costs of holding any subsequent special Shareholder meetings to continue to extend the termination date of the Company.

**Quadravest Capital Management Inc. (the Manager) is also proposing to lower its management fee from 0.75% to 0.70%, to the immediate benefit of shareholders if the shareholders approve a resolution to change the fee structure of the Company to pay a single management fee to the Manager out of which any service fee payable to dealers will be paid.** This measure will immediately lower ongoing expenses of the Company.

The attached Notice of Special Meeting of Shareholders and the Information Circular, which you should read carefully, contains a detailed description of the special resolutions and other information that will assist you in making an informed decision.

**The Board of Directors of Dividend Select has determined that the term extension and the combined annual management fee and service fee decrease are each in the best interests of Dividend Select and its shareholders. Accordingly, the Board of Directors recommends that shareholders vote FOR both of these resolutions.** The Independent Review Committee of Dividend Select has also unanimously determined that the calling and holding of the meeting to consider the matters described in the Circular, on terms set forth in the Circular, achieves a fair and reasonable result for shareholders.

If you are a shareholder of Dividend Select, you are strongly encouraged to vote on the special resolutions by completing and returning the enclosed Proxy using any of the methods described as soon as possible and no later than October 23, 2017 at 11:30 a.m.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Finch', with a stylized flourish extending to the right.

Wayne Finch  
President and Chief Executive Officer  
Dividend Select 15 Corp.

**Dividend Select**



**DIVIDEND SELECT 15 CORP.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**Special Meeting to be held at 11:30 a.m.**

**On Wednesday, October 25, 2017**

**At the offices of Blake, Cassels & Graydon LLP**

**199 Bay Street**

**40th Floor**

**Commerce Court West**

**Toronto, Ontario**

## NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** a special meeting of the holders (the **Shareholders**) of the Equity Shares (the **Shares**) of Dividend Select 15 Corp. (the **Company**) will be held at the offices of Blake, Cassels & Graydon LLP, 199 Bay Street, 40th Floor, Toronto, Ontario, on Wednesday, October 25, 2017 at 11:30 a.m. for the following purposes:

- (a) to consider and, if thought advisable, to approve a special resolution (the text of which is set out as Appendix A to the Management Information Circular dated September 25, 2017 which accompanies this Notice of Special Meeting of Shareholders (the **Circular**)):
  - (i) authorizing the board of directors of the Company (the **Board of Directors**) to amend the articles of incorporation of the Company, as amended (the **Articles**), to extend the term of the Company, as follows:
    - (A) to eliminate the termination date of the Company;
    - (B) to provide Shareholders with the “2017 Special Retraction Right” in connection with such extension, as described in the Circular;
  - (ii) authorizing the Board of Directors to amend the Articles to permit the Company to be terminated upon 60 days’ prior written notice in the discretion of Quadravest Capital Management Inc. (the **Manager**), the Company’s manager and investment manager, if the Shares are delisted on the Toronto Stock Exchange or if the net asset value of the Company declines to less than \$5,000,000;
- (b) to consider and, if thought advisable, to approve a special resolution (the text of which is set out as Appendix A to the Circular) authorizing the Board of Directors to amend the terms of the Management and Investment Management Agreement with the Manager to lower its management fee from 0.75% to 0.70%, to the immediate benefit of shareholders and to change the fee structure of the Company to pay a single management fee to the Manager out of which any service fee payable to the dealers will be paid; and
- (c) to transact such further and other business as may properly come before the special meeting or any adjournment or adjournments thereof (the **Meeting**).

The specific details of the foregoing matters to be put before the Meeting, and the text of the resolutions in substantially the form in which they will be put to Shareholders at the Meeting, are set forth in the Circular.

**All Shareholders are invited to attend the Meeting but beneficial Shareholders will not be recognized at the Meeting for purposes of voting their Shares in person or by way of proxy unless they comply with certain procedures. If you are a beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so. Shareholders that are unable to attend have the right to appoint a person other than the person specified in the form of proxy to attend and act on such Shareholder’s behalf at the Meeting.** Such right may be exercised by inserting the name of the person to be appointed in the space provided, or by completing another proper form of proxy. A person appointed as a proxyholder need not be a Shareholder of the Company.

