



**Notice of Annual General and Special Meeting of Shareholders**

**To be held on May 18, 2021 5:00 p.m. (Pacific Time)**

**and**

**Management Information Circular**

**Including with Respect to a Proposed Plan of Arrangement**

**Involving Working Opportunity Fund (EVCC) Ltd. and**

**Pender Growth Fund Inc.**

**THE BOARD OF DIRECTORS OF WORKING OPPORTUNITY FUND (EVCC) LTD.  
RECOMMENDS THAT YOU VOTE IN FAVOUR OF THE  
ARRANGEMENT RESOLUTION**

**Virtual WOF Shareholder Meeting via live webcast at:**

**<https://web.lumiagm.com/416472061>**

To our shareholders:

You are invited to attend the virtual special and annual meeting of Shareholders scheduled for May 18, 2021 at 5:00 p.m. (Pacific Time).

At the WOF Shareholder Meeting, you will be asked to consider and vote on the potential acquisition of all of WOF's issued and outstanding shares (the "Transaction") by Pender Growth Fund Inc. ("PTF"). The Transaction is being done by way of a plan of arrangement and is referred to as the 'Arrangement' in the meeting materials. The Board is pleased to have successfully negotiated the Transaction on behalf of shareholders. We believe it is the best option for both WOF Venture Shareholders and WOF Commercialization Shareholders at this time.

The unanimous recommendation by the Board that the WOF Shareholders vote in favour of the Transaction is the result of a thorough process conducted by the Special Committee and the Board in consultation with its independent legal advisors and financial advisors. This included careful consideration of other options and the benefits of the Transaction and weighing the risks associated with the Transaction and with not pursuing it.

Given the conflict of PenderFund Capital Management Ltd. ("Pender") as manager to WOF and as manager to PTF, the Special Committee of WOF's Board engaged an independent, qualified firm that has provided an opinion (the "Fairness Opinion") that **the Transaction is fair, from a financial point of view**, to the WOF Venture Shareholders and the WOF Commercialization Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule "C" to this Management Information Circular (the "Circular"). WOF Shareholders are encouraged to read the Fairness Opinion and the Circular carefully in their entirety.

### **Venture Series**

WOF Venture Shareholders have not been able to redeem their shares since 2013. Your Board of Directors has been working very hard on your behalf during the past number of years considering a number of strategic alternatives with two key objectives: seeking cost reductions and enhancing liquidity options for WOF Venture Shareholders. We explored a potential reorganization to enhance liquidity by way of a market listing for the Fund's shares; however, due to significant reductions in portfolio values and the volatility in the market it became clear that this was no longer the best path forward for the Fund to meet our objectives.

We believe there are two types of shareholders: those wanting timely liquidity, recognizing the length of time the WOF Venture Shares have been closed for redemption with minimal distributions, and those who wish to remain invested and seek to realize on the longer-term potential of the WOF Venture Shares portfolio.

**This offer provides WOF Venture Shareholders a choice: receive cash or continue to hold your WOF shares.** WOF Venture Shareholders will have access to material liquidity by receiving cash for their WOF Venture Shares at a discount to Net Asset Value ("NAV"), or WOF Venture Shareholders can elect to retain their pro-rata participating interest in the WOF Venture Shares portfolio. **By default WOF Venture Shareholders will receive Cash Consideration under the Transaction.**

Choice, certainty of value and liquidity for WOF Venture Shareholders provided by this Transaction were our paramount considerations.

The key terms of the Transaction are:

For those receiving cash	For those continuing to hold WOF Venture Shares
<ul style="list-style-type: none"><li>• Cash payment of 43.5% of NAV at April 5, 2021 (subject to +/- 5% adjustment depending on NAV as at the Effective Date). Paid 50% on close and 50% in 6 months</li><li>• Potential additional cash payments from exits</li></ul>	<ul style="list-style-type: none"><li>• Potential for future liquidity</li><li>• Accrued "all-in" management fee</li><li>• Performance fee consistent with current management agreement</li></ul>

While WOF portfolio companies explore exit opportunities from time to time, there is no assurance that any expressions of interest will ultimately result in the sale of the portfolio company. Because of this, secondary sales of private technology companies are often at a discount due to the lack of liquidity with these investments.

Unfortunately, that is what the market dictates for venture funds and the cash option for WOF Venture Shareholders is at a discount to NAV.

However, we have negotiated the potential for additional cash payments for those WOF Venture Shareholders who are bought out if there is divestment activity for up to one year following the AGM. This additional cash payment from PTF is based on a percentage share of net gains from what WOF valued the portfolio investments at completion of the Transaction. Those WOF Venture Shareholders choosing to continue to hold their shares retain the opportunity to participate in the long-term performance of the portfolio.

We believe the Transaction provides the following benefits for WOF Venture Shareholders:

For those receiving cash	For those continuing to hold WOF Venture Shares
<ul style="list-style-type: none"> <li>• Certainty of liquidity and value</li> <li>• Potential additional cash payments from PTF if divestments occur:               <ul style="list-style-type: none"> <li>○ by November 18, 2021, 60% of the net gain</li> <li>○ by February 18, 2022, 45% of the net gain</li> <li>○ by May 18, 2022, 20% of the net gain</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Continued participation in performance of the portfolio</li> <li>• Potential for future liquidity from divestments</li> <li>• Fairness from pro-rata distributions</li> <li>• Certainty of lower costs</li> <li>• Elimination of working capital challenges</li> <li>• Performance fee consistent with current management agreement</li> </ul>

### **Commercialization Series**

The Fund was successful during the past year in completing divestments from three companies, which enabled the payment of \$5.5 million in dividends (\$5.49 per share) to WOF Commercialization Shareholders. Following the payment of these dividends the NAV of the WOF 05 Commercialization Shares at the end of the 2020 was \$1.4 million. We have been able to divest of all but one of the portfolio companies and this Transaction provides a final cash payment to be made to WOF Commercialization Shareholders.

**WOF Commercialization Shareholders will receive cash** at a discount to NAV. As mentioned above, secondary sales of private technology companies are often at a discount due to the lack of liquidity with these investments. Unfortunately, that is what the market dictates for venture funds and the cash payment for WOF Commercialization Shareholders is at a discount to NAV. In March 2021, BuildDirect, the one remaining portfolio company in the WOF 05 Commercialization Shares portfolio, announced a potential financing by way of a potential public listing. If BuildDirect completes its financing before the Effective Date of the Transaction, we negotiated a potentially greater cash amount for WOF Commercialization Shareholders.

The key benefits and terms of the Transaction for WOF Commercialization Shareholders are:

Key Benefits	Key Terms
<ul style="list-style-type: none"> <li>• Certainty of liquidity and value</li> <li>• Elimination of concentration risk</li> <li>• Shareholder buyout protects against erosion of value with continued operations</li> </ul>	<ul style="list-style-type: none"> <li>• Cash payment of the greater of 50% of NAV or 75% of the potential BuildDirect financing price</li> </ul>

### **For both Ventures Series and Commercialization Series Shareholders**

If the Transaction is not completed, we expect WOF will face significant challenges. WOF Venture Shares will have a working capital challenge which may require it to sell whole or parts of its portfolio holdings at potentially very significant discounts for all shareholders. WOF 05 Commercialization Shares will have significant concentration and liquidity risk with a portfolio limited to one investment and fixed costs eroding that value quickly given the size of the portfolio.

If you hold your WOF Shares in a RRSP held with WOF, you must take steps to transfer that cash out to another RRSP account or your account will ultimately be deregistered. If deregistered, your cash will be subject to withholding tax and income tax.

