

Working Opportunity Fund (EVCC) Ltd.

Notice of Meeting

and

Management Information Circular

for the

2019 Annual and Special Meeting



to be held on December 16, 2019 5:00 p.m.
at the offices of PenderFund Capital Management Ltd., Pender Room,
1066 West Hastings Street, Vancouver, British Columbia

Working Opportunity Fund (EVCC) Ltd.

Notice of Annual and Special Meeting

The annual and special meeting of the shareholders of Working Opportunity Fund (EVCC) Ltd. (“WOF” or the “Fund”) will be held at the offices of PenderFund Capital Management Ltd., Pender Room, 1066 West Hastings Street, Vancouver, British Columbia on Monday, December 16, 2019 at 5:00 p.m. to deal with the following matters:

1. to receive the Fund’s Annual Report;
2. to approve, by ordinary resolution, the appointment of KPMG LLP as auditors of the Fund, and to authorize the directors to determine their remuneration;
3. to elect, by ordinary resolution, two directors from among those persons nominated at the meeting;
4. to approve, by special resolution, the capitalization of sufficient amounts of the Fund’s 2019 earnings so as to minimize the income taxes payable by the Fund, as more particularly described in the accompanying Management Information Circular (the “Circular”);
5. to ratify, confirm and approve, by ordinary resolution, the appointment of PenderFund Capital Management Ltd. as the Fund’s manager, as more particularly described in the accompanying Circular; and
6. to transact any other business as may properly come before the annual and special meeting and any adjournments thereof.

A copy of this notice, together with the Circular and form of proxy that accompany this notice, are being sent to each shareholder and the directors and auditors of the Fund.

If you are unable to attend the annual and special meeting in person, you may appoint a person to act as your proxy holder. To do so, provide your voting instructions to that person, using one of the methods set out in the proxy.

DATED this 14th day of November, 2019.

BY ORDER OF THE BOARD

(signed) Cindy Oliver
Chair

Working Opportunity Fund (EVCC) Ltd.

Management Information Circular

(November 14, 2019)

FORWARD LOOKING STATEMENTS

Statements contained herein that are not based on historical or current fact, including without limitation statements containing the words “anticipates”, “believes”, “may”, “continue”, “estimate”, “expects”, “will”, “propose” and words of similar import and statements about the Fund’s dividend policies, constitute “forward-looking statements”. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such factors include, among others assessments of the targeted timing of exits (also referred to as divestments) from the Fund’s venture investment portfolio, general economic and business conditions, including changing market conditions and exchange rates, changing governmental regulations, unforeseen developments, and other factors referenced in the Fund’s filings with the Canadian securities regulators. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. Neither the Fund nor its manager assumes any obligation to update any forward-looking statements.

Solicitation of Proxies

This Management Information Circular (“Circular”) accompanies the Notice of Meeting for the Annual and Special Meeting (“Notice”) provided in connection with the solicitation by the management of the **Working Opportunity Fund (EVCC) Ltd.** (referred to in this Circular as “we”, “us”, “our”, “WOF” and the “Fund”) of proxies for use at our annual and special meeting of shareholders to be held on December 16, 2019, and any adjournments thereof (the “Meeting”).

The solicitation of proxies will be conducted primarily by mail. The return of proxies may also be solicited by telephone or other means of personal contact by officers and employees of our manager without special compensation or by an outside agent at a cost of not more than \$5,000. The cost of solicitation will be borne by the Fund.

Our principal executive office is located at 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2 and our telephone number is 1 (888) 787-9561. The Fund’s registered and records office is located at 2090 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3R5.

The date of this Circular is November 14, 2019. Our directors have determined that shareholders of record on November 15, 2019 will be entitled to receive the Notice and to vote at the Meeting.

Appointment of Proxyholder

You may vote in person at the Meeting or you may appoint someone else to vote for you as proxy holder using one of the applicable methods set out below by no later than 10:00 a.m. (Pacific time) on Thursday, December 12, 2019 or, if the Meeting is adjourned, 10:00 a.m. on the business day preceding the adjourned meeting. If you choose to vote by proxy, you may still attend the Meeting in person. The Chair of the Meeting may also exercise his or her discretion to accept proxies delivered at any time prior to the commencement of the Meeting.

By Mail or Fax. You may vote by completing the form of proxy accompanying this Circular. Completed forms of proxy can be mailed or faxed to our administrative agent and scrutineer for purposes of the Meeting, Computershare Investor Services, Inc., 2nd Floor – 510 Burrard St., Vancouver, B.C., Canada, V6C 3B9, fax toll-free at 1-866-249-7775 (within Canada and the U.S.) or fax (604) 661-9401 (outside Canada and the U.S.), Attention: Proxy Department. A proxy may not be valid unless it is signed by the shareholder or by the shareholder's agent duly authorized in writing or, if the shareholder is a company, under its seal or by a duly

authorized officer or agent. If a proxy is executed by an agent for a shareholder, then the instrument empowering the agent, or a notarial copy thereof, should accompany the proxy.

By Telephone. You may vote by dialling the following toll-free number using a touch-tone telephone: 1-866-732-VOTE (8683). You will need to provide your control number, holder account number and access number (located at the bottom of the form of proxy accompanying this Circular) to vote by telephone. If you vote by telephone, you must appoint as proxyholder the persons named in the form of proxy accompanying the Circular.

By Internet. You may vote by logging on to the following website: www.investorvote.com. Once you have accessed this website, you will need to provide your control number, holder account number and access number (located at the bottom of the form of proxy accompanying this Circular) to vote by Internet.

The individuals named in the enclosed form of proxy for the Meeting are officers or directors of the Fund. **Shareholders have the right to appoint some other person, who need not be a shareholder, to act as their representative at the Meeting. To exercise this right, you may do so by internet or you may insert the other person's name in the blank space provided in the form of proxy or you may complete and submit a similar form of proxy and send in your proxy by mail or fax (as making such appointment is not available by telephone voting).**

Revocation of Proxy

A shareholder may revoke a proxy before it is exercised by delivering an instrument in writing executed by the shareholder or by the shareholder's attorney authorized in writing or where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, to 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2 at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used, or with the Chair of the Meeting on the day of the Meeting before any vote in respect of which the proxy is to be used shall have been taken or in any other manner provided by law.

Joint Holders

Where Class A shares are jointly held, the vote of the senior holder who exercises a vote, whether in person or by proxyholder, will be accepted to the exclusion of the vote of the other joint holders. Seniority will be determined by the order in which the names stand in the Fund's Central Securities Register, with the holder whose name stands first being the most senior. Two or more legal personal representatives of a deceased shareholder whose shares are registered in the deceased shareholder's sole name will be deemed joint holders and only one vote shall be accepted for such shares.

Exercise of Vote by Proxy

Shares represented by a properly completed and delivered proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on such proxy on any ballot or show of hands that may be called for. **If a shareholder appoints one of the persons designated in the accompanying form of proxy, then, in the absence of any contrary instructions on the proxy, the proxy will be voted in favour of all matters proposed by management at the Meeting.**

Management of the Fund has not proposed any nominees for directors to be elected at the Meeting. Instead, the Chair of the Meeting will ask for nominations from shareholders in attendance at the Meeting.

A vote cast in accordance with the terms of a proxy will be valid notwithstanding the previous death, incapacity or bankruptcy of the shareholder on whose behalf the proxy was given or the revocation of the appointment unless written notice of such death, incapacity, bankruptcy or revocation, as applicable, is received by the Chair of the Meeting at any time before the vote is cast.

The enclosed form of proxy when properly delivered and not revoked, confers discretionary authority upon those persons named with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Fund knows of no such amendments, variations or other matters to come before the Meeting.

Voting Shares, Redemptions and Principal Holders

Voting Shares

The Fund's authorized capital consists of an unlimited number of Class A shares, issuable in series and an unlimited number of Class B shares, issuable in series of which one series (the "IPA Shares"). As at the date hereof, 100 IPA Shares were issued and outstanding and the following Class A shares were issued and outstanding: 4,013,041 Balanced Shares (series 1), 12,421,473 Balanced Shares (series 2), and 1,437,852 Commercialization Shares (series 2). At the Meeting, every holder of Class A shares present in person or represented by proxy and entitled to vote shall have one vote on a show of hands and on a poll every shareholder shall have one vote for every Share held, and shall have the right to require resolutions be voted on by a poll. Holders of Class A shares of record on November 15, 2019 will be entitled to receive notice of and to vote at the Meeting.

The Fund has two types of Shares: the Commercialization Series, an innovative retail venture capital product that provided dividends of approximately 25% of the purchase price over three years along with a venture focus on mid to later stage companies engaged in research and/or development activities, and the Venture Series, a conventional retail venture capital fund product through which investors participate in a mature, diversified venture portfolio. In this Circular, "Commercialization Series" means all series of the Fund's Class A shares that have the word "commercialization" in their name and "Venture Series" means all series of the Fund's Class A shares that do not have the word "commercialization" in their name.