The Shares of the Company were deposited in “book entry only” form; therefore CDS & Co., the nominee of CDS Clearing and Depository Services Inc., is the only registered holder of the Shares. Accordingly, all non-registered Shareholders who receive these materials through their broker or other intermediary and wish to vote on the special resolution must complete and send the form of proxy in accordance with the instructions provided by their broker or other intermediary.

To be effective, a proxy must be received by the Proxy Department of Computershare Investor Services Inc. or by the Chairman of the Meeting not later than October 23, 2017 at 11:30 a.m., or in the case of any adjournment of the Meeting, not less than 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of the adjournment.

DATED at Toronto, Ontario this 25<sup>th</sup> day of September, 2017.

By Order of the Board of Directors  
of Dividend Select 15 Corp.

A handwritten signature in black ink, appearing to read 'S. Wayne Finch', with a stylized flourish at the end.

S. WAYNE FINCH  
President and Chief Executive Officer

**DIVIDEND SELECT 15 CORP.**  
**MANAGEMENT INFORMATION CIRCULAR FOR THE**  
**SPECIAL MEETING OF SHAREHOLDERS**  
**TO BE HELD ON OCTOBER 25, 2017**

This management information circular (the **Circular**) is furnished in connection with the solicitation by the directors (the **Board of Directors**) of Dividend Select 15 Corp. (the **Company**) and by its investment fund manager, Quadvest Capital Management Inc. (the **Manager**), of proxies to be used at the special meeting of the holders (the **Shareholders**) of the Equity Shares (the **Shares**) of the Company to be held on Wednesday, October 25, 2017, or at any adjournment of such special meeting (the **Meeting**). References to **Management** in this Circular refer to the Board of Directors and the Manager collectively. All references to time in this Circular and the accompanying Notice of Special Meeting of Shareholders are to local time in Toronto, Ontario.

Shareholders are being asked at the Meeting to consider and, if thought advisable, to approve a special resolution, the text of which is set out as Appendix A to this Circular:

- (a) to authorize the Board of Directors to amend the articles of incorporation of the Company, as amended (the **Articles**), to extend the term of the Company, as follows:
  - (i) to eliminate the termination date of the Company;
  - (ii) to provide Shareholders with the “2017 Special Retraction Right” in connection with such extension, as described in this Circular; and
- (b) to authorize the Board of Directors to amend the Articles to permit the Company to be terminated upon 60 days’ prior written notice in the discretion of the Manager if the Shares are delisted on the Toronto Stock Exchange (**TSX**) or if the net asset value of the Company declines to less than \$5,000,000,

Shareholders are also being asked to consider and, if thought advisable, to approve a special resolution (the text of which is also set out as Appendix A to the Circular) authorizing the Board of Directors to amend the terms of the Management and Investment Management Agreement (the Management Agreement), to lower the management fee from 0.75% to 0.70%, to the immediate benefit of shareholders and to change the fee structure of the Company to pay a single management fee to the Manager out of which any service fee payable to the dealers will be paid.

**VOTING RIGHTS, RECORD DATE, QUORUM AND PROXY INFORMATION**

To be used at the Meeting, a proxy must be deposited with Computershare Investor Services Inc. at 100 University Avenue, Toronto, Ontario M5J 2Y1 (or, if by facsimile, sent to: 416-263-9524 or 1-866-249-7775) or with the Chairman of the Meeting at any time up to 11:30 a.m. on October 23, 2017 or, in the case of any adjournment of the Meeting, not less than 48 hours (Saturdays, Sundays and holidays excepted) prior to the time of the adjournment.

Only Shareholders of record at the close of business on September 26, 2017 will be entitled to vote their Shares in respect of the matters to be voted on at the Meeting. With respect to each matter properly brought before the Meeting, a Shareholder shall be entitled to one vote for each Share registered in the name of such Shareholder. To be effective, each of the special resolutions must be approved by not less than 66 2/3% of the votes cast by the Shareholders at the Meeting.

Pursuant to the Articles, a quorum at the Meeting will consist of two or more Shareholders present in person or represented by proxy holding not less than 10% of the outstanding Shares of the Company. If the quorum requirement is not satisfied within one-half hour of the scheduled time for the Meeting, then the Meeting will be adjourned by the Chairman of the Meeting to 11:30 a.m. on October 26, 2017. At such adjourned Meeting, the Shareholders then present in person or represented by proxy will form a quorum.