<p style="text-align:center"><b>THE BOARD UNANIMOUSLY RECOMMENDS THAT SHAREHOLDERS VOTE <u>IN FAVOUR</u> OF THE TRANSACTION</b></p>
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**Your vote is important.** The accompanying Circular provides a description of the Transaction and includes certain additional information to assist you in considering how to vote on the Transaction. Please **read this Circular** carefully including the Risk Factors section, to fully understand the Transaction, its benefits and the risks associated and we encourage you to consult your tax, financial, legal or other professional advisors so that you can **make an informed to decision.**

You can **vote your proxy at [www.investorvote.com](http://www.investorvote.com)** or by mail, phone or fax, by following the instructions on your proxy. If you have questions about the procedures for voting your shares, please contact Computershare at its Shareholder Enquiry Line at 1-800-564-6253.

### **The Legacy of WOF and a Look Forward**

In 1989, the Province of British Columbia enacted the Employee Investment Act to encourage B.C. residents to invest indirectly in eligible small and medium-sized British Columbia businesses, encourage greater employee participation in share ownership and enterprise development, create and protect jobs and promote growth and diversification of the B.C. economy. The Fund's labour sponsor, Working Enterprises, formed the Fund in 1990 and joined the Province in a "working partnership" among government, labour and business. Over the past 30 years WOF has been a key supporter of the B.C. technology sector, providing over \$600 million of patient, long term, committed capital to B.C. tech entrepreneurs.

We are very proud of the legacy of WOF in its role in the development of the B.C. Technology industry. Long-term committed capital is one of the key requirements for building a strong technology sector and WOF has a long history of investing in and supporting companies and technology sector employment in British Columbia. PTF has been investing in and supporting companies in B.C. since 2003. As PTF becomes a WOF shareholder, it will enable the continued support of the growth and development of our portfolio companies, and those WOF Shareholders who choose to continue to hold their shares. Upon a successful exit from WOF portfolio companies, PTF will then be able to use its share of the proceeds to invest in the next generation of innovative BC technology companies, continuing and building upon the legacy started by the Working Opportunity Fund.

I would like to express appreciation for the support and patience our shareholders have demonstrated over the years.

Yours truly,

Cindy Oliver

On behalf of the Board of Directors Working Opportunity Fund (EVCC) Ltd.

**Forward Looking Statements:** This letter contains forward looking statements which primarily relate to the Transaction as described and other strategic options including the expected results of, and risks associated with, the Transaction including with respect to liquidity, and for WOF Venture Shareholders in particular the individual choice provided, the limited conditional right to an additional cash payment, statements about participating in future performance of WOF Venture Shares' portfolio and terms of an amended and restated management agreement for those shareholders who choose to continue to participate in the WOF Venture Shares legacy portfolio. All forward looking statements are based on the Board's and/or the Manager's current beliefs and assumptions on a range of factors including about the Fund and economic factors and assessments regarding the Transaction which are subject to numerous 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 the ability to finalize the conditions to completion of the Transaction including obtaining shareholder approvals and any required regulatory approvals, assessments of current and past considerations of strategic options for the WOF Venture Shares and the WOF 05 Commercialization Shares and with respect to the benefits and risks associated with the Transaction, and recent developments in the Fund's operating climate, and possible future developments that may affect the Fund, and the WOF Venture Shares and the WOF 05 Commercialization Shares portfolios and performance. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The Fund does not assume any obligation to update any forward-looking statements made in this letter. **Read the Circular and consult your tax, financial, legal or other professional advisors so that you can make an informed to decision. There can be no assurance that the Transaction will be completed on the basis proposed for the Arrangement or at all.**

# 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 on May 18, 2021 at 5:00 p.m. (Pacific Time) (the “**WOF Shareholder Meeting**”) in a virtual format 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;
4. to approve, by special resolution, the capitalization of sufficient amounts of the Fund’s 2021 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 consider and, if deemed appropriate, pass a special resolution of all shareholders, and separately by holders of each of the Balanced Shares (series 1), Balanced Shares (series 2) and Commercialization Shares (series 2), approving the arrangement under Part 9, Division 5 of the *Business Corporations Act* (British Columbia), as more particularly described in the 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.

### **Virtual WOF Shareholder Meeting**

Under current public health authority orders in British Columbia, due to COVID-19, indoor, in person gatherings of more than 10 people are not permitted. Accordingly, WOF will be conducting the WOF Shareholder Meeting virtually to give all shareholders an equal opportunity to participate, regardless of their geographic location or the particular constraints, circumstances or risks that they may be facing as a result of COVID-19. Shareholders will not be able to attend the WOF Shareholder Meeting physically. Shareholders, and their duly appointed proxyholders will be able attend the WOF Shareholder Meeting virtually at <https://web.lumiagm.com/416472061> where they can participate, vote, or submit questions during the meeting’s live webcast.

It should be noted that the vast majority of our shareholders typically vote in advance by proxy and are encouraged to continue to do so via the various channels outlined in the Circular. The virtual WOF Shareholder Meeting does not change voting by proxy. However, those that wish to participate in the virtual WOF Shareholder Meeting are encouraged to carefully read the instructions in the Circular and in particular the procedures for attending and appointing a person to act as your proxy holder.

DATED this 14<sup>th</sup> day of April, 2021.

BY ORDER OF THE BOARD

(signed) Cindy Oliver  
Chair

## Q&A ON THE TRANSACTION AND THE WOF SHAREHOLDER MEETING

See "*Glossary of Terms*" in this Circular dated April 14, 2021 for the meaning assigned to certain terms which are capitalized below and not otherwise defined. **The Q&A are summaries only** and we encourage you to read the Circular in full and to consult your financial, legal, tax and other professional advisors so that you can **make an informed decision**.

### WOF Venture Shares

WOF Venture Series – Balanced Shares (Series 1)	WOF 888, 890, 892
WOF Venture Series – Balanced Shares (Series 2)	WOF 141, 142, 894, 895, 896

### **What are the options for WOF Venture Shareholders?**

- Receive Cash (default option)
- Elect to continue to hold your WOF shares

For further information see “Reasons for the Arrangement – WOF Venture Series” and “Risk Factors”.

### **Why is WOF proposing the Transaction and what are the benefits to WOF Venture Shareholders?**

Your Board of Directors has been working very hard on your behalf during the past number of years considering a number of strategic alternatives with two key objectives: seeking cost reductions and enhancing liquidity options for WOF Venture Shareholders. The Board believes the Transaction is the best option for shareholders at this time and provides the following benefits:

For those receiving cash	For those continuing to hold WOF Venture Shares
<ul style="list-style-type: none"><li>• Certainty of liquidity and value<ul style="list-style-type: none"><li>• Potential additional cash payments from PTF if divestments occur:<ul style="list-style-type: none"><li>○ by November 18, 2021, 60% of the net gain</li><li>○ by February 18, 2022, 45% of the net gain</li><li>○ by May 18, 2022, 20% of the net gain</li></ul></li></ul></li></ul>	<ul style="list-style-type: none"><li>• Continued participation in performance of the portfolio</li><li>• Potential for future liquidity from divestments</li><li>• Fairness from pro rata distributions</li><li>• Certainty of lower costs</li><li>• Elimination of working capital challenges</li><li>• Performance fee consistent with current management agreement</li></ul>

Immediately prior to the completion of the Transaction, each series of WOF Venture Shares will distribute all available cash to shareholders, less a reserve to cover remaining commitments attributable to that series.

For further information see “Reasons for the Arrangement”, “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction”.

### **How do I cash out my WOF Venture Shares and how does the additional cash payment work?**

WOF Venture Shareholders will receive cash, at a discount to NAV, by default, and potential additional cash payments.

Under the Transaction, unless you elect otherwise, you will sell your WOF Venture Shares for a cash payment equal to 43.5% of the NAV per WOF Venture Share as at April 5, 2021 subject to a +/- 5% adjustment based upon the per share NAV of the WOF Venture Shares portfolio as at the end of the business day immediately prior to the effective date.