Pricing NAV is the Net Asset Value (or "NAV") of the Fund, or Series of Shares, as the case may be, when share issue commissions and certain fees and other costs are notionally capitalized and amortized on a straight-line basis over the 8-year hold period of the related shares. As at December 31, 2018, the Pricing NAV of the Class A shares were as follows:

<u>Series of Class A Shares⁽¹⁾</u>	<u>Pricing NAV per Series Shares⁽²⁾</u>
Balanced Shares (series 1)	\$ 5.77
Balanced Shares (series 2)	\$ 5.07
Commercialization Shares (series 2)	\$ 9.19

(1) As a result of consolidations among the Venture Series, the issued and outstanding Venture Series Shares as of the date of this Circular are the Balanced Shares (series 1) and the Balanced Shares (series 2). The Commercialization Series issued and outstanding as of the date of this circular is the Commercialization Shares (series 2). For more information, see *Name, Formation and History* in the Fund's most recent annual information form filed on SEDAR and *Redemptions* below.

(2) As at December 31, 2018: no difference exists between NAV and Pricing NAV for the Balanced Shares (series 1), there is a negligible, if any, difference between NAV and Pricing NAV of the Balance Shares (series 2) and the Pricing NAV per share of the Commercialization Series was \$0.08 higher than NAV per share.

This information is also available in our 2018 annual financial statements at www.sedar.com and information regarding the basis for valuation of our shares is contained in the Fund's most recently filed annual information form under the heading "Calculation of Pricing NAV per Share". Copies of these documents are also available at, or may be obtained by contacting us or our manager, PenderFund Capital Management Ltd. ("Pender") at, 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2 or 1 (888) 787-9561.

Redemptions

Further information regarding redemptions, including when shares can be redeemed, repayment of tax credits on early redemption and early redemption fees, is available in our most recently filed annual information form at www.sedar.com under the heading "Redemption". Copies of the annual information form are also available at, or may be obtained by contacting us at, 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2 or 1 (888) 787-9561.

General Requirements for Redemptions of Commercialization Series Shares

Generally, you can have the Fund redeem your Commercialization Series shares any time after you have owned them for 8 years. The Fund must not pay redemption proceeds unless a redemption order has been completed in one of the following ways:

- *Written Redemption Order from You:* You may complete and sign our redemption request form, which is available on request by emailing workingopportunityfund@prometa.ca and by calling 1 (888) 787-9561. You may also provide written instructions to the Fund containing the information that is set out in the redemption request form. Completed forms or instructions can be mailed, faxed or emailed to WOF c/o Prometa Fund Support Services Inc. at 220 – 155 Carlton Street, Winnipeg, Manitoba, R3C 3H8, fax toll-free at 1 (888) 787-9561 (within Canada) or fax 1 (888) 747-0984 (within Canada.), or email workingopportunityfund@prometa.ca.
- *Written Redemption Order from Your Dealer:* Your dealer may provide a redemption order on your behalf using one of the methods referred to above.
- *Redemption from Your Dealer's Electronic Order System:* Your dealer may provide a redemption order on your behalf using its electronic order system.

If your shares are held in an RRSP, RRIF or TFSA, a person authorized by the trustee of the plan must request the redemption. If your shares are held in your account with a dealer, the consent of the dealer is required.

Shares are redeemed at Pricing NAV. We calculate Pricing NAV per Share weekly. If we receive your redemption order before 1:00 p.m. on a Friday (Vancouver time), we will use the prices that we calculate that Friday. If we receive your redemption order after 1:00 p.m., we will use next week's prices.

Requirements for Early Redemption due to Hardship Disposition

You may be able to redeem your shares in very limited circumstances that amount to a "hardship disposition". The four hardship disposition categories are death, bankruptcy or pending bankruptcy, permanent disability and involuntary loss of employment. If you believe you fall within one of these categories and would like to apply for redemption due to a "hardship disposition", you may contact Pender at 1 (888) 787-9561. If there is a reasonable basis for your claim, Pender will provide you with information setting out the conditions for application, the documentation required to be provided and the appropriate application form to be completed. You will have to repay federal and provincial tax credits if you redeem your shares within 5 years of purchase. If any of the hardship disposition conditions existed at the time you purchased your shares or you knew at the time of the purchase that such a condition would soon occur, this will be considered to be a pre-existing condition and you will not be entitled to redeem your shares under a hardship disposition.

As noted below the Venture Series shares are closed for redemptions generally and the Fund does not intend to process redemptions for Venture Series shares except in the very limited circumstances of hardship dispositions provided there are funds available to do so.

In most cases, documentation can be mailed, faxed or emailed as set out above under "*General Requirements for Redemptions – Written Redemption Order from You*". In the event that original documentation is required, Pender will advise you.

Redemptions of Venture Series Shares

As announced on October 30, 2014, the Board of Directors of the Fund (the "Board") has determined that the manner in which the Fund distributes available cash to Venture Series shareholders would be changed from distributions by way of redemptions to distributions by way of cash dividends. Under the policy, available cash from dispositions in the Venture Series' portfolio will be distributed while maintaining funds for strategic follow-on investments, liabilities and anticipated operating expenses of the Venture Series. In connection with adopting the cash dividend distribution policy and in accordance with provisions in its articles and Employee Venture Capital Plan, the Fund does not expect to reopen redemptions of the Venture Series generally and the Fund expects to only process Venture Series shares redemptions in the very limited circumstances of hardship dispositions, provided

there are available funds to do so (see above *Requirements for Early Redemption due to Hardship Disposition*). While the Fund does not expect to reopen redemptions of the Venture Series generally, requests for Venture Series received by the Fund will continue to be placed in a queue for processing in the order they are received. We continue to believe the outlook for a number of the portfolio companies continues to be positive and the potential for the Venture Series portfolio to eventually provide value and meaningful liquidity through possible exit transactions does exist. Completed exit transactions have been delayed compared to expectations when the cash dividend distribution policy was adopted in 2014. Despite our focus on developing and closing-out exit opportunities, as the venture investments are generally minority positions in private companies, the timing and ability to effect realization of exits are largely beyond the control of the Fund, and therefore, difficult to predict. There can be no assurance that the Venture Series will be able to complete divestments of individual portfolio companies generally and/or complete an orderly realization of value (at current values or otherwise). Since the amount and timing of future cash dividends to Venture Series shareholders under the Fund's cash dividend distribution policy depends on the timing and realizations of exits, no assurance can be given as to the timing or amount of any future cash dividends to Venture Series shareholders. For more information regarding the cash dividend distribution policy for the Venture Series Shares, please see Name, Formation and History in the Fund's most recent annual information form and the Fund's most recent financial statements and management reports of fund performance available at www.sedar.com.

Principal Holders

To the knowledge of our directors and senior officers, no person beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to any class or series of shares of the Fund.

Votes Necessary to Pass Resolutions

Under our Articles, the quorum needed for the transaction of business at the Meeting is 25 shareholders represented in person or by proxy. A majority of the votes cast at the Meeting (in person or by proxy) must be cast in favour of the ordinary resolutions referred to in the Notice in order for those resolutions to pass. At least three quarters of the votes cast at the Meeting (in person or by proxy) must be cast in favour of the special resolution referred to in the Notice in order for that resolution to pass.

Interest of Informed Persons in Material Transactions

The Fund retained the Initial Manager (as defined below) to manage the business and affairs of the Fund until February 28, 2019. See "Management Contracts" below. During the Fund's most recently completed financial year, and up to February 28, 2019, Derek Lew was a director and officer of the Fund and a director and officer of the Initial Manager.

In connection with the appoint of Pender as the Fund's manager, the Board appointed Maria Pacella as President, Chief Executive Officer and a director of the Fund, and Gina Jones as Chief Financial Officer of the Fund effective March 1, 2019.

Except as otherwise disclosed herein, none of the directors or officers of the Fund or their respective associates and affiliates, had or has a direct or indirect material interest (other than through the ownership of securities of the Fund) in any transaction undertaken by the Fund during the Fund's most recently completed or fiscal year or in any proposed transaction which has materially affected or would materially affect the Fund.

Management Contracts

The manager of the Fund is Pender. Pender became manager effective March 1, 2019, under a new management agreement dated December 21, 2018, as amended February 19, 2019 (the "Management Agreement"). Prior to March 1, 2019, the Fund's manager and principal distributor was Growth Works Capital Ltd. (the "Initial Manager"), which managed the Fund pursuant to an amended and restated management agreement dated November 6, 2007 (the "IM Management Agreement"). At the Meeting, shareholders are being asked to ratify the transition of management to Pender. See "Matters to be Acted Upon – Appointment of PenderFund Capital Management Ltd."