### **Appointment of Proxy Holders**

Shareholders who are unable to be present at the Meeting may still vote through the use of proxies. If you are a Shareholder, you should complete, execute and return the enclosed proxy form. By completing and returning the enclosed proxy form, you can participate in the Meeting through the person or persons named on the form.

### **Discretionary Authority of Proxies**

The proxy form confers discretionary authority upon the Management appointees named therein with respect to such matters, including without limitation such amendment or variation to the resolutions being considered at the Meeting, as, though not specifically set forth in the Notice of Special Meeting of Shareholders, may properly come before the Meeting. The Company does not know of any such matter which may be presented for consideration at the Meeting. However, if any such matter is presented, the proxy will be voted thereon in accordance with the best judgment of the Management appointees named in the proxy form.

**On any ballot that may be called for at the Meeting, all Shares in respect of which the Management appointees named in the accompanying proxy form have been appointed to act will be voted in accordance with the specification of the Shareholder signing the proxy form. If no such specification is made, then the Shares will be voted in favour of the matters identified in the Notice of Special Meeting of Shareholders.**

### **Alternate Proxy**

**A Shareholder has the right to appoint a person other than the Management appointees designated on the accompanying proxy form by crossing out the printed names and inserting the name of the person he or she wishes to act as proxy in the blank space provided, or by completing another proxy form. Proxy forms which appoint persons other than the Management appointees whose names are printed on the form should be submitted to the Company and the person so appointed should be notified. A person acting as proxy need not be a Shareholder.**

On any ballot that may be called for at the Meeting, all Shares in respect of which the person named in a proxy form has been appointed to act shall be voted in accordance with the specification of the Shareholder signing such proxy form. If no such specification is made, then the Shares may be voted in accordance with the best judgment of the person named in the proxy form. Furthermore, the person named in the proxy form will have discretionary authority with respect to any other matters that may properly come before the Meeting, and will be voted on such amendments and other matters in accordance with the best judgment of the person named in such proxy form.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it by depositing an instrument in writing signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Shareholder or by the Shareholder's attorney, who is authorized in writing, to or at the registered office of the Company at any

time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment of the Meeting, the last business day preceding the day of the adjournment, or with the Chairman of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.

### **Solicitation of Proxies and Meeting Costs**

The costs of sending the Notice of Special Meeting of Shareholders and soliciting proxies for the Meeting, as well as the other costs of the Meeting, will be paid for by the Company. Solicitation of proxies will be by mail and may be supplemented by telephone or other personal contact by officers or employees of the Manager. The Company will, as required by law, also reimburse brokers, custodians, nominees and fiduciaries for their proper charges and expenses incurred in forwarding this Circular and related materials to beneficial owners of Shares.

The Company will also pay a dealer whose clients hold Shares of the Company a fee of \$0.05 in respect of each Share voted by the client of such dealer in favour of the special resolutions, to a maximum payment of \$1,000 per beneficial holder, and provided that such client does not retract the Shares so voted pursuant to the 2017 Special Retraction Right.

### **Advice to Beneficial Holders**

The information set forth in this section is of significant importance to beneficial holders of Shares, as the Shares are held in the name of CDS & Co., the nominee of CDS Clearing and Depository Services Inc. (**CDS**), and not in the name of the beneficial holders of the Shares. The Company utilizes the “book entry only” system of registration and thus Shareholders do not hold their Shares in their own name (such Shareholders being **Beneficial Shareholders**). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. Shares held by brokers or their nominees through CDS & Co. can only be voted upon the instructions of the Beneficial Shareholder. Without specific instructions, CDS & Co. and brokers/nominees are prohibited from voting Shares for their client(s). The Company does not know for whose benefit the Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their Shares in person or by way of proxy unless they comply with the procedure designated below.