You will receive 50% when the Transaction completes and 50% six months later.

You also will have a right to an additional cash payment from PTF based if there is divestment activity in the WOF Venture Shares portfolio before May 18, 2022.

The amount of this potential additional cash payment is based on a percentage share of net realized gains from what WOF valued the WOF Venture Shares portfolio investments at completion of the Transaction and depends on how soon after the Meeting the divestment occurs:

- if a divestment completes on or before November 18, 2021, you will receive your pro rata portion of 60% of the net realized gain
- if a divestment completes on or before February 18, 2022, you will receive your pro rata portion of 45% of the net realized gain
- if a divestment completes on or before May 18, 2022, you will receive your pro rata portion of 20% of the net realized gain, subject certain conditions.

For example: If the net realized gain on a divestment is \$0.50 per share, your pro rata portion of 60% would be an additional cash payment of \$0.30 per share.

For further information see “Reasons for the Arrangement – WOF Venture Series”, “Administrative Costs and Withholding Amounts”, “Additional Exit Venture Cash Payment” and “Risk Factors”.

### **How do I get my cash after its paid into my account?**

The cash payments will be paid into the same account where you hold your shares.

If you hold your WOF Venture Shares in a RRSP held with WOF (and not with your dealer), you must take steps to transfer that cash out to another RRSP account or your account will ultimately be deregistered. If deregistered, your cash will be subject to withholding tax and income tax.

For further information see “Shareholder Account Matters”, “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction” and the “Important Notes for Venture Series” insert in the meeting materials.

### **If I choose to keep my WOF Venture Shares invested, what are the potential benefits and risks going forward?**

As a continuing shareholder, you:

- will receive your pro rata share of 95% of the net divestment proceeds
- will be able to request annual redemption of your WOF Legacy Shares at an amount equal to 40% of NAV per share at the time, the amount available to fund these redemptions will be limited to 5% of the net divestment proceeds
- may have your shares redeemed without you requesting redemption at a price equal to 50% of NAV per share after 5 years or earlier if certain conditions are met.

Under an amended and restated management agreement, a 2.5% of NAV “all-in” management fee will be accrued and paid to the Manager only when there are proceeds available upon a divestment from the portfolio.

Realized value and timing of future divestments from the WOF Venture Shares portfolio are uncertain. These are the same risks that existed when you decided to purchase your WOF Venture Shares.

In addition, there may not be liquidity to process future redemption requests which will be at a discount to NAV. Also, your shares may be subject to forced redemptions at a discount to NAV in the future.

If you would like to continue to hold your shares you must make an election to do so and ensure that your account is eligible to continue to hold the shares.

For further information see “Reasons for the Arrangement – WOF Venture Series”, “Interests of Certain Persons in the Arrangement”, “WOF Going Forward – Description of Shares”, “WOF Going Forward – Amended and Restated Management Agreement”, “Risk Factors”.

**If I want to elect to keep my WOF Ventures Shares, how do I make my Election?**

Please complete the Election Notice included with you proxy if you elect to not receive cash and instead continue to hold your WOF Venture Shares and continue to participate in the performance of the portfolio.

You may submit the Election Notice electronically or by mail or fax by following the instructions included with your proxy.

**Is this deal fair from a financial point of view for WOF Venture Shareholders?**

Yes. The Special Committee engaged an independent, qualified firm that has provided the Fairness Opinion that the Transaction is fair, from a financial point of view, to the WOF Venture Shareholders. In reaching its recommendation regarding approval of the Transaction, the Special Committee received and considered the Fairness Opinion.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule “C” to this Circular. WOF Shareholders are encouraged to read the Fairness Opinion carefully in its entirety.

For further information see “Reasons for the Arrangement”, “Fairness Opinion” and “Recommendation of the Board”.

**Who is the Acquiror?**

Pender Growth Fund (“PTF”) is the acquiror. PTF is also managed by our manager.

Given this actual and perceived conflict, the Special Committee engaged an independent qualified firm that has provided the fairness opinion described above.

For further information see “Fairness Opinion” and “Interest of Certain Persons in the Arrangement – The Manager”.

## **WOF 05 Commercialization Series**

WOF Commercialization Series	WOF 104, 105
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### **What are the options for WOF 05 Commercialization Shareholders?**

There is one portfolio company remaining, and under the terms of the Transaction, receiving cash is the only option for WOF Commercialization Shareholders.

The cash amount you receive will be the greater of:

- 50% of the NAV per WOF 05 Commercialization Share as at the day prior to the Effective Date; and
- 75% of the subscription receipt financing price for the BuildDirect transaction, which was the subject of a recent news release, if that BuildDirect Subscription Receipt Financing is completed by the Effective Date.

For example: NAV at the effective date is \$1.20 per share and BuildDirect completes the subscription receipt financing a week prior valued at \$1.40 per share. In this example you would receive 75% of the \$1.40, or \$1.05 per share.

For further information see “Reasons for the Arrangement – Commercialization Series”, “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction”

### **Why is WOF proposing the Transaction and what are the benefits to WOF Commercialization Shareholders?**

The Fund was successful during the past year in completing divestments from three companies, which enabled the payment of an aggregate \$5.5 million in dividends (a total of \$5.49 per share) to WOF Commercialization Shareholders. Following the payment of these dividends the NAV of the WOF 05 Commercialization Shares at the end of the 2020 was \$1.4 million. The Board believes the Transaction is the best option for WOF Commercialization Shareholders at this time and provides the following benefits:

- Certainty of liquidity and value
- Elimination of concentration risk (only one portfolio company remaining)
- Shareholder buyout protects against erosion of value with continued operations

Immediately prior to the completion of the Transaction, WOF 05 Commercialization Shares will distribute all available cash to shareholders, less a reserve to cover the remaining commitments attributable to WOF 05 Commercialization Shares.

For further information see “Reasons for the Arrangement – Commercialization Series”, “Recommendation of the Board”, “Risk Factors”.

### **How do I cash out my WOF 05 Commercialization Shares and how do I get my cash after its paid into my account?**

WOF Commercialization Shareholders will receive cash at a discount to net asset value. The cash payments will be paid into the same account where you hold your shares.

If you hold your WOF 05 Commercialization Shares in a RRSP held with WOF (and not with your dealer) , you must take steps to transfer that cash out to another RRSP account or your account will ultimately be deregistered. If deregistered, your cash will be subject to withholding tax and income tax.

For further information see “Shareholder Account Matters”, “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction”.

## **Is this deal fair from a financial point of view for WOF Commercialization Shareholders?**

Yes. The Special Committee engaged an independent, qualified firm that has provided the Fairness Opinion that the Transaction is fair, from a financial point of view, to the WOF Commercialization Shareholders. In reaching its recommendation regarding approval of the Transaction, the Special Committee received and considered the Fairness Opinion.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule C to this Circular. WOF Shareholders are encouraged to read the Fairness Opinion carefully in its entirety regarding a fairness opinion.

For further information see “Reasons for the Arrangement – Commercialization Series”, “Fairness Opinion”, “Recommendation of the Board”.

## **What are the options for WOF Commercialization Shareholders if they do not approve the Transaction?**

If the Transaction is not approved by WOF Commercialization Shareholders, the Transaction may still proceed for the WOF Venture Shareholders. If this occurs, we expect WOF Commercialization Shares to continue to have significant concentration and liquidity risks with a portfolio limited to one investment and fixed costs eroding value quickly given the size of the portfolio. The Board does not believe there is a better option available at this time for WOF Commercialization Shareholders.

See “Reasons for the Arrangement”.

## **Who is the Acquiror?**

Pender Growth Fund (“PTF”) is the acquiror. PTF is also managed by our manager.

Given this actual and perceived conflict, the Special Committee engaged an independent qualified firm that has provided the fairness opinion described above.