The Initial Manager provided the following services to the Fund under the IM Management Agreement until February 28, 2019:

- identifying investment opportunities which meet our objectives and investment strategy,
- analyzing proposed investments,
- negotiating and structuring proposed investments,
- preparing and making recommendations for investments to the Advisory Council and the Investment Committee or the Board,
- monitoring our portfolio investments,
- regularly reporting to the Board on the investment portfolio, and
- recommending the appropriate timing, terms and methods of realizing on our investments.

The Initial Manager also provided us with the following administrative services:

- devising and implementing a marketing strategy,
- maintaining shareholder records (registrar, transfer agency, and “authorized depository” functions under the *Employee Investment Act*),
- preparing shareholder reporting information,
- overseeing securities administration,
- providing RRSP trust administration services as agent for the RRSP trustee,
- assisting with necessary filings under applicable securities legislation,
- providing administrative and support services to the Board, Board Committees and the Advisory Council,
- providing bookkeeping and accounting services, and
- providing office premises and telephone reception.

Under the Management Agreement, Pender provides the Fund with all the same investment related and administrative services the Fund received under the IM Management Agreement, subject to the same standard of care, and can engage other entities in the provision of those services as provided above. The scope of the services provided by Pender are intended to represent the full scope of services currently reasonably required to conduct the Fund’s usual daily operations in an efficient manner and the Board and its committees will retain control and direction for overseeing management of the Fund and over their existing areas of responsibility including investment approval (subject to any amendments the Board chooses to make in the future). The Management Agreement also contains typical indemnity provisions. In addition, while Pender’s services are not exclusive to WOF, the Management Agreement includes special provisions regarding allocation of investment opportunities among the Fund and other funds managed by Pender, restrictions on managing other EVCC’s and ensuring WOF meets its investment schedule obligations.

It is the industry norm in in the labour-sponsored investment fund / venture capital corporation peer group for funds to pay their own operating expenses and to pay their manager a management fee a performance bonus. Under the Management Agreement, the Fund pays a management fee of 1.5% of Pricing NAV and the Fund pays operating expenses set out in an annual budget approved by the Fund’s Board. There is no performance bonus for Pender under the Management Agreement; however, on completion of a possible future reorganization of assets, Pender will be entitled to a success fee on the same terms and conditions as previously provided for on the Fund’s Series 2 Shares provided that no such success fee would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.

The Management Agreement has an initial term of 3 years, and unless either party provides written notice of termination at least 180 days' written prior to expiration of the term, will be renewed for subsequent 3 year terms or annual terms if so elected by the Fund.

Either party may terminate the Management Agreement earlier if (i) the party acting reasonably determines that the continued management of the Fund by Pender would cause the party reputational damage; (ii) the other party is in material default of any of the provisions thereof and such default has not been cured within 60 business days' notice; (iii) the other party becomes bankrupt or insolvent; (iv) the other party makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or (v) the assets of the other party have become subject to seizure or confiscation by any public or government authority. In addition, the Fund may terminate if Pender fails to present a reasonable annual budget and Pender may terminate the Management Agreement if the Fund does not approve a reasonable annual budget proposed by Pender. Also, if Pender's board does not approve the reorganization and the Fund wishes to proceed with such reorganization, the Fund may terminate the agreement on not less than 90 days' notice. If the Management Agreement is terminated, the Fund must promptly appoint a successor manager to carry out the management activities until any necessary notice to or approval of shareholders being given or obtained in accordance with the Management Agreement and applicable securities legislation. Any successor manager will be subject to removal or termination in substantially the same manner as provided for in the Management Agreement.

Under the Management Agreement, the Fund and Pender have agreed to use reasonable commercial efforts to effect a reorganization of the assets of the Fund and since March 1, 2019, Pender and the Fund in consultation with the Fund's Labour Sponsor have been evaluating numerous aspects of the previously announced potential reorganization, including working through tax considerations and reviewing opportunities for liquidity and further cost savings. Terms of the potential reorganization that could potentially enhance liquidity have not been finalized and the Fund continues its work in this area which has taken longer than expected. To move forward the Fund has established a special committee to work through key structuring matters involved with a potential reorganization. In the meantime, the Fund has decided to proceed with the Meeting at this time and, if terms of a potential reorganization are settled, seek any necessary shareholder approval at a separate shareholder meeting. A potential reorganization transaction would also require shareholder approval, certain regulatory approvals and approvals of the boards of the Fund, its labour sponsor and Pender acting reasonably. A detailed information circular describing the potential reorganization is required to be mailed to shareholders in conjunction with seeking any such shareholder approval. There can be no guarantee that these required approvals will be received and/or that the Fund will complete a reorganization as previously described or otherwise.

Fees and Expenses of the Fund

As a result of the transition of management to Pender, the structure and percentage of fees paid to the Initial Manager from January 1, 2019 to February 28, 2019 under the IM Management Agreement, were different from the structure and percentage of fees payable to Pender and the administration costs paid by the Fund from March 1, 2019 to June 30, 2019 under the Management Agreement. In summary:

	Initial Management Agreement		Management Agreement
	Series 1	Series 2	Series 1 and Series 2
Period of applicability	Prior to March 1, 2019		March 1 - June 30, 2019
Management Fee	2.22% - 3.01%	2.00%	1.50%
Additional Administration Fee	NIL	0.50% - 1.29%	N/A- administration costs are paid directly by the Fund

Under the Management Agreement, the Fund pays a management fee of 1.5% of Pricing NAV. The Fund pays operating expenses set out in an annual budget approved by the Fund's Board and any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund's Board, acting reasonably. There is no performance bonus for Pender under the Management Agreement; however, on completion of a possible future reorganization of assets, Pender would be entitled to a success fee on the same

terms and conditions as previously provided for on the Fund's Series 2 Shares provided that no such success fee would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.

From March 1, 2019 to June 30, 2019, approximately \$534,480 (unaudited) was paid to Pender in management fees. In the period from December 21, 2018 to February 28, 2019, the Manager provided certain services to the Fund to ensure an efficient transfer of management and received a fee in respect of the Series of \$127,320 including GST, of which \$64,253 was paid during the six months ended June 30, 2019 and \$63,067 was paid in December 2018.

Under the IM Management Agreement, as set out below, the compensation arrangements with the Initial Manager differed in respect of "Series 1 Shares" (being the Balanced Shares (series 1)) and "Series 2 Shares" (being all other series of Class A shares of the Fund).

(a) *Series 2 Shares Compensation* - The following is a summary of fees we paid the Initial Manager in respect of the Series 2 Shares. These fees represented a liability specifically allocated and charged to the Series 2 Shares only. The Initial Manager was paid an annual management fee of 2.0% of Pricing NAV of the Series 2 Shares and an annual administration fee on a declining basis as follows:

- 1.29 % of Pricing NAV up to \$100 million in Pricing NAV,
- 0.83 % of the next \$100 million in Pricing NAV,
- 0.61 % of the next \$100 million in Pricing NAV, and
- 0.50 % of the Pricing NAV beyond \$300 million.

The above percentages have been rounded to two decimal places for ease of presentation. Both the management and administration fees were calculated and paid monthly on the average Pricing NAV of the Series 2 Shares. However, for purposes of calculating the tiers or asset level thresholds for the declining administration fee, the Pricing NAV of all issued Shares was combined. This way shareholders received the benefit of the declining fee schedule sooner than would otherwise be the case. These fees were reduced by the Series 2 Shares' pro rata portion of any fees we receive from investee companies such as finders' fees, directors' fees and work fees and by any operating costs paid directly by the Fund.

The Initial Manager was also eligible to receive dividends (the "IPA Dividends") on the IPA Shares of up to 20% of the realized gains and income from each venture investment in eligible businesses attributable to the Series 2 Shares. Before the Initial Manager could receive any dividends on the IPA Shares, each of the following conditions had to be met:

- *Portfolio Test*: total net realized and unrealized gains and income on the portfolio of venture investments allocated to a particular series of Series 2 Shares must have generated a return, since the date on which that series was initially offered, greater than a cumulative annualized rate of return on a 5 year GIC plus 2%;
- *Venture Investment Test*: the venture investment must have generated a compounded annual internal rate of return of at least 12% since the date of initial investment; and
- *Principal Test*: we must have received a cash amount at least equal to the principal invested in the venture investment.

IPA Dividends were calculated and paid quarterly only if the above payment conditions were met. If dividends payable would, if paid, reduce the return of the venture portfolio to below the cumulative threshold return of a 5 year GIC plus 2%, the IPA Dividends actually paid on that date would have been reduced so that the return did not go below that cumulative threshold. If a particular venture investment was allocated to two or more series of Series 2 Shares, each such allocation was treated as a separate venture investment for the purposes of calculating the IPA Dividends. The IPA Dividend arrangements were structured to provide the "participating" or "carried" interest commonly provided to venture capital fund managers in the venture capital industry in North America.