Applicable securities laws or policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. 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 that provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholders. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (**Broadridge**). Broadridge typically prepares a voting instruction form which it mails to the Beneficial Shareholders and asks Beneficial Shareholders to complete and return directly 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 voting instruction form cannot use that form to vote Shares directly at the Meeting; the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

**If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.**

## **Forward Looking Information**

Certain statements included in this Circular constitute forward-looking statements. The forward-looking statements are not historical facts but reflect the Company's or the Manager's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the future net asset value of the Company or the ability of the Company to pay dividends. Although the Company and the Manager believe that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance and, accordingly, readers are cautioned not to place undue reliance on such statements due to the inherent uncertainty therein. Neither the Company nor the Manager undertakes any obligation to update publicly or otherwise revise any forward-looking statement or information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

## **DESCRIPTION OF THE COMPANY**

### **Information About the Company**

This section provides selected information about the Company. Additional information about the Company is available in its annual information form dated February 22, 2017 (the **Annual Information Form**), the audited annual financial statements of the Company for the year ended November 30, 2016 and the annual management report of fund performance for such period, and the semi-annual (unaudited) financial statements of the Company for the period ended May 31, 2017 and management report of fund performance for such period. Such documents are available on the Company's website, from the Manager upon request or on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Incorporation and Public Offerings**

The Company is a mutual fund corporation incorporated under the laws of Ontario by articles of incorporation dated August 26, 2010, as amended effective October 27, 2010. The principal office address of the Company is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7 and its website address is [www.dividendselect15.com](http://www.dividendselect15.com). The Manager is the manager and investment manager for the Company. The principal office address of the Manager is at 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7, and its website address is [www.quadravest.com](http://www.quadravest.com).

On November 18, 2010 and December 3, 2010, the Company completed its initial public offering of 9,780,000 Shares pursuant to a prospectus dated October 27, 2010 (the **Initial Prospectus**). The Company issued 9,037,573 warrants to subscribe for up to 4,518,786 Shares pursuant to a short form prospectus dated April 18, 2012. Such warrants expired on January 31, 2013 and a total of 4,150,065 Shares were issued as a result of the exercise thereof. The Company on August 25, 2014 issued 7,678,237 rights to subscribe for up to 1,919,559 Shares pursuant to a rights offering circular dated August 6, 2014. Such rights expired on November 3, 2014 and 76,851 Shares were issued as a result of the exercise thereof. On March 9, 2015, the Company issued 1,700,000 Shares pursuant to a short form prospectus dated March 2, 2015.

### **Investment Objective**

The Company's investment objectives are to provide Shareholders with (i) monthly cash distributions, plus (ii) the opportunity for capital appreciation through investment in the common shares of the Portfolio Companies (as defined herein).

The assets of the Company are invested in a portfolio of 15 Canadian companies (the **Portfolio Companies**), whose shares offer investors an above-average dividend yield, and which have shown solid

earnings growth and have a history of capital appreciation. The Portfolio Companies will be selected from among 20 companies listed on the TSX as set out below (the **Portfolio Universe**):

Bank of Montreal	Husky Energy Inc.	The Bank of Nova Scotia
BCE Inc.	Loblaw Companies LTd.	The Toronto-Dominion Bank
Canadian Imperial Bank of Commerce	National Bank of Canada	Thomson Reuters Corporation
CI Financial Corp.	Power Corporation of Canada	TMX Group Inc.
Enbridge Inc.	Royal Bank of Canada	TransAlta Corporation
EnCana Corporation	Sun Life Financial Inc.	TransCanada Corporation
Great-West Lifeco Inc.	TELIS Corporation	

To supplement the dividends earned on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of all or part of the Portfolio. The individual securities within the Portfolio which are subject to call options and the terms of such options will vary from time to time based on the Manager's assessment of the market. The Company's call option writing program is actively managed by the Manager taking into account current market conditions, current dividend yields and option premiums available from the companies in the Portfolio Universe.

The Company is subject to certain investment restrictions, as set out in the Annual Information Form.

### **Share Capital**

The Company is authorized to issue an unlimited number of Shares and 1,000 Class B Shares, of which as at the date of this Circular there are issued and outstanding 1,000 Class B Shares and 9,071,888 Shares.

### **Net Assets and Trading Prices**

The net assets of the Company as at September 22, 2017 were approximately \$75 million and the net asset value per Share was \$8.28. The closing trading price of the Shares on the TSX on September 22, 2017 was \$8.68.