For further information see “Interest of Certain Persons in the Arrangement – The Manager”.

## **WOF Shareholder Meeting Information**

### **How do I attend the virtual WOF Shareholder Meeting?**

This meeting will be held virtually.

By logging into the WOF Shareholder Meeting as a shareholder or proxyholder (not as a guest), you will be able to listen to a live audio cast of the meeting, ask written questions and submit your votes in real time. As usual, you may vote before the meeting by submitting your proxy.

In order to participate online as a shareholder or proxyholder:

#### **Before the WOF Shareholder Meeting**

- Check that your browser for whichever device you are using is compatible. Visit <https://web.lumiagm.com/416472061>. You will need the latest version of Chrome, Safari, Edge or Firefox.
- All shareholders MUST register any third party appointments at [www.computershare.com/WOF](http://www.computershare.com/WOF). Failure to do so will result in the appointee not receiving login credentials.

Gather the information you need to access the meeting:

**Meeting ID: 416472061**

**Password: working2021** (case sensitive)

To log in, you must also have the following information:

**Shareholders:** The 15 digit control number provided on your form of proxy provided by Computershare, which constitutes your user name.

**Appointed Proxyholders:** The username provided by Computershare via email, provided your appointment has been registered.

#### Log into the meeting

- Follow the prompts on the Lumi platform, as described in the Virtual AGM User Guide provided by Computershare and included in your meeting materials.

#### Technical Assistance

If you require assistance with the use of the virtual meeting platform, you can access additional information on at <https://go.lumiglobal.com/faq>.

If you do not log into the meeting as a shareholder or a proxyholder, you may still view the live webcast as a guest. Guests will not be able to vote during the meeting and will not be able to ask questions.

For further information see “How to Attend the WOF Shareholder Meeting”.

#### **How do I vote my proxy ahead of the WOF Shareholder Meeting?**

Please following the instructions on your proxy:

- You may vote online at [www.investorvote.com](http://www.investorvote.com)
- You may also vote by mail, fax, or phone

If you have questions about the procedures for voting your shares, please contact Computershare at its Shareholder Enquiry Line at 1-800-564-6253.

For further information see “Manner of Voting by Proxy and Appointment of Proxyholder”.

#### **If I have voted by proxy ahead of the Meeting, do I need to vote on anything during the WOF Shareholder Meeting?**

No. If you have submitted your proxy, you do not need to vote on anything during the meeting.

You can decide to change your vote during the meeting. See below.

### **Can I vote during the WOF Shareholder Meeting, and if so, how?**

Yes. WOF Shareholders and proxyholders who log into the meeting as shareholder or proxy holder (not as a guest), will have an opportunity to vote at the meeting.

- When polling is declared open, a ‘voting’ icon will appear on your device and you can vote through the Lumi platform by selecting one of the voting options, as described in the Virtual AGM User Guide provided by Computershare and included in your meeting materials.
- If you do not log into the meeting as a shareholder or a proxyholder, you may view the live webcast as a guest. Guests will not be able to vote during the meeting.

For further information see “Participation at the WOF Shareholder Meeting”. Also see the Virtual AGM User Guide provided by Computershare and included in your meeting materials.

### **Can I ask questions during the WOF Shareholder Meeting, and if so, how?**

Yes. WOF Shareholders and proxyholders who log into the meeting as shareholder or proxy holder (not as a guest), will have an opportunity to ask questions at the meeting.

- You can ask a question through the Lumi platform by selecting the ‘Questions’ icon, as described in the Virtual AGM User Guide provided by Computershare and included in your meeting materials.
- If you do not log into the meeting as a shareholder or a proxyholder, you may view the live webcast as a guest. Guests will not be able to ask questions.

For further information see the “Participation at the WOF Shareholder Meeting”. Also see the Virtual AGM User Guide provided by Computershare and included in your meeting materials.

### **If I already voted by proxy, can I change my mind and vote at the WOF Shareholder Meeting?**

Yes. If you have already voted your proxy and then you or your proxyholder log into the meeting as a shareholder or proxyholder (not as a guest), **any votes cast on a specific ballot during the Meeting will be counted**. This means that if you had already submitted proxy a proxy and voted at the Meeting, your proxy will be disregarded for the voting on that specific ballot.

For further information see “Participation at the WOF Shareholder Meeting”.

### **Can someone attend on my behalf and represent me at the WOF Shareholder Meeting?**

Yes. You may appoint another person, who need not be a shareholder, to act as your representative at the meeting.

- To exercise this right you may insert the other person's name in the blank space provided on your proxy when you send in your proxy by mail or fax. You may also exercise this right by proving the other persons’ name when you vote your proxy by internet at [www.investorvote.com](http://www.investorvote.com).
- As a second step, you must also register the appointment of your proxyholder at [www.computershare.com/WOF](http://www.computershare.com/WOF) and provide Computershare with your proxyholder’s contact information so that Computershare may provide the proxyholder with a username via email to allow them to log in to the meeting as a proxyholder.

For further information see “Manner of Voting by Proxy and Appointment of Proxyholder”.

**There can be no assurance that the Transaction will be completed on the basis proposed or at all. Read the Circular and consult your financial, legal or other advisors so that you understand the Transaction and can make an informed decision. For further information. See “Risk Factors”.**

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# Working Opportunity Fund (EVCC) Ltd.

## MANAGEMENT INFORMATION CIRCULAR

(April 14, 2021)

### FORWARD LOOKING STATEMENTS

See "Glossary of Terms" in this Circular. 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 Transaction as described herein and other strategic options including the expected results of, and risks associated with, the Transaction including with respect to liquidity, and for WOF Venture Shareholders in particular the individual choice provided, the limited condition right to an additional cash payment, statements about participating in future performance of WOF Venture Shares' portfolio and terms of an amended and restated management agreement for those shareholders who choose to continue to participate in the WOF Venture Shares legacy portfolio, 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 regarding the Transaction including assessments regarding negotiated terms; the ability to finalize the conditions to completion of the Transaction by way of a plan of arrangement including obtaining shareholder approvals, obtaining any required regulatory approvals, and obtaining opinions from professional advisors, the Board of Directors of the Fund reaching decisions based on that information and opinions and regarding future liquidity and future costs savings for those shareholders who elect to continue to participate in the WOF Venture Shares legacy portfolio; assessments of current and past considerations of strategic options for the WOF Venture Shares and the WOF 05 Commercialization Shares including statements regarding the goal of treating shareholders in the same venture portfolio equally; development and value of the portfolios; concentration of the investment portfolios; the ability to make meet operating commitments; future economic and market conditions, including mergers and acquisitions ("M&A") and initial public offering ("IPO") market conditions and future divestment and investment activity including the ability to make follow on investments 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. **There can be no assurance that the Transaction will be completed on the basis proposed for the arrangement or at all.**

### DOCUMENTS INCORPORATED BY REFERENCE

As much of the information for shareholders is incorporated by reference, shareholders are strongly encouraged to review in detail the Notice of Meeting (the "Notice") and this management information circular (the "Circular") together with the documents listed below and filed concurrently under the Fund's profile on SEDAR available at [www.sedar.com](http://www.sedar.com):

- Arrangement Agreement dated April 6, 2021 between the Fund and Pender Growth Fund Inc. including the following exhibits:
  - Exhibit A – Plan of Arrangement
  - Exhibit B – Arrangement Resolution
  - Exhibit C – Amended and Restated Management Agreement
  - Exhibit D – Form of Election
- Annual Information Form dated March 31, 2021
- Audited Financial Statements for the financial year ended December 31, 2020
- Management Reports of Fund Performance for the Venture Series and Commercialization Series for the financial year ended December 31, 2020

## SCHEDULES

Schedule A – Text of Resolutions  
Schedule B – Glossary of Terms  
Schedule C – Fairness Opinion  
Schedule D – Interim Order  
Schedule E – Notice of Petition  
Schedule F – Dissent Rights – Sections 237 - 247 of the Business Corporations Act

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

This Circular accompanies the Notice for the Annual and Special Meeting 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 May 18, 2021, and any adjournments thereof (the “WOF Shareholder 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 2400 - 1055 West Georgia Street, Vancouver, British Columbia, V6E 3P3.