(b) *Series 1 Shares Compensation* - The following is a summary of fees we paid to the Initial Manager in respect of the Series 1 Shares. These fees represented a liability specifically allocated and charged to the Series 1 Shares only. We paid the Initial Manager an annual management fee for the Series 1 Shares on a declining basis of:

- 3.01% of Pricing NAV up to \$100 million in Pricing NAV,
- 2.55% of the next \$100 million in Pricing NAV,
- 2.33% of the next \$100 million in Pricing NAV, and
- 2.22% of the Pricing NAV beyond \$300 million.

The above percentages have been rounded to two decimal places for ease of presentation. This fee was calculated and paid monthly on the average Pricing NAV of the Series 1 Shares only. However, for purposes of calculating the tiers or asset level thresholds, the Pricing NAV of all issued Shares was combined. This way holders of Series 1 Shares received the benefit of the declining fee schedule in the same way as if additional Series 1 Shares were sold. The Initial Manager reduced this annual management fee by the Series 1 Shares' pro rata portion of any fees it receives from investee companies such as finders' fees, directors' fees and work fees.

The Initial Manager could also earn a performance bonus equal to 20% of the returns on the Fund's venture investment portfolio attributable to the Series 1 Shares, net of associated direct expenses, above a threshold return of: 10% or the average 5 year GIC rate during the year plus 3%, whichever was greater. If the returns did not exceed the threshold in any given year, no amount was payable and, furthermore, the difference below the threshold was carried forward and deducted from the returns on the Fund's venture investment portfolio in subsequent years.

The Initial Manager, not the Fund, was responsible for paying the Fund's general operating expenses. However, in addition to paying the Initial Manager the fees outlined above, we paid applicable taxes, capital items, commissions and expenses unique to research-oriented company investing. These latter expenses were allocated specifically to our Commercialization Series. All account administration fees paid by our shareholders were for the Initial Manager's account. For the 2018 financial year, approximately \$3,043,089 was paid or payable to the Initial Manager in annual management fees and no IPA Dividends were paid or were payable. From January 1, 2019 to February 28, 2019, approximately \$573,067 (unaudited) was paid to the Initial Manager in management fees and nil (unaudited) in IPA Dividends was paid. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Initial Manager as the contracted manager of the Fund in certain circumstances which accrued amounts shall only be paid on the sale of the relevant portfolio investment (the "Contingent IPA Dividend"). As at June 30, 2019, the Fund has accrued a Contingent IPA Dividend payable to the Initial Manager only upon sale of the relevant portfolio company of \$497,448 (recorded as Conditional IPA dividend at December 31, 2018: \$518,911).

Pender

Pender's head office and principal place of business is at 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2 and its telephone number is 1 (888) 787-9561. Pender's website is www.penderfund.com. As at November 14, 2019, the names, municipality of residence and principal positions of each each director, and executive and certain other key officers are:

<u><i>Name and Municipality of Residence</i></u>	<u><i>Office</i></u>
David Barr, North Vancouver, BC	President, Chief Executive Officer, Director, Ultimate Designated Person
Donald Campbell, Winnipeg, MB	Director
Kelly Edmison, Vancouver, BC	Director and Chairman of the Board
Gina Jones, Vancouver, BC	Chief Financial Officer, Chief Compliance Officer, Corporate Secretary
Felix Narhi, North Vancouver, BC	Chief Investment Officer, Director
Maria Pacella, Vancouver, BC	Senior VP, Private Equity

As at the date hereof, the following table sets out the persons or companies who own, directly or indirectly, or exercise control or direction over, more than 10% of any class of voting securities of Pender.

<u><i>Name</i></u>	<u><i>Designation of Securities</i></u>	<u><i>Type of Ownership</i></u>	<u><i>Percentage of Outstanding Shares</i></u>
Garibaldi Venture Partners Ltd. ⁽¹⁾	Common Shares	Beneficial	30%
Arbutus Family Holdings Ltd. ⁽²⁾	Common Shares	Beneficial	22%
408198 BC Ltd. ⁽³⁾	Common Shares	Beneficial	22%
Felix Narhi	Common Shares	Direct	10%

(1) Garibaldi Venture Partners Ltd. is 100% owned by David Barr.

(2) Arbutus Family Holdings Ltd. is 100% owned by Kelly Edmison.

(3) 408198 B.C. Ltd. is 100% owned by Willian Rand.

See “Matters to be Acted Upon – Appointment of PenderFund Capital Management Ltd. – About PenderFund Capital Management Ltd.”

Initial Manager

At the time the IM Management Agreement was terminated, at February 28, 2019, the Initial Manager’s head office and principal place of business is at 2080 - 1055 West Georgia Street, P.O. Box 11170, Royal Centre, Vancouver, British Columbia, V6E 3R5 and its telephone number was (604) 688-9631. As at the date of the Fund’s most recent Annual Information Form, February 22, 2019, the names, municipality of residence and principal positions of each of the directors and senior officers of the Initial Manager were:

<u><i>Name and Municipality of Residence</i></u>	<u><i>Office</i></u>
Peter Clark, Fredericton, NB	Vice President, Atlantic Canada
Rolf Dekleer, Vancouver, BC	Vice President, Investments
Mark Leung, Burnaby, BC	Vice President, Finance
David Levi, Vancouver, BC	Director, Executive Vice President
Derek Lew, Vancouver, BC	Director, President & Chief Executive Officer
Tony Rautava, Vancouver, BC	Chief Compliance Officer

As at February 22, 2019: the Initial Manager was a wholly owned subsidiary of Growth Works Ltd. which had its principal place of business at 2080 - 1055 West Georgia Street, P.O. Box 11170, Royal Centre, Vancouver, British Columbia, V6E 3R5; David Levi beneficially owned or controlled, directly or indirectly, 50% of the issued and outstanding common shares of Growth Works Ltd., and was a director and officer of the Initial Manager and Growth Works Ltd.; and Derek Lew owned or controlled, directly or indirectly, 50% of the issued and outstanding common shares of Growth Works Ltd. and was the President and CEO and director of the Initial Manager and the Fund.

Statement of Executive Compensation

During fiscal 2018, and prior years, we engaged the Initial Manager to manage our day to day affairs on a fee for service basis, and therefore, we did not pay any annual compensation to our executive officers.

At February 28, 2019, Derek Lew was an officer of the Initial Manager and the Fund's President and Chief Executive Officer. The Fund had no role in setting the compensation of executive officers of the Initial Manager. The Initial Manager was responsible for setting total compensation of its executive officers and did so with the objective of providing fair and reasonable compensation that reflected the Initial Manager's need to compensate employees adequately for time and effort expended, while taking into account the financial and other resources of the Initial Manager. The Fund does not have a stock option plan or any similar form of share related or long term incentive compensation plan or arrangement. The Fund does not have any defined benefit or actuarial plan pursuant to which retirement or similar benefits are paid to executive officers of the Fund.

Mr. Lew was an officer of the Initial Manager, which managed the Fund until February 28, 2019, and of other GrowthWorks companies that managed other venture capital investment funds and undertook other business activities. The information below is based on the Initial Manager's estimate of that portion of Mr. Lew's compensation paid by the Initial Manager and its affiliates that were attributable to services rendered by the Initial Manager to the Fund under the IM Management Agreement (see *Management Contracts* above). The allocation is based on several factors including time expended by Mr. Lew on Fund matters in relation to time expended on other GrowthWorks business activities.

The table below contains a summary of the compensation paid by the Initial Manager to Mr. Lew for the periods noted. None of the compensation noted below was paid by the Fund.

Name and principal position ¹	Year ²	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation ³ (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Derek Lew									
President and Chief Executive Officer	2018	\$62,500	Nil	Nil	Nil	Nil	Nil	Nil	\$62,500
Growth Works Capital Ltd.	2017	\$62,500	Nil	Nil	Nil	Nil	Nil	Nil	\$62,500
	2016	\$62,500	Nil	Nil	Nil	Nil	Nil	Nil	\$62,500

(1) Mr. Lew was appointed as a director and the Fund's President and Chief Executive Officer on October 26, 2016 and resigned from all positions with the Fund on February 28, 2019. Mr. Lew did not receive any compensation for these positions held with the Fund.

(2) Fiscal year ended December 31.

(3) The Initial Manager did offer perquisites to Mr. Lew (extended health benefits); however, the perquisites awarded were less than \$50,000 and/or 10% of Mr. Lew's total salary and therefore were not included in this column. The Initial Manager did not have any compensatory plan or arrangement as at December 31, 2018 in respect of compensation received or that could have been received by Mr. Lew in the event of the termination of services or in the event of a change in responsibilities following a change in control. The Fund has accrued a Contingent IPA Dividend of \$497,448 payable to the Initial Manager only upon sale of the relevant portfolio company. As a director and an officer of the Initial Manager, Mr. Lew may share in that. See *Management Contracts* above.

Subsequent to the end of the fiscal year ended December 31, 2018, the Board appointed Maria Pacella as President, Chief Executive Officer and a director of the Fund, and Gina Jones as Chief Financial Officer of the Fund effective March 1, 2019. These appointments were in connection with the appointment of Pender as the manager, and all compensation paid by Pender to Ms. Pacella and Ms. Jones in connection with these appointments is paid by Pender, not the Fund.