### **Dividends**

The current distribution policy established by the Company effective September 15, 2014 is to pay regular monthly cash distributions on the last business day of each month at a 10% annualized rate based on the volume weighted average market price of the Shares over the last three trading days of the preceding month. The Company may amend its distributions policy from time to time based on the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Company will make any distributions in any particular month or months.

Regular monthly dividends were paid to Shareholders each month during the Company's last fiscal year ended November 30, 2016 and for each month of its current fiscal year.

### **The Manager**

For a description of the Manager, see the Annual Information Form. The Manager is entitled to fees for its services to the Company under the Management Agreement. For the fiscal year of the

Company ended November 30, 2016, and for the period from December 1, 2016 to August 30, 2017, the Manager received fees under such the Management Agreement of \$581,840 and \$441,705 from the Company, respectively. Certain of the officers and directors of the Company are also officers and directors of the Manager. These directors and officers do not receive any additional compensation from the Company for acting as directors and officers of the Company.

## MATTERS TO BE VOTED ON AT THE MEETING

### I. (a) Elimination of the Termination Date of the Company

The Articles of the Company currently provide that the Shares shall be redeemed by the Company on the Termination Date, which is currently scheduled for December 1, 2017. Shareholders are being asked to pass a special resolution which would, among other things, eliminate the Termination Date. The reasons for the term extension proposal are as follows:

- ***Investors will have the opportunity to continue to participate in an investment fund with attractive monthly distributions***

#### Distributions:

Since inception, the aggregate dividends paid on the Shares have been \$5.32 per Share. Under the distribution policy announced in September 2014, the monthly dividend payable on the Equity shares is determined by applying a 10.00% annualized rate on the volume weighted average market price (VWAP) of the Equity shares over the last 3 trading days of the preceding month.

The current yield on the Shares remains attractive in the current market environment. The current yield of a Share is approximately 10%, based on the closing price of such Share on the TSX on September 22, 2017 and its most recent monthly dividend, annualized. In order to generate an equivalent after tax return, investors would require a pre-tax interest return of approximately 14% (based on combined top marginal tax rates in Ontario and the average historical split between capital gains and eligible Canadian dividends paid by the Company in the last 5 fiscal years). The tax advantage of the distributions, which have been in the form of a mix of eligible Canadian dividends and capital gains, enhances the return significantly over other investment products that pay interest income.

- ***Extending the life of the Company would allow Shareholders to participate in any continued strengthening of the Portfolio Companies***

The low interest rate environment continues to favor the types of blue chip higher yielding stocks held by the Company. Most of the Portfolio Companies have a historical trend as consistent dividend growers.

The elimination of the Termination Date would allow Shareholders to participate through any continued strengthening in the Portfolio Companies and the economy over the coming years.

- ***Long term investors may benefit from an expanded time horizon***

The proposal to eliminate the termination date will facilitate greater investment flexibility for both existing Shareholders and potential new investors. An extended time horizon for the Company would allow current investors to continue to receive their current monthly distributions beyond December 1, 2017 as well as have an opportunity to have greater flexibility over the timing of any potential exit from their investment. Shareholders will continue to be able to have the opportunity to sell their investment in the market as well as have their regular monthly and annual retraction opportunities.

Shareholders who do not wish to continue investing in the Company would be given the 2017 Special Retraction Right, as discussed below, which would allow them to retract their investment in the Company this year on terms similar to those that would apply on the termination of the Company. A longer term horizon should also make the Company more attractive to potential investors as they would have reduced market timing risk with a fund that has an extended time horizon. This could have a favorable impact on the trading price of the Shares.

- ***Long term investors may benefit from cost savings***

The proposal to eliminate the termination date will save the Company all of the associated costs of holding any subsequent special Shareholder meetings to otherwise continue to extend the termination date of the Company.