The date of this Circular is April 14, 2021. Our directors have determined that shareholders of record on April 12, 2021 will be entitled to receive the Notice and to vote at the WOF Shareholder Meeting.

If you have questions about the procedures for voting your Shares, please contact Computershare Investor Services Inc. (“Computershare”) at its Shareholder Enquiry Line at 1-800-564-6253.

“You” in this Circular refers to registered holders of WOF Shares. The registered holders of WOF Shares are the individual holders of Shares, whether they hold them directly or beneficially.

### Manner of Voting by Proxy and Appointment of Proxyholder

You may vote at the WOF Shareholder 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 5:00 p.m. (Pacific time) on May 14, 2021 or, if the WOF Shareholder Meeting is adjourned, 5:00 p.m. (Pacific time) on the business day preceding the adjourned meeting. If you choose to vote by proxy, you may still attend the WOF Shareholder Meeting. The Chair of the WOF Shareholder Meeting may also exercise his or her discretion to accept proxies delivered at any time prior to the commencement of the WOF Shareholder Meeting.

If a shareholder who has submitted a proxy and that shareholder or their proxy holder attends the WOF Shareholder Meeting and has accepted the terms and conditions when entering the WOF Shareholder Meeting, any votes cast on a specific ballot during the Meeting will be counted. This means that if you had already submitted a proxy and vote at the Meeting, your submitted proxy will be disregarded for the voting on that specific ballot.

*By Internet.* You may vote by logging on to the following website: [www.investorvote.com](http://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. You can also make your Election by internet.

*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 WOF Shareholder Meeting, Computershare Investor Services, Inc., 3rd Floor – 510 Burrard St., Vancouver, B.C., Canada, V6C 3B9,

fax toll-free at 1-866-249-7775 (within 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. You can also make your Election by mail or fax.

*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. **NOTE: Elections cannot be made by telephone. This means you will need to mail or fax your paper Election or instead vote your proxy and do your Election by internet.**

The individuals named in the enclosed form of proxy for the WOF Shareholder Meeting are officers or directors of the Fund. 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 the Fund at the WOF Shareholder Meeting. **Shareholders have the right to appoint some other person, who need not be a shareholder, to act as their representative at the WOF Shareholder 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).** In addition, for your proxyholder to attend and participate in the virtual WOF Shareholder Meeting, **you must also register the appointment of your proxyholder at [www.computershare.com/WOF](http://www.computershare.com/WOF) and provide Computershare with your proxyholder's contact information so that Computershare may provide the proxyholder with a Username via email to vote at the WOF Shareholder Meeting. Registering your proxyholder is an additional step which must be completed by no later than 5:00 p.m. (Pacific time) on May 14, 2021 (or no later than 48 hours, excluding Saturdays, Sundays and holidays, before the time of any adjourned or postponed meeting). Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the WOF Shareholder Meeting. Please ensure that the person you appoint is aware that he or she has been appointed to attend the virtual WOF Shareholder Meeting on your behalf. Without a username, proxyholders will not be able to participate in the virtual WOF Shareholder 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 WOF Shareholder 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 WOF Shareholder Meeting. At the date of this Circular, management of the Fund knows of no such amendments, variations or other matters to come before the WOF Shareholder Meeting.

### **How to Attend the WOF Shareholder Meeting**

Shareholders and duly appointed proxyholders can attend the virtual WOF Shareholder Meeting by going to: [\*\*https://web.lumiagm.com/416472061\*\*](https://web.lumiagm.com/416472061)

Shareholders and duly appointed proxyholders can participate in the WOF Shareholder Meeting by clicking "I have a login" and entering a username and password before the start of the WOF Shareholder Meeting.

- Shareholders – The 15-digit control number located on the form of proxy or in the email notification you received is the username and the password is "working2021".
- Duly appointed proxyholders – Computershare will provide the proxyholder with a username after the voting deadline has passed. The password to the WOF Shareholder is "working2021".

Voting at the WOF Shareholder Meeting will only be available for shareholders and duly appointed proxyholders who have logged into the meeting as a shareholder or proxyholder (not as a guest). **It is important that you are connected to the internet at all times during the meeting in order to vote.**

**In order to participate in the virtual WOF Shareholder Meeting, shareholders must have a valid 15-digit control number and proxyholders must have received an email from Computershare containing a Username.**

### **Participation at the WOF Shareholder Meeting**

The WOF Shareholder Meeting will be hosted virtually by way of a live webcast. Shareholders will not be able to attend the Meeting in person. A summary of the information shareholders will need to attend the virtual WOF Shareholder Meeting is provided below. Included with the Circular you received is a Virtual AGM User Guide provided by Computershare, which sets out technical steps on how to participate in the WOF Shareholder Meeting. The WOF Shareholder Meeting is scheduled to begin at 5:00 p.m. (Pacific Time) on May 18, 2021.

- Shareholders that have a 15-digit control number, along with duly appointed proxyholders who were assigned a username by Computershare (see details under the heading “Appointment of Proxies”), will be able to vote and submit questions during the WOF Shareholder Meeting. To do so, please go to <https://web.lumiagm.com/416472061> prior to the start of the WOF Shareholder Meeting to login. Click on “I have a login” and enter your 15-digit control number or username along with the password “working2021”.
- If you are using a 15-digit control number to login to the virtual WOF Shareholder Meeting and you accept the terms and conditions, you will be provided the opportunity to vote by ballot on the matters put forth at the WOF Shareholder Meeting. Any votes cast at the WOF Shareholder Meeting on a specific ballot will be counted. This means that if you had already submitted a proxy and vote at the WOF Shareholder Meeting, your submitted proxy will be disregarded for the voting on that specific ballot.
- If you are eligible to vote at the WOF Shareholder Meeting, it is important that you are connected to the internet at all times during the WOF Shareholder Meeting in order to vote. It is your responsibility to ensure connectivity for the duration of the WOF Shareholder Meeting. As internal network security protocols (such as firewalls or VPN connections) may block access to the LUMI meeting platform, please ensure that you use a network that is not restricted by the security settings of your organization or that you have disabled your VPN settings. It is recommended that you log in at least an hour before the start of the WOF Shareholder Meeting.

The Fund believes that the ability to participate in the WOF Shareholder Meeting in a meaningful way, including asking questions, remains important despite the decision to hold a virtual WOF Shareholder Meeting. Shareholders and proxyholders accessing the WOF Shareholder Meeting will have an opportunity to ask questions at the WOF Shareholder Meeting in writing by sending a message to the Chair of the WOF Shareholder Meeting online through the LUMI platform. It is anticipated that shareholders will have substantially the same opportunity to ask questions on matters of business before the WOF Shareholder Meeting as in past years when the annual shareholders meeting was held in person. Questions properly brought before the WOF Shareholder Meeting will pertain to the formal business of the WOF Shareholder Meeting. To ensure fairness for all, the Chair of the WOF Shareholder Meeting will decide and announce the order of questions to be responded to, and the amount of time allocated to each question. The Chair of the WOF Shareholder Meeting can edit or reject questions considered inappropriate.

### **Voting at the WOF Shareholder Meeting**

A shareholder will appear on a list of shareholders prepared by Computershare. To have their Shares voted at the WOF Shareholder Meeting, each shareholder or proxyholder will be required to enter their control number or username provided by Computershare at <https://web.lumiagm.com/416472061> prior to the start of the WOF Shareholder Meeting (please see the information under the headings “Appointment of Proxies” for details).