Compensation of Directors

Our directors are paid a fee of \$300 for each Board meeting and committee meeting attended and, if determined by the Board, may be paid the same fee for attending to other Board business. In addition, all directors are entitled to be reimbursed for expenses incurred in attending Board and Board committee meetings and in carrying out special assignments undertaken at the Board's request. The following table details the total compensation paid or payable to, or on behalf of, each director for the fiscal year ended December 31, 2018.

Name	Total Compensation (\$)
Susan Alley	\$6,600
Trevor Davies*	\$600
Aaron Ekman	\$1,200
Stephen Hunt	\$2,400
Alex Irwin*	\$4,200
Derek Lew*	\$0
Lori Mayhew	\$3,000
Janice Morrison	\$2,400
Cindy Oliver	\$13,350
Maria Pacella*	n/a
Garry Rasmussen	\$9,900
Chris Reid	\$5,100
Sarah Sidhu*	\$2,100
Brooke Sundin*	\$1,200
Nikolas O. Worhaug	\$13,050
TOTAL	\$65,100

*Note: During the financial year ended December 31, 2018, Alex Irwin and Brooke Sundin were appointed as directors of the Fund on June 27, 2018. Trevor Davies and Sarah Sidhu completed their terms as directors of the Fund on June 27, 2018. Derek Lew resigned as a director on February 28, 2019. Maria Pacella was appointed a director of the Fund on March 1, 2019.

Privacy Policy

Protecting the privacy and the confidentiality of the personal information of our shareholders is an important priority for us and Pender. With this in mind, the Fund and Pender have adopted a privacy policy with respect to the use of personal information to ensure that the privacy and confidentiality of the Fund's shareholder information is protected. For a copy of our privacy policy, visit www.penderfund.com/privacy-policy/ or contact the privacy officer at PenderFund Capital Management Ltd., 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2.

Matters to be Acted Upon

Appointment of Auditors

Hay & Watson LLP, Chartered Professional Accounts (“H&W”) served as auditors of the Fund since November 18, 1991 and resigned at the request of the Fund effective November 14, 2019. Effective November 14, 2019, the Fund filled the vacancy by appointing KPMG LLP, Chartered Accountants as auditors of the Fund, which appointment was approved by the Fund’s Independent Review Committee.

The Fund confirms that H&W have not expressed a modified opinion in their auditors’ reports for the two most recently completed financial years of the Fund and there are no reportable events as defined in Section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*. The change of auditor reporting package attached as Schedule B to this Circular was filed with applicable securities regulators in accordance with NI 51-102 and can be viewed under the Fund’s SEDAR profile at www.sedar.com. In order to permit KPMG LLP to act as the auditors of the Fund, the appointment of KPMG LLP must be approved by a majority of the shares voted at the Meeting. The text of the ordinary resolution is set out in Schedule A. **The persons named in the accompanying form of proxy intend to vote in favour of this ordinary resolution, unless the shareholder giving the proxy indicates otherwise.**

Appointment and Election of Directors

We are a “labour sponsored fund” under federal income tax legislation. This enables our shareholders to claim the labour sponsored funds tax credit when they purchase our Shares. To meet the requirement for labour sponsorship and to ensure representation from the business community and from shareholders, our Articles set out the following general requirements for the number and composition of our Board:

- each year the Board shall, by resolution, determine the total number of directors, which must not be less than eleven;
- a minimum of two directors must be elected by the shareholders at our annual general meeting;
- a minimum of two directors must be appointed by our Labour Sponsor from a list of independent business persons or investment managers established jointly by the Province of British Columbia and our Labour Sponsor;
- the Fund's president must be appointed a director by our Labour Sponsor; and
- sufficient additional directors must be appointed independently by our Labour Sponsor as are necessary to equal 50% of the total number of directors plus one.

Our “Labour Sponsor” is Working Enterprises Ltd., a BC based company wholly owned by six of British Columbia's largest trade unions and the British Columbia Federation of Labour.

By resolution dated November 14, 2019, our Board set the total number of directors for the 2019/20 year at 12. As of the date of this circular, it is expected that the Fund's Labour Sponsor will appoint the 10 persons identified in the table below as directors to the Fund, effective as at the commencement of the Meeting. In due course, one or more casual vacancies on the Board may be filled by an appointment by the Fund’s Labour Sponsor in accordance with the requirements of the Fund’s articles.

Two more directors will be nominated and elected by shareholders at the Meeting. Our directors are appointed and elected at each annual general meeting and hold office until their successors are appointed and elected the following year. Management of the Fund has not proposed any nominees for the two directors to be elected at the annual general meeting. Instead, the Chair of the Meeting will ask for nominations from shareholders in attendance at the Meeting. No person can be elected as a director unless that person is in attendance at the Meeting and does not refuse at the Meeting to act as a director or, if not in attendance at the Meeting, previously consented in writing to act as a director. If a shareholder is interested in being nominated, a shareholder can obtain a nomination package by contacting Pender at 1 (888) 787-9561.

Appointed Directors

<u>Name, municipality of residence and position</u>	<u>Principal occupation, business or employment at present and for previous five years</u>	<u>Director since</u>	<u>Number of Shares beneficially owned, controlled, or over which has direction as at November 14, 2019</u>
Aaron Ekman Prince George, BC Director	Former Secretary-Treasurer, B.C. Federation of Labour	December 10, 2015	Nil
Stephen Hunt ⁽¹⁾ Burnaby, BC Director	Director, United Steelworkers, District 3	May 12, 2010	Nil
Alex Irwin W.Vancouver, BC Director	President and Principal Consultant, DMAS Consulting Ltd. (business consultants)	June 27, 2018	5,660
Lori Mayhew ⁽³⁾ Delta, BC Director	Secretary-Treasurer, Canadian Office and Professional Employees Union, Local 378 (dba MovingUP)	June 22, 2006	Nil
Cindy Oliver ⁽¹⁾ Burnaby, BC Director	Former President, Federation of Post-Secondary Educators of British Columbia (retired)	June 22, 2006	530
Maria Pacella ⁽⁵⁾ Vancouver, BC Director	Senior VP, Private Equity and Portfolio Manager, PenderFund Capital Management Ltd.	March 1, 2019	267
Garry Rasmussen ⁽²⁾⁽³⁾⁽⁴⁾ Vancouver, BC Director	Partner, Ansera Capital Partners (private capital investment and management)	July 26, 2013	Nil
Brooke Sundin Langley, BC Director	Former President United Food and Commercial Workers Canada (retired)	June 27, 2018	Nil
Nikolas O. Worhaug ⁽¹⁾⁽³⁾ Qualicum Beach, BC Director	Former Canadian Director, UNITE HERE International Union (retired)	January 7, 1992	Nil

Notes:

- (1) Member of Audit and Governance Committee.
- (2) Member of Investment Committee.
- (3) Member of Finance and Valuation Committee.
- (4) Member of the Independent Review Committee – the Independent Review Committee is comprised of one board member and two members external to the Board and reviews conflicts of interest matters referred by the Fund or its manager.
- (5) Ms. Pacella is a non-voting member of the Audit and Governance Committee, Investment Committee and Finance and Valuation Committee.
- (6) Under WOF's articles, the Labour Sponsor may make its appointments at any time prior the AGM. The above list is the Labour Sponsor's intention as to appointments as of the date of this circular. It is possible the Labour Sponsor may change one or more of its appointments prior to the time of the AGM. Any changes from the above table would be reported with the meeting Voting Results filed on Sedar.

Each of the directors and officers of WOF has held the principal occupation listed above, or other offices with the same union or company, for the last 5 years except as set out for the following: Mr. Ekman was formerly the Regional Coordinator for B.C. Government and Service Employees' Union; Ms. Pacella became Senior VP, Private Equity at Pender in January 2017, prior to which she was a Venture Partner at Shoreline Ventures from

2015-2016 and VP Strategic Initiatives at Terramera Inc. from 2013-2016; and Mr. Irwin was formerly a lawyer with Alex Irwin Law Corp, but wound down that activity and retired from law during the period.

Capitalization of Earnings

At the Meeting shareholders will be asked to approve, by special resolution, the capitalization of sufficient amounts of the capital gains, interest and other income the Fund earns in the current financial year so as to minimize the income taxes payable by the Fund and thereby yield a higher Pricing NAV.