**Accordingly, Shareholders are being asked to eliminate the Termination Date of the Company. If this special resolution is approved, the Shares will continue to be listed and trade on the TSX and holders will also continue to have their normal monthly and annual retraction rights, as described in the Annual Information Form, until the final redemption of all the Shares, as well as the 2017 Special Retraction Right discussed below.**

#### *2017 Special Retraction Right*

If the elimination of the Termination Date is approved at the Meeting, the Company will also amend the Articles to provide Shareholders with a special retraction right (the **2017 Special Retraction Right**) which is designed to provide Shareholders with an opportunity to retract their Shares in November 2017 and receive a retraction price that is calculated in the same way that such price would be calculated if the Company were to terminate on December 1, 2017 as originally contemplated.

If the elimination of the Termination Date is approved, a Shareholder who retracts a Share under the 2017 Special Retraction Right will receive a retraction price per Share equal to the net asset value per Share calculated on November 30, 2017. Shareholders wishing to take advantage of the 2017 Special Retraction Right must surrender their Shares for retraction no later than the close of business on November 15, 2017. Payment for the Shares so tendered for retraction pursuant to the 2017 Special Retraction Right will be made no later than December 15, 2017.

#### **(b) Termination of the Company**

In addition to eliminating the Termination Date of the Company, the special resolution would permit the Articles to be amended to provide that the Company could be terminated in the discretion of the Manager upon 60 days' prior written notice if the Shares are delisted by the TSX, or if the net asset value of the Company declines to less than \$5,000,000, a level the Manager views as generally constituting the Company uneconomic to maintain. This would protect investors from retaining an investment in a fund the assets of which were insufficient from a cost and efficiency standpoint for it to continue as an effective investment option.

In the event the Company were to receive notice from the TSX that the Shares are to be delisted by the TSX, or if the net asset value of the Company were on any Valuation Date (as defined below) less than \$5,000,000 (each such event a **Liquidation Event**), the Manager could determine to cause the Company to redeem all outstanding Shares on a date determined by the directors of the Company (the **Liquidation Date**) upon payment of an amount of the net asset value per Share of the Company on the Liquidation Date

The Company shall, at least 60 days prior to the Liquidation Date, provide notice to each person who is a registered holder of Shares of the intention of the Company to redeem such Shares. Such notice

shall set out the Liquidation Date and the manner and place or places within Canada at which such Shares will be so redeemed.

## **II. Changes to the Management Fee**

NI 81-102 and the Articles also require Shareholder approval if the basis of the calculation of any fee or expense that is charged to the Company or directly to Shareholders or the Manager in connection with the holding of Shares is changed in a way that could result in an increase in charges to the Company or Shareholders.

Pursuant to the Management Agreement, the Manager is currently entitled to a management fee at an annual rate equal to 0.75% of the Company's net asset value calculated as at the last Valuation Date in each month, plus an amount equal to the service fee (the **Service Fee**) payable to dealers, together with applicable taxes. The Service Fee is calculated and paid at the end of each calendar quarter and is equal to 0.40% annually of the value of the Shares held by clients of the dealer, plus applicable taxes.

The Manager is proposing to lower its portion of the management fee from 0.75% to 0.70%, to the immediate benefit of shareholders. In connection with this, the Manager is proposing to change the fee structure of the Company to pay a single management fee to the Manager out of which any Service Fee payable to the dealers will be paid. This will lower the aggregate fees currently paid from 1.15% to 1.10% to the immediate benefit of Shareholders. The Manager will continue to pay the Service Fee, calculated on the same basis, to each registered dealer whose clients hold Shares. If for any reason the Service Fee is not paid by the Manager in whole or in part, the Company could pay a higher fee to the Manager than it would have to pay under the current structure. However, this measure will immediately lower ongoing expenses of the Company.

If Service Fees were subsequently not paid by the Manager for any reason, the Manager may undertake additional effort and expense to provide certain of the services to Shareholders currently provided by dealers for which their Service Fee is intended as compensation and the effective management fee would increase from 0.75% to 1.10% to reflect this additional effort.

### **RECOMMENDATION OF THE BOARD OF DIRECTORS AND INDEPENDENT REVIEW COMMITTEE**

The Board of Directors of the Company has unanimously approved each of the matters to be voted on at the Meeting, with directors who are officers of the Manager declaring an interest and refraining from voting on the proposed changes to the management fee.

On September 25, 2017, the Independent Review Committee (**IRC**) for the Company advised the Manager that it was of the view that the calling and holding of the Meeting for the purpose of having Shareholders consider the matters set forth in this Circular achieves a fair and reasonable result for Shareholders, based on its review of this Circular.