## 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 WOF Shareholder Meeting at which the proxy is to be used, or with the Chair of the WOF Shareholder Meeting on the day of the WOF Shareholder 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.

If you are using a 15-digit control number to login to the virtual WOF Shareholder Meeting, and you accept the terms and conditions, any votes cast at the WOF Shareholder Meeting on a specific ballot will be counted. This means that if you had already submitted a proxy and vote at the WOF Shareholder Meeting, your submitted proxy will be disregarded for the voting on that specific ballot.

## 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.

## OTHER INFORMATION FOR ANNUAL MEETING BUSINESS

### Voting Shares

The Fund's authorized capital consists of an unlimited number of Class A shares, issuable in series. As at the date hereof, the following Class A shares were issued and outstanding: 4,013,034 WOF Balanced Shares (series 1), 12,421,473 WOF Balanced Shares (series 2), and 1,002,555 WOF Commercialization Shares (series 2). At the WOF Shareholder 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 WOF Share held, and shall have the right to require resolutions be voted on by a poll. Holders of Class A shares of record on April 12, 2021 will be entitled to receive notice of and to vote at the WOF Shareholder 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 shareholders participate in a mature venture portfolio that, when it was assembled, was a venture portfolio diversified by business sector. 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, 2019 and December 31, 2020, the Pricing NAV of the Class A shares were as follows:

<b><u>Series of Class A Shares</u><sup>(1)</sup></b>	<b><u>Pricing NAV per Series Shares</u> (as at December 31, 2019)<sup>(2)</sup></b>	<b><u>Pricing NAV per Series Shares</u> (as at December 31, 2020)<sup>(2)</sup></b>
WOF Balanced Shares (series 1)	\$ 5.68	\$ 3.97
WOF Balanced Shares (series 2)	\$ 5.01	\$ 3.32
WOF Commercialization Shares (series 2)	\$ 8.49	\$ 1.26

- (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 WOF Balanced Shares (series 1) and the WOF Balanced Shares (series 2). The Commercialization Series issued and outstanding as of the date of this circular is the WOF 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, 2019 NAV was lower than Pricing NAV due to a reduction in carrying value of a private portfolio company. The reductions were reflected in Pricing NAV in January and February 2020. This resulted in a NAV which was lower than Pricing NAV by \$1.35, \$1.35 and \$1.87 per share of the WOF Balance Shares (series 1), WOF Balance Shares (series 2) and WOF Commercialization Shares, respectively. Additionally, the balance of unamortized share issue commissions, fees and other costs per share resulted in the Pricing NAV per share of the Commercialization Series to be \$0.04 higher than NAV per share.
- (3) As at December 31, 2020 NAV was higher than Pricing NAV for the Venture Series Shares due to an increase in carrying value of certain private portfolio companies. The increases were reflected in Pricing NAV in February and March 2021. This resulted in a NAV which was higher than Pricing NAV by \$0.17 per share of the WOF Balanced Share (series 1) and WOF Balanced Shares (series 2). As at December 31, 2020 NAV was higher than Pricing NAV for the Commercialization Shares due to the net adjustment of the reduction in the Contingent IPA Dividend and the increased expense allocation. This resulted in a NAV which was higher than Pricing NAV by \$0.13 per share of the Commercialization Series. Additionally, the balance of unamortized share issue commissions, fees and other costs per share resulted in the Pricing NAV per share of the Commercialization Series to be \$0.01 higher than NAV per share.

This information is also available in our 2019 and 2020 annual financial statements at [www.sedar.com](http://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**

Historically, you could request redemption of your Shares any time after you have owned them for 8 years. However, as provided for in the Fund's Articles, its Plan and the EIA, the Fund is not required to redeem Shares in certain circumstances. In the case of the WOF Venture Shares, the Board of the Fund determined with the adoption of the cash dividend distribution policy in 2014 that the manner in which the Fund distributes available cash to WOF Venture Shareholders would be changed from distributions by way of redemptions to distributions by way of cash dividends, and as such, the Fund ceased redemptions of WOF Venture Shares and does not expect to reopen redemptions. In the case of the WOF 05 Commercialization Shares, the Board of the Fund determined in July 2020 to distribute available cash to WOF Commercialization Shareholders by way of cash dividends rather than by way of redemptions, and as such, the Fund ceased redemptions of WOF 05 Commercialization Shares and does not expect to reopen redemptions. See Name, Formation and History of WOF – Liquidity in the Fund's December 31, 2020 annual information form, and see the Fund's previous annual information forms for further information regarding the redemption process and related matters.

## **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 WOF Shareholder Meeting is 25 shareholders represented in person or by proxy. A majority of the votes cast at the WOF Shareholder 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 Manager to manage the business and affairs of the Fund effective March 1, 2019. See “Management Contracts” below.

In connection with the appointment 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.

In considering the recommendation of the WOF Board with respect to the Arrangement, shareholders should be aware that certain members of the WOF Board and WOF’s Manager have interests in connection with the Arrangement that may create actual or potential conflicts of interest in connection with the Arrangement. See “Interest of Certain Persons in the Arrangement”.

## **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 “Original Management Agreement”).

The Manager provides the following services to the Fund under the Original Management Agreement:

- 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 Manager also provides 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 Original Management Agreement, Pender can engage other entities in the provision of the services noted above to the Fund. The scope of the services provided by Pender are intended to represent the full scope of services reasonably required to conduct the Fund’s usual daily operations in an efficient manner while the Board and its committees 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 Original Management Agreement also contains typical indemnity provisions. In addition, while Pender's services are not exclusive to WOF, the Original 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 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 Original 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 Original Management Agreement although it provides that 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. See "WOF Going Forward – Amended and Restated Management Agreement" with respect to the performance fee that would be payable under the Arrangement.

The Original 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 Original 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 Original Management Agreement if the Fund does not approve a reasonable annual budget proposed by Pender. Also, if Pender's board does not approve a reorganization of Fund assets and the Fund wishes to proceed with such reorganization, the Fund may terminate the agreement on not less than 90 days' notice. If the Original 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 Original 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 Original Management Agreement.

Under the Original Management Agreement, the Fund and the Manager agreed to use reasonable commercial efforts to effect a potential reorganization of the assets of the Fund to a listed entity with the goal of providing enhanced liquidity and cost savings and began working towards such a reorganization in March 2019. Since that time, the Fund established a special committee of directors to work through key structuring matters involved with such a potential reorganization and has provided regular updates with respect to that work including reporting on challenges related thereto such as significant write downs in the portfolio, the uncertainty of the COVID-19 situation, significant ongoing volatility in equity markets and fundraising required in connection with a listing. On December 21, 2020, the Fund announced that it had entered into a non-binding letter of intent with a third party regarding the potential acquisition of all of the issued and outstanding shares of the Fund. On April 7, 2021, the Fund announced that after significant negotiations, it had entered into the Arrangement Agreement pursuant to which PTF will acquire all of the issued and outstanding shares of the Fund by way of a plan of arrangement, subject to certain terms and conditions. See "Arrangement Agreement".

### **Fees and Expenses of the Fund**

Under the Original 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 Original 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.

During the financial year ended December 31, 2020, \$1,037,066 (audited) was paid to the Manager in management fees.

Under the rights attached to the Class B shares, issuable in series of which for one series (the "IPA Shares"), certain amounts are to be accrued as at the date of termination of the former 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 December 31, 2020, the Commercialization Series had accrued a Contingent IPA Dividend, in connection with the former manager ceasing to be the Fund's manager, of \$322,849 (December 31, 2019: \$497,448). The value of the Contingent IPA Dividend payable had been adjusted as December 31, 2020 to reflect the agreement entered into by the Fund on March 5, 2021, with the former manager whereby the Fund settled the amount owing to the former manager with total consideration comprising cash in the amount of \$322,849 and certain securities in the Commercialization Series portfolio as well as other non-monetary consideration and redeemed and cancelled the IPA Shares.