The capitalization of such earnings will be effected by increasing the paid-up capital of the Fund's Shares by series. As a result of an election by WOF, if and to the extent that WOF increases the paid-up capital of its Shares as discussed above, you will be deemed to have received a dividend equal to the amount of the paid-up capital increase, by Series, in respect of your Shares. The Fund may designate a dividend as a capital gains dividend provided the amount does not exceed the balance in its capital gains dividend account under the *Income Tax Act* (Canada). The deemed dividend will be subject to the treatment generally applicable to dividends or capital gains dividends, as the case may be, paid on the series of Shares. You will not receive any cash distribution in respect of a deemed dividend or a deemed capital gains dividend. As a result, if you hold your Shares outside an RRSP, RRIF or TFSA, you may be liable to pay income tax in respect of the deemed dividend or a deemed capital gains dividend even though you will not have received a cash distribution from WOF with which to pay the tax. A RRSP, RRIF or TFSA is exempt from income tax on the amount of any dividend or capital gains dividend deemed to have been received by the RRSP, RRIF or TFSA. Such deemed dividends will entitle the Fund to a refund of tax otherwise payable and thereby minimise taxes paid at the Fund level. The text of the special resolution is set out in Schedule A. **The persons named in the accompanying form of proxy intend to vote in favour of this special resolution, unless the shareholder giving the proxy indicates otherwise.**

Appointment of PenderFund Capital Management Ltd.

At the Meeting, shareholders will be asked to ratify, confirm and approve, by ordinary resolution, the appointment of PenderFund Capital Management Ltd. as the Fund's manager, which approval includes confirming the terms of the management agreement and matters relating thereto, to ensure that shareholders are fully informed and supportive of the changes related to the appointment.

Background

Since July 2017, the Board has been evaluating ways to reduce costs and enhance liquidity options for shareholders. To this end, a special committee of directors (the "Special Committee"), independent of the Fund's former manager, considered, with the assistance of independent legal and financial advisors, a number of options that were consistent with the Fund's stated objectives and founding principles and would have the result of significantly reducing costs, enhancing liquidity and positioning the Fund for the future. The Board also consulted extensively with the Fund's sponsor, Working Enterprises Ltd., to ensure the interests of the Fund and the Fund's Labour Sponsor were aligned. As part of the process, the term of the IM Management Agreement was extended to February 28, 2019.

As part of its review, the Special Committee undertook a market check with respect to its management arrangements. Factors weighed in considering the best interests of the Fund in evaluating proposed management arrangements included cost, skills and experience in venture capital investing, reputation and past performance, as well as willingness and relevant experience with respect to a potential reorganization of the Fund.

Pender has a strong performance record, skilled management team and relevant experience in venture capital funds and reorganizations aimed at enhancing shareholder liquidity, and on November 9, 2018, the Fund announced that it had entered into a non-binding term sheet with the Manager. At that time, the Fund confirmed to the former manager that it would not be renewing the IM Management Agreement.

On December 21, 2018, following extensive negotiations between the Special Committee and the Manager, the Fund announced that it had entered into the Management Agreement. Pender assumed management of the Fund effective March 1, 2019 after the IM Management Agreement terminated in accordance with its terms. During the period of transition to the Management Agreement, Pender provided certain services to ensure an efficient transfer of management and received a fee of approximately \$145,000.

About PenderFund Capital Management Ltd.

Pender was founded in 2003 and is an independent, employee-owned investment firm located in Vancouver, British Columbia. Pender's goal is to protect and grow wealth for its investors over time. Pender has a talented investment team of expert analysts, security selectors and independent thinkers who actively manage its suite of niche investment funds, exploiting inefficient parts of the investing universe to achieve its goal. Managed funds include the award-winning Pender Value Fund, Pender Small Cap Opportunities Fund and Pender Corporate Bond Fund. As of September 30, 2019, Pender had \$1.7 billion in assets under management.

Pender is recognized as a leading venture capital manager in British Columbia through its management of Pender Growth Fund Inc. and Pender Technology Inflection Fund I, LP and is well qualified to manage the Fund in its regulatory environment as an Employee Venture Capital Corporation under the *Employee Investment Act* (the "EIA"). Pender Growth Fund Inc. was previously a Venture Capital Corporation or "VCC" under the *Small Business Venture Capital Act* (the "SBVCA"). In early 2018, Pender launched, Pender Technology Investment Fund (VCC) Inc., also a Venture Capital Corporation, in conjunction with the launch of its Pender Technology Inflection Fund I, LP. The SBVCA and the EIA are both provincial investment capital programs and share a number of similarities including required venture capital investments. Also, the SBVCA and the EIA have the same administrator at the Investment Capital Branch of the provincial Ministry of Jobs, Trade and Technology that administers both programs. As such, Pender has experience working with a key regulatory body of the Fund. There is extensive cross-over with portfolio companies both in terms of Pender Growth Fund and the Fund being co-investors in a certain key portfolio company, and in terms of the investment team of Pender having significant experience with a number of the Fund's portfolio companies amounting to the majority of the value of both the Venture Series and Commercialization Series portfolios.

Under the Management Agreement, the Fund and Pender have agreed to use reasonable commercial efforts to effect a reorganization of the assets of the Fund and since March 1, 2019, Pender and the Fund in consultation with the Fund's Labour Sponsor have been evaluating numerous aspects of a previously announced potential reorganization, including working through tax considerations and reviewing opportunities for liquidity and further cost savings. Pender successfully enhanced shareholder liquidity after Pender Growth Fund Inc. ceased redemptions in 2010 through a public market listing of common shares later in 2010 and subsequent redemption of all preferred shares at their fixed redemption price (TSXV:PTF). While the terms of a potential reorganization have not yet been finalized, many of the proposed share features being considered regarding a potential reorganization are based on the Pender Growth Fund example, and as such, Pender is well qualified to assist the Fund as it continues its work in this area.

Pender is registered as an Adviser (in the category of Portfolio Manager), Investment Fund Manager ("IFM") and Exempt Market Dealer ("EMD") with the British Columbia Securities Commission, as an IFM and EMD with the Ontario Securities Commission, and Autorité des marchés financiers (Quebec), as an EMD with the Alberta Securities Commission, the Manitoba Securities Commission and the Superintendent of Securities, and as an IFM with Service NL, Government of Newfoundland and Labrador.

The name, municipality of residence, position with Pender and principal occupation of each of the directors, and executive and certain other key officers are set forth below:

Name and Municipality of Residence	Position with Pender	Principal Occupation
David Barr, CFA North Vancouver, BC	President, Chief Executive Officer, Director, Ultimate Designated Person	President and Chief Executive Officer of Pender since April 2016; Chief Executive Officer of Pender Growth Fund Inc. since November 2006; Director of Pender since December 2007; Co-Chief Investment Officer of Pender from April 2016 to April 2017; and Chief Investment Officer of Pender from April 2009 to April 2016.
Donald Campbell, LL.B Winnipeg, MB	Director	Principal of Canadian Compliance & Regulatory Law, specializing in securities law and regulatory compliance since 2003.
Kelly Edmison, LL.B Vancouver, BC	Director, Chairman of the Board	Director and Chairman of the Board of Directors of Pender and Pender Growth Fund Inc. since June 2009; President, Chief Executive Officer and Director of Pender Financial Group Corporation from February 2002 to December 2016; and President and Chief Executive Officer of Pender from December 2007 to April 2016.
Gina Jones, CPA, CA, CF, ICD.D Vancouver, BC	Chief Financial Officer, Chief Compliance Officer, Corporate Secretary	Chief Financial Officer and Corporate Secretary of Pender and Chief Financial Officer of Pender Growth Fund Inc. since June 2018; Chief Compliance Officer of Pender from July 2017; Chief Financial Officer of Working Opportunity Fund (EVCC) Ltd. since March 2019; Chief Operating Officer of Pender from June 2017 to June 2018; Chief Financial Officer and Chief Operating Officer of Salman Partners Inc. from September 2014 to September 2016.
Felix Narhi, CFA North Vancouver, BC	Chief Investment Officer, Director	Chief Investment Officer of Pender since April 2017; Director of Pender since October 2017; Portfolio Manager of Pender since August 2013; and Co-Chief Investment Officer of Pender from April 2016 to April 2017.
Maria Pacella, CFA Vancouver, BC	Senior VP, Private Equity	Senior VP, Private Equity and Portfolio Manager of Pender since January 2017; Director of Clarius Mobile Health and BasicGov Systems, Inc. and President, Chief Executive Officer and a director of Working Opportunity Fund (EVCC) Ltd. since March, 2019.

The following are biographical descriptions of these directors and officers of Pender:

David Barr, President, Chief Executive Officer and Director

Mr. Barr was appointed President and Chief Executive Officer of Pender in April 2016. He is the portfolio manager of a number of investment funds also managed by Pender and the Chief Executive Officer of Pender Growth Fund Inc. Mr. Barr is also a director and shareholder of Pender. Mr. Barr served as Co-Chief Investment Officer from April 2016 to April 2017, served as Chief Investment Officer of Pender from April 2009 to April 2016, and served as Chief Financial Officer from November 2005 until April 2009. Mr. Barr was appointed Corporate Secretary on November 8, 2006, having joined Pender as an Investment Manager in 2003. Mr. Barr holds a Bachelor of Science Degree from the University of British Columbia and a Masters of Business Administration from Schulich School of Business at York University. Mr. Barr is a CFA charterholder and a member of the CFA Institute. Mr. Barr is a registered Portfolio Manager in British Columbia and a past president of CFA Society Vancouver.