### **INTEREST OF MANAGEMENT AND OTHERS IN THE PROPOSALS**

The Manager receives management and administration fees as more fully described in the Annual Information Form. If the resolution approving the elimination of the Termination Date of the Company is passed, the Manager will continue to receive these fees. If the resolution regarding the change in the calculation of the management fee is passed, the Management Agreement would also be amended to reflect these changes. In addition, if the resolution regarding changes to the management fee structure described above is approved, the Company could pay a higher fee to the Manager as set out above. However, this measure will immediately lower ongoing expenses of the Company.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS**

All of the issued and outstanding Class B Shares of the Company are owned by Dividend Select 15 Holding Trust, an Ontario trust of which S. Wayne Finch is the trustee. S. Wayne Finch, as trustee of Dividend Select 15 Holding Trust, the sole holder of the Class B Shares, has approved matters to be voted on at the Meeting.

As of September 22, 2017, to the knowledge of the directors and officers of the Company, no person beneficially owned, directly or indirectly, or exercised control or direction over, more than 10% of the voting rights attached to the Shares of the Company.

## **VOTING ON THE PROPOSED CHANGES**

Shareholders are being asked at the Meeting to pass a special resolution substantially in the form attached hereto as Appendix "A" to approve the amendments to the Articles of the Company regarding the elimination of the termination date of the Company and related matters discussed in the Circular. Shareholders are also being asked to pass a special resolution substantially in the form attached hereto as Appendix "A" to approve a change to the Management Agreement to lower the management fee from 0.75% to 0.70% and to aggregate it with the Service Fee (effectively reducing the combined fee from 1.15% to 1.10%).

These special resolutions, to be effective, require the approval of not less than two-thirds of the votes cast by Shareholders present in person or by proxy at the Meeting. These special resolutions may, by their terms, not be proceeded with by the Board of Directors of the Company at any time prior to the filing of articles of amendment without further notice to, or action on the part of, Shareholders if the Board of Directors determines in its sole judgment that it would be inadvisable for the Company to proceed with the amendments to the Articles discussed in this Circular.

## **APPROVAL BY THE BOARD OF DIRECTORS**

The contents and mailing to Shareholders of this Circular have been approved by the Board of Directors of the Company.

September 25, 2017.



**S. WAYNE FINCH**  
President and Chief Executive Officer  
of Dividend Select 15 Corp.

**APPENDIX “A”  
SPECIAL RESOLUTIONS OF DIVIDEND SELECT 15 CORP.**

**BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The articles of incorporation of Dividend Select 15 Corp. (the “Company”), as amended (the “Articles”), be further amended to extend the term of the Company, as follows:
  - a. to eliminate the termination date of the Company resulting in a Company of indefinite duration; and
  - b. to provide Shareholders with the 2017 Special Retraction Right, as described in the Management Information Circular of the Company dated September 25, 2017 (the “Circular”);

all as more particularly described in the Circular.
2. The Articles be further amended to provide for the early termination of the Company in the discretion of Quadravest Capital Management Inc. (the “Manager”), the Company’s manager and investment manager, if the Shares are delisted by the Toronto Stock Exchange, or if the net asset value declines to less than \$5,000,000.
3. The Board of Directors and officers of the Company be and they are hereby authorized and directed to take such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this special resolution.
4. Notwithstanding the provisions hereof, the Board of Directors of the Company may revoke this special resolution at any time prior to the endorsement by the Director of the Certificate of Amendment under the *Business Corporations Act* (Ontario) giving effect hereto without further approval of the shareholders of the Company.

**BE IT FURTHER RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. The Board of Directors be authorized to amend the terms of the Management Agreement to change the calculation of the management fee to reduce the management fee from 0.75% to 0.70% and to aggregate it with the service fee (thereby reducing the combined fee from 1.15% to 1.10%, as more particularly set out in the Circular).
2. The Board of Directors and officers of the Company be and they are hereby authorized and directed to take such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this resolution.
3. Notwithstanding the provisions hereof, the Board of Directors of the Company may revoke this special resolution at any time prior to giving effect hereto without further approval of the shareholders of the Company.