### The Manager

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](http://www.penderfund.com). As at April 14, 2021, the names, municipality of residence and principal positions of 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	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. <sup>(1)</sup>	Common Shares	Beneficial	41%
Arbutus Family Holdings Ltd. <sup>(2)</sup>	Common Shares	Beneficial	14%
408198 BC Ltd. <sup>(3)</sup>	Common Shares	Beneficial	14%
Felix Narhi	Common Shares	Direct	14%

(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.

## Statement of Executive Compensation

We engage the 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.

Maria Pacella is an officer of the Manager, which manages the Fund. Ms. Pacella also serves as the Fund's President and Chief Executive Officer and as a director of the Fund. The Fund had no role in setting the compensation of executive officers of the Manager. The Manager is responsible for setting total compensation of its executive officers and did so with the objective of providing fair and reasonable compensation that reflected the Manager's need to compensate employees adequately for time and effort expended, while taking into account the financial and other resources of the 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.

The table below contains a summary of the compensation paid by the Manager to Ms. Pacella and Ms. Jones for the periods noted. None of the compensation noted below was paid by the Fund.

Name and principal position	Year <sup>3</sup>	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Maria Pacella</b> <sup>1</sup> Senior VP, Private Equity PenderFund Capital Management Ltd.	2020	\$40,173	Nil	Nil	Nil	Nil	Nil	Nil	\$40,173
	2019	\$33,333	Nil	Nil	Nil	Nil	Nil	Nil	\$33,333
<b>Gina Jones</b> <sup>2</sup> Chief Financial Officer PenderFund Capital Management Ltd.	2020	\$37,949	Nil	Nil	Nil	Nil	Nil	Nil	\$37,949
	2019	\$31,399	Nil	Nil	Nil	Nil	Nil	Nil	\$31,399

(1) Ms. Pacella was appointed as a director and the Fund's President and Chief Executive Officer on March 1, 2019. Ms. Pacella did not receive any compensation for these positions held with the Fund.

(2) Ms. Jones was appointed as the Fund's Chief Financial Officer on March 1, 2019. Ms. Jones did not receive any compensation for this position held with the Fund.

(3) Fiscal year ended December 31.

## 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, 2020.

Name	Total Compensation (\$)
Susan Alley	\$3,600
Aaron Ekman	\$2,400
Stephen Hunt	\$4,500
Alex Irwin*	\$5,400
Lori Mayhew	\$3,000
Cindy Oliver	\$12,000
Barry O'Neill	\$2,100
Maria Pacella	\$Nil

<b>Name</b>	<b>Total Compensation (\$)</b>
Chris Reid	\$5,474
Brooke Sundin*	\$6,900
Nikolas O. Worhaug	\$9,000
<b>TOTAL</b>	<b>\$54,374</b>

\*Note: During the financial year ended December 31, 2020, Barry O'Neill was appointed as a director of the Fund on January 29, 2020. Alex Irwin resigned as a director of the Fund on November 6, 2020.

### **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/](http://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.

## **ANNUAL MATTERS TO BE ACTED UPON**

### **Appointment of Auditors**

Our current auditors are KPMG LLP, Chartered Accountants, of Vancouver, British Columbia, who were first appointed as our auditors on November 14, 2019.

Approval of the shareholders will be sought at the WOF Shareholder Meeting to re-appoint KPMG LLP, Chartered Accountants as our auditors, to hold office until our next annual general meeting, and to authorize the directors to fix the remuneration to be paid to the auditors.

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 April 14, 2021, our Board set the total number of directors for the 2020/21 year at 11. 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 WOF Shareholder Meeting. In the event that the Arrangement is not completed, 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.

Each of the directors and officers of WOF has held the principal occupation listed below, 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; and 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.

In connection with the Arrangement, it is a condition of closing that all of the directors appointed or elected effective as of the WOF Shareholder Meeting will resign on the Effective Date of the Arrangement. It is expected that immediately after the Effective Date, new directors will be appointed to the Board of Directors. See "WOF Going Forward".

### **Appointed Directors**

<u>Name, municipality of residence and position <sup>(7)</sup></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 April 14, 2021</u>
Aaron Ekman Prince George, BC Director	Former Secretary-Treasurer, B.C. Federation of Labour	December 10, 2015	Nil
Stephen Hunt <sup>(1)(5)</sup> Burnaby, BC Director	Director, United Steelworkers, District 3	May 12, 2010	Nil
Lori Mayhew <sup>(3)</sup> Delta, BC Director	Secretary-Treasurer, Canadian Office and Professional Employees Union, Local 378 (dba MovingUP)	June 22, 2006	Nil
Cindy Oliver <sup>(1)(5)</sup> Burnaby, BC Director	Former President, Federation of Post-Secondary Educators of British Columbia (retired)	June 22, 2006	530
Barry O'Neill Lantzville, BC Director	Former President, British Columbia Division, Canadian Union of Public Employees	January 29, 2020	809
Maria Pacella <sup>(6)</sup> Vancouver, BC Director	Senior VP, Private Equity and Portfolio Manager, PenderFund Capital Management Ltd.	March 1, 2019	267
Brooke Sundin <sup>(5)</sup> Langley, BC Director	Former President United Food and Commercial Workers Canada (retired)	June 27, 2018	Nil
Nikolas O. Worhaug <sup>(1)(3)(5)</sup> 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) Members of the Special Committee.
- (6) Ms. Pacella is a non-voting member of the Audit and Governance Committee, Investment Committee and Finance and Valuation Committee.
- (7) 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.

### **Shareholder Elected Directors**

Under WOF's articles, a minimum of two directors are to be elected by shareholders at the annual general meeting. In the past, the Fund has not proposed any nominees for these two directors and instead nominations come from shareholders in attendance at the annual general meeting. With the WOF Shareholder Meeting being held virtually due to COVID-19, nominations will not be able to occur at the WOF Shareholder Meeting. Accordingly, the Fund has proposed the two shareholder elected directors from the Fund's last annual general meeting as the nominees for shareholder elected directors at the WOF Shareholder Meeting:

<u>Name, municipality of residence and position <sup>(7)</sup></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 April 14, 2021</u>
Susan Alley <sup>(1)(3)</sup> Victoria, BC Director	Retired. Former Human Resources Consultant	October 25, 2007	131
Christopher Reid <sup>(2)(4)</sup> Vancouver, BC Director	Chair, Hydrexia Inc. (hydrogen supply company)	October 25, 2007	Nil

- (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 who is independent of the Fund's sponsor and manager, and two members external to the Fund.

### **Capitalization of Earnings**

At the WOF Shareholder 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.**

## THE ARRANGEMENT

### **Background to the Transaction**

WOF is registered as an “employee venture capital corporation” under the *Employee Investment Act* with over 18,000 shareholders.

In 1989, the Province of British Columbia enacted the Employee Investment Act to encourage B.C. residents to invest indirectly in eligible small and medium-sized British Columbia businesses, encourage greater employee participation in share ownership and enterprise development, create and protect jobs and promote growth and diversification of the B.C. economy. The Fund’s labour sponsor, Working Enterprises, formed the Fund in 1990 and joined the Province in a “working partnership” among government, labour and business. Over the past 30 years WOF has been a key supporter of the BC technology sector, providing over \$600 million of patient, long term, committed capital to BC tech entrepreneurs.

We are very proud of the legacy of WOF in its role in the development of the BC Technology industry to what it is today. Long-term committed capital is one of the key requirements for building a great technology sector and WOF has a long history of investing in and supporting companies and technology sector employment in British Columbia. PTF has been investing in and supporting companies in BC since 2003. As PTF becomes a WOF shareholder, it will enable the continued support of the growth and development of our portfolio companies, and those WOF shareholders who choose to continue to hold their shares. Upon a successful exit from WOF portfolio companies, PTF will then be able to use its share of the proceeds to invest in the next generation of innovative BC technology companies, continuing and building upon the legacy started by the Working Opportunity Fund.