Donald Campbell, Director

Mr. Campbell has been a member of the board of directors of Pender since 2009 and provides ongoing regulatory advice to Pender. He is also the Secretary of Pender's Independent Review Committee. Mr. Campbell has been practicing law in Winnipeg since 1990. From 2002 to 2003 he was the National Director of Compliance for IQON Financial Inc., a 400-advisor mutual fund dealer based in Winnipeg and was Legal Counsel - Compliance with Assante Asset Management Ltd. from 2000 to 2002. Mr. Campbell's firm, Canadian Compliance & Regulatory Law, is an affiliate member of the Portfolio Management Association of Canada. Mr. Campbell has a law degree from the University of Manitoba.

Kelly Edmison, Director, Chairman of the Board

Mr. Edmison founded Pender in 2002 and is currently a shareholder, director and Chairman of the board of directors of Pender. He was a commercial lawyer for over 20 years, practicing in Calgary, Hong Kong and Vancouver. For much of that time he was focused on representing private and public BC-based technology companies. For the last 20 years he has been a director or officer of a number of public and private companies in a variety of sectors, including technology, products and services, and healthcare with a particular focus on software. The public companies included eDispatch.com (telematics), ALI Technologies (medical software), Carmanah Technologies (solar powered lighting), BSM Technologies Inc. and QHR Technologies (electronic medical records) and the private companies included Icron Technologies (communication hardware), ActiveState Software (open source software) and Monexa Technologies (payment services). Mr. Edmison is currently on the board of directors of Pender and of Pender Growth Fund Inc. He holds a BA in Economics from the University of Toronto and a law degree from Queen's University.

Gina Jones, Chief Financial Officer, Chief Compliance Officer and Corporate Secretary

Ms. Jones is the Chief Financial Officer and Chief Compliance Officer of Pender. Ms. Jones joined Pender as Chief Operating Officer in June 2017 and assumed the role of Chief Compliance Officer in July 2017. In June 2018, Ms. Jones became Pender's Chief Financial Officer and Corporate Secretary. Ms. Jones has been the Chief Financial Officer of Pender Growth Fund Inc. since June 2018 and of Working Opportunity Fund (EVCC) Ltd. since March 2019. Previously, Ms. Jones was the Chief Operating Officer and Chief Financial Officer of an independent brokerage firm in Vancouver, as well as Chief Financial Officer of its US subsidiary. Prior to that, Ms. Jones was Chief Financial Officer at two Vancouver investment dealers. Ms. Jones holds a Bachelor of Commerce degree from UBC, articulated with PricewaterhouseCoopers LLP, and is a CPA, CA, CF, a Chartered Professional Accountant with Corporate Finance specialty designation. She holds the ICD.D designation from the Institute of Corporate Directors.

Felix Narhi, Chief Investment Officer and Director

Mr. Narhi is Chief Investment Officer of Pender. He was Co-Chief Investment Officer from April 2016 until April 2017, when he took over the role fully. He joined Pender in July 2013 and is currently portfolio manager of the Pender US All Cap Equity Fund, co-manager of the Pender Value Fund and lead manager of the Pender Strategic Growth and Income Fund. Prior to joining Pender, Mr. Narhi spent nine years at Odlum Brown Limited, an independent and value-oriented investment firm in Vancouver as a Director and Senior Equity Analyst. As a Director and Senior Equity Analyst, Mr. Narhi contributed thought leadership and primarily US investment equity ideas to its Model Portfolio, a concentrated equity portfolio that has outpaced the North American benchmarks since its inception in 1994. Mr. Narhi holds a Bachelor of Commerce degree from the University of British Columbia. He is a CFA charterholder and is a member of the CFA Institute.

Maria Pacella, Senior VP, Private Equity

Ms. Pacella joined Pender in January 2017 as Senior VP, Private Equity. She has been investing in emerging growth companies, with a focus on technology businesses since 2001. On March 1, 2019, Ms. Pacella was appointed as President and Chief Executive Officer and a director of Working Opportunity Fund (EVCC) Ltd. She spent 11 years with the Initial Manager, during which time she invested in multiple early-stage ventures and served on a number of boards, mostly in the areas of enterprise software, e-commerce and health-tech. Prior to that, she worked at a digital media firm assisting the company in operational activities and strategic initiatives. Ms. Pacella started her career in M & A investing banking with Deutsche Bank Securities. Ms. Pacella is currently a director on the board of Clarius Mobile Health and BasicGov and an observer on the board of Tantalus Systems. She is also on the SFU Beedie School of Business Advisory Board. She holds a BBA from Simon Fraser University, is a CFA charterholder and an active member and a past President of CFA Society Vancouver.

The Management Agreement

As discussed in further detail below, the key terms of the Management Agreement are set out in the table below and compared to the key terms of the IM Management Agreement.

	IM Management Agreement	Management Agreement
Services ⁽¹⁾	Investment Advisory and Administrative Services	Same Investment Advisory and Administrative Services
Management Fees ⁽²⁾	Series 1: 2.22% - 3.01% of Pricing NAV (inclusive of administration fee). Series 2: 2.00% of Pricing and Additional Administration Fee of 0.50% - 1.29% of Pricing NAV.	1.5% of Pricing NAV on all Shares. No administration fee payable as administration costs are paid directly by the Fund.
Operating Expenses	Normal and reasonable operating expenses associated with operating the Fund paid by former manager	All operating expenses as set out in the annual budget approved by the Board will be paid for by the Fund. Any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund's Board, acting reasonably.
Performance Bonus ⁽³⁾	Series 1 Shares - 20% of the returns on the Fund's venture investment portfolio attributable to the Series 1 Shares, net of associated direct expenses, above a threshold return of: 10% or the average 5 year GIC rate during the year plus 3%,	There is no performance bonus for Pender under the Management Agreement; however, on completion of a possible future reorganization of Fund assets, Pender would be entitled to a success fee on the same terms and conditions as previously provided for on the Fund's Series 2 Shares provided that no such success fee

	<p>whichever is greater.</p> <p>Series 2 Shares - Up to 20% of the realized gains and income from each venture investment attributable to the Series 2 Shares provided that certain conditions are met</p>	<p>would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.</p>
--	--	---

- (1) For a detailed description of the services, see “Management Contracts” on page 5 for details.
- (2) For a detailed description of fees and expenses see “Management Contracts” on page 5 for details.
- (3) The Fund’s former manager holds the first series of Class B shares of the Fund (the “IPA Shares”) and received its performance bonus by way of dividends on these shares. Under the rights attached to the IPA Shares, certain amounts are to be accrued as at the date of termination of the Fund’s former manager ceased to be the contracted manager of the Fund in certain circumstances which shall only be paid on the sale of the related portfolio investments (the “Contingent IPA dividends”). As at June 30, 2019, the Commercialization Series has accrued Contingent IPA dividends, in connection with the Initial Manager ceasing to be the Fund’s manager, of \$497,448 (unaudited). See the Fund’s semi-annual financial statements and management reports of fund performance and annual information form for the year ended December 31, 2018 for more information on the terms of the IPA Shares.

The summary of the terms of the Management Agreement in this Circular is qualified in its entirety by reference to the complete text of the Management Agreement, a copy of which is filed on SEDAR under the Fund’s profile.

The scope of the services provided by Pender are intended to represent the full scope of services reasonably required at the effective date to conduct the Fund’s usual daily operations in an efficient manner and the Board and its committees will retain control and direction for overseeing management of the Fund and over their existing areas of responsibility including investment approval (subject to any amendments the Board chooses to make in the future). In addition, Pender will select instruct and supervise, and in certain circumstances employ, all services providers to the Fund deemed necessary for the due operation of the business of the Fund and to support the provisions of those Services. Pender has ensured continuity of services of key services providers as identified by the Board at the date the Management Agreement was entered into and for other key contractual arrangements in place at the effective date of the Management Agreement. Pender will seek Board approval prior to terminating them.

It is the industry norm in in the labour-sponsored investment fund / venture capital corporation peer group for funds to pay their own operating expenses and to pay their manager a management fee and a performance bonus. The Fund pays Pender a fee of 1.5% of Pricing NAV which is amongst the lowest of the management fees of the surveyed members in its peer group (typically between 2.5% and 2.75% of NAV). The Fund pays operating expenses set out in an annual budget approved by the Fund’s Board and any expenditure by the Fund that is more than \$10,000 and not included in the annual budget must be approved by the Fund’s Board, acting reasonably. There is no performance bonus for Pender under the Management Agreement; however, on completion of a possible future reorganization of Fund assets, Pender would be entitled to a success fee on the same terms and conditions as previously provided for on the Fund’s Series 2 Shares provided that no such success fee would be paid or accrued until all preferred shares issued to Fund shareholders in connection with such reorganization have been redeemed.

The Management Agreement has an initial term of 3 years from the effective date of March 1, 2019, and unless either party provides written notice of termination at least 180 days’ written prior to expiration of the term, will be renewed for subsequent 3 year terms or annual terms if so elected by the Fund.

Either party may terminate the Management Agreement earlier if (i) the party acting reasonably determines that the continued management of the Fund by Pender would cause the party reputational damage; (ii) the other party is in material default of any of the provisions thereof and such default has not been cured within 60 business days’ notice; (iii) the other party becomes bankrupt or insolvent; (iv) the other party makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; or (v) the assets of the other party have become subject to seizure or confiscation by any public or government authority. In addition, the Fund may terminate if Pender fails to present a reasonable annual budget and Pender may terminate the Management

Agreement if the Fund does not approve a reasonable annual budget proposed by Pender. If the Management Agreement is terminated, the Fund must promptly appoint a successor manager to carry out the management activities until any necessary notice to or approval of shareholders being given or obtained in accordance with the Management Agreement and applicable securities legislation. Any successor manager will be subject to removal or termination in substantially the same manner as provided for in the Management Agreement.

Under the Management Agreement, the Fund and Pender have agreed to use reasonable commercial efforts to effect a reorganization of the assets of the Fund, and since March 1, 2019, Pender and the Fund in consultation with the Fund’s Labour Sponsor have been evaluating numerous aspects of the previously announced potential reorganization, including working through tax considerations and reviewing opportunities for liquidity and further cost savings. Terms of the potential reorganization that could potentially enhance liquidity have not been finalized and the Fund continues its work in this area which has taken longer than expected. To move forward the Fund has established a special committee to work through key structuring matters involved with a potential reorganization. There can be no guarantee that the Fund will complete a reorganization as previously described or otherwise.

The EIA requires that the Administrator under the EIA be satisfied that the annual expenses of the Fund are reasonable. The Fund has received confirmation from the Administrator that the fees and expenses under the Management Agreement, which includes the expenses of the Fund in relation to the potential reorganization of assets under the Arrangement that are approved by the Board, are reasonable for the purposes of the requirements of the EIA.

As part of the strategic review of which entity should provide management services to the Fund, the Fund analyzed the Fund’s management expense ratio (“MER”) under the IM Management Agreement and what the MER would be under the terms included in the Management Agreement. The table below sets out what the Series’ actual management expense ratio for 2018 was and what it would have been if the Management Agreement had been in effect for fiscal 2018.

	Actual 2018 MER	Estimated MER if Management Agreement In Effect for 2018
Balanced Shares (Series 1)	4.27%	3.46%
Balanced Shares (Series 2)	4.92%	3.49%
Commercialization Shares (Series 2)	4.37%	3.16%

For the purposes of this comparison, Pender has assumed that the 2018 operating expenses for the Fund would have been equal to the Fund’s annualized budget for operating expenses for 2019. While under the Management Agreement, the Board sets the annual operating budgets to ensure ongoing monitoring of expenses, there can be no assurance that day to day operating costs and expenses of the Fund will not increase in the future, primarily due to external factors largely beyond the control of the Fund and its manager. Circumstances may arise that negatively impact these assumptions and costs associated with the transition to the Management Agreement may be such that while not intended, MER under the Management Agreement may be higher than what had been projected or estimated for particular periods.

Shareholder Approval

The text of the ordinary resolution approving the change of manager is set out in Schedule A to this Circular. In order for the resolution to pass, a simple majority (greater than 50%) of the votes cast at the Meeting must vote in favour. **The Board has determined that it is in the best interests of the Fund and its shareholders to change the manager of the Fund and recommends that shareholders vote in favour of this resolution. The persons**

named in the accompanying form of proxy intend to vote in favour of this ordinary resolution, unless the shareholder giving the proxy indicates otherwise.

Additional Information

Additional information relating to WOF may be found on SEDAR at www.sedar.com and on its website at www.penderfund.com. Financial information is provided in our comparative annual Financial Statements and the Management Report of Fund Performance for the financial year ended December 31, 2018 and the six months ended June 30, 2019, which can be accessed on SEDAR. To obtain copies of WOF's Financial Statements or Management Reports of Fund Performance without charge, you may contact us at 1830 - 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X2, phone 1 (888) 787-9561 or visit www.penderfund.com.

BY ORDER OF THE BOARD

(signed) Cindy Oliver
Chair

SCHEDULE A - Text of Resolutions

Unless otherwise defined in this Schedule A, all capitalized terms shall have the meaning ascribed to them in the Circular to which this Schedule A is attached.

Appointment of Auditors

RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS OF WORKING OPPORTUNITY FUND (EVCC) LTD. (THE “FUND”) THAT KPMG LLP be appointed auditors of the Fund for the ensuing year to hold office until the close of the next annual meeting of the Fund and that the directors of the Fund be authorized to set the remuneration of the auditors.

Capitalization of Earnings

RESOLVED AS A SPECIAL RESOLUTION, WITH OR WITHOUT AMENDMENT OR VARIATION, OF THE SHAREHOLDERS OF WORKING OPPORTUNITY FUND (EVCC) LTD. (THE “FUND”) THAT:

1. the Fund capitalize at the end of the 2019 financial year, in respect of each of its issued and outstanding series of Class A shares:
 - (a) an amount equal to the consideration paid to the Fund for the shares of the series during the 2019 financial year; and
 - (b) pursuant to section 26(2)(b) of the *Employee Investment Act* (British Columbia), such amount of the Fund’s capital gains, interest and other income earned in the 2019 financial year as the directors of the Fund, in their discretion, determine to be added to such series of Class A shares.
2. any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.

Appointment of PenderFund Capital Management Ltd.

RESOLVED AS AN ORDINARY RESOLUTION, WITH OR WITHOUT AMENDMENT OR VARIATION, OF THE SHAREHOLDERS OF WORKING OPPORTUNITY FUND (EVCC) LTD. (THE “FUND”) THAT:

1. the appointment of PenderFund Capital Management Ltd. as the Fund’s manager, including the terms of the Management Agreement, as described in the management information circular of the Fund dated November 14, 2019 and all matters relating thereto, be and is hereby ratified, confirmed and approved; and
2. any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.

SCHEDULE B

Change of Auditor Reporting Package

[See Attached]

WORKING OPPORTUNITY FUND (EVCC) LTD.
(the “Fund”)

CHANGE OF AUDITOR NOTICE

Pursuant to National Instrument 81-106, Section 13.2
and National Instrument 51-102, Section 4.11

NOTICE IS HEREBY GIVEN THAT Hay & Watson, Chartered Professional Accountants, of Vancouver, British Columbia (“H&W”) have resigned as auditors of the Fund effective November 14, 2019.

In accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure* and National Instrument 51-102 – *Continuous Disclosure Obligations*, the undersigned confirms that:

1. H&W resigned as auditors at the Fund’s request and the Fund has filled the vacancy by appointing KPMG LLP as auditors of the Fund;
2. The resignation of H&W as auditors of the Fund and the appointment of KPMG LLP was considered and approved by the Audit and Governance Committee of the Fund;
3. H&W have not expressed a modified opinion in their auditors’ reports for the two (2) most recently completed financial years of the Fund; and
4. There have been no “reportable events” as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*.

Dated as of the 14th day of November, 2019.

WORKING OPPORTUNITY FUND (EVCC) LTD.



Per: Nick Worhaug
Chair, Audit and Governance Committee

November 14, 2019

British Columbia Securities Commission

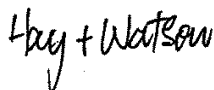
Dear Sirs/Mesdames:

**Working Opportunity Fund (EVCC) Ltd. (the "Fund")
Notice of Change of Auditor**

We have read the notice of change of auditor of the Fund (the "Notice") dated November 14, 2019 delivered to us pursuant to National Instrument 51-102. We report that with respect to the statements contained in the Notice, we are not aware of any inaccuracies contained in the Notice and that:

- we are unable to agree or to disagree with the statement that the Fund's Audit and Governance Committee has considered and approved the resignation of Hay & Watson and the appointment of KPMG LLP as successor auditor; and
- there have been no "reportable events" as defined in National Instrument 51-102 or reservations contained in the independent auditor's reports issued by us on the financial statements prepared by the Fund for the years ended December 31, 2017 and December 31, 2018.

Yours sincerely



Chartered Professional Accountants



KPMG LLP
PO Box 10426 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada
Telephone (604) 691-3000
Fax (604) 691-3031

To British Columbia Securities Commission

November 14, 2019

Dear Sir/Madam

Re: Notice of Change of Auditors of Working Opportunity Fund (EVCC) Ltd.

We have read the Notice of Working Opportunity Fund (EVCC) Ltd. dated November 14, 2019 and are in agreement with the statements contained in such Notice except that we are not in a position to agree or disagree with the statements contained in items 2 and 4.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants

THIS PAGE INTENTIONALLY LEFT BLANK