In late 2020, the Special Committee received a draft offer with respect to a proposed transaction for the potential acquisition of all of the issued and outstanding shares of the Fund. On December 21, 2020, following extensive negotiations between the Special Committee and PTF, the Fund announced that it had entered into a letter of intent for the Transaction.

As background to the Transaction, information relating to the work of the Special Committee and the Board on the ongoing review and analysis of strategic alternatives aimed at seeking cost reductions and enhancing liquidity options for shareholders is set out in WOF’s Annual Information Form dated March 31, 2021 under the heading Name, Formation and History of WOF, the Audited Financial Statements for the financial year ended December 31, 2020 and the Management Report of Fund Performance for the financial year ended December 31, 2020, all which are hereby incorporated by reference into this Circular and can be accessed under WOF’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **The Arrangement**

On April 7 2021, the Fund announced that after significant negotiations, it had entered into the Arrangement Agreement whereby the Transaction will be completed by way of the Arrangement.

If completed, the Arrangement will provide liquidity for all WOF Shareholders with a cash purchase price at a discount to NAV. For WOF Venture Shareholders who wish to continue to participate in the performance of the underlying portfolio, they may elect to continue to hold their shares and maintain their pro rata position in the WOF Venture Shares portfolio instead of taking the cash option. Immediately prior to the completion of the Arrangement, each series of WOF will distribute all available cash to shareholders, less a reserve to cover remaining commitments attributable to that series.

**There can be no assurance that the Transaction will be completed on the basis proposed for the Arrangement or at all.**

See “Reasons for the Arrangement”, “Arrangement Agreement”, “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction”.

## Reasons for the Arrangement

The Board and the Special Committee considered a number of factors during their deliberations with respect to strategic options for the Fund and in particular the Transaction. At this time, the Board believes that the Transaction by way of the Arrangement is in the best interests of each of the WOF Venture Series and WOF Commercialization Series for the reasons set out below and recommends the WOF Shareholders vote in favour of the Arrangement Resolutions.

Given one of the initial steps in the Arrangement is the exchange of each Balanced Series 1 into that number of Balanced Shares Series 2 based on relative NAV, for ease of understanding we are referring to the Balanced Shares Series 2 NAV per share when we refer to the price for WOF Venture Shares and we have rounded the price to two decimal places.

### WOF Venture Series

- *Choice.* WOF Venture Shareholders will access material liquidity by receiving cash for their WOF Venture Shares at a discount to NAV, **OR** WOF Venture Shareholders can choose to elect to retain their pro-rata participating interest in the WOF Venture Shares portfolio.

This choice reflects the Board's and the Manager's belief that there are two types of WOF Venture Shares shareholders - those wanting timely liquidity, recognizing that the WOF Venture Shares has been off redemption with minimal distributions since 2013, and those that wish to remain invested and seek to realize on the longer term potential of the WOF Venture Shares portfolio. This choice means that the Fund does not have to impose a "one size fits all" on the approximately 16,800 WOF Venture Shareholders. With the ability to choose, the Special Committee believes there is no material increase in valuation risk as compared to the valuation risk that would exist if the Fund was on redemption at the time of the election.

See "Risk Factors".

*Note:* WOF Venture Shareholders will receive the Cash Consideration as the default unless they elect to continue to hold all of their WOF Venture Shares and continue participating in the performance of the WOF Venture Shares portfolio. WOF Venture Shareholders cannot elect to have a combination of the two options.

- *For WOF Exiting Venture Shareholders.* For WOF Exiting Venture Shareholders, being those WOF Venture Shareholders who do not elect to remain shareholders of WOF and who receive Cash Consideration:
  - Certainty of Value and Liquidity – WOF Exiting Venture Shareholders will be provided with certainty of value and liquidity for their WOF Venture Shares by receiving a price equal to \$1.55 per share subject to a +/- 5% adjustment based upon the per share NAV of the WOF Venture Shares portfolio as at the end of the business day immediately prior to the Effective Date. See "Arrangement Agreement – Effective Date NAV Calculation". Immediately prior to the completion of the Arrangement, each series of WOF will distribute all available cash to shareholders, less a reserve to cover remaining commitments attributable to that series. This way, WOF Venture Shareholders will receive any cash assets of the WOF Ventures Shares at full value. Having this certainty of liquidity given the lack of significant distributions to WOF Venture Shareholders since going off redemption in 2013, was a key consideration of the Fund agreeing to the cash consideration as being the default option.
  - Potential Additional Exit Venture Cash Payment – WOF Exiting Venture Shareholders will retain a limited and conditional right to receive the Additional Cash Payment based on a percentage share of net gains from what WOF valued the WOF Venture Shares portfolio investments at completion of the Transaction if there is divestment activity in the WOF Venture Shares' portfolio that

completes before May 18, 2022. The amount of this potential additional cash payment depends on how soon after our AGM the divestment occurs. See “Principal Steps of the Plan of Arrangement – Additional Exit Venture Cash Payment”.

➤ *For WOF Legacy Shareholders.* For those WOF Venture Shareholders who take the necessary steps to elect to retain their pro-rata participating interest in the WOF Venture Shares portfolio (“WOF Legacy Shareholders”) and who will hold Legacy Shares:

- Continued Participation in WOF Venture Shares Portfolio – Providing the option to elect to retain their pro-rata interest in the WOF Venture Shares portfolio by holding WOF Legacy Shares allows those shareholders who wish to continue to participate in the longer term performance of the portfolio.
- Access to Liquidity – In holding WOF Legacy Shares, WOF Legacy Shareholders have the potential to receive liquidity in up to three ways:
  - Pro Rata Redemptions from Portfolio Divestments. WOF Legacy Shareholders will be entitled to receive 95% of the Net Divestment Proceeds from the WOF Venture Shares portfolio with 5% being held in reserve to fund annual shareholder redemption requests. Net Divestment Proceeds will be distributed by way of pro rata redemption of WOF Legacy Shares at NAV per WOF Legacy Share. Once Net Divestment Proceeds equal to the Effective Date NAV of the WOF Legacy Shares have been disbursed to WOF Legacy Shareholders, 80% of the Net Divestment Proceeds will be distributed to the holders of WOF Legacy Shares with the remaining 20% of the proceeds paid to the Manager as a performance fee. See below.
  - Shareholder Annual Limited Redemption Right. WOF Legacy Shareholders will have an annual limited redemption right to request redemption of WOF Legacy Shares at a redemption price equal to 40% of the NAV per WOF Legacy Share as at the immediately preceding December 31.
  - Pro Rata “Sunset” Redemptions. In certain circumstances, PTF will have the right to trigger the redemption by WOF of some or all of the WOF Legacy Shares at a redemption price equal to 50% of the NAV per WOF Legacy Share at the immediately preceding December 31st.

See “WOF Going Forward – Description of Shares”.

- *Fairness from Pro Rata Distributions:* Having liquidity provided by pro rata redemptions of WOF Legacy Shares in connection with portfolio divestments or the PTF triggered redemption eliminates the concern of “last investor standing” with a limited investment portfolio, an important consideration when the Fund adopted the Dividend Distribution Policy in late 2014. See “For WOF Legacy Shareholders – Access to Liquidity” above.
- *Certainty of lower costs:* After the Effective Date, an all-in management and operating fee of 2.5% is estimated to result in lower management expense ratio than currently experienced and takes away the uncertainty of increased operating expenses. See “WOF Going Forward – Amended and Restated Management Agreement”.
- *Elimination of Working Capital Challenges:* After the Effective Date, the all-in management and operation fee will be accrued and only be paid out of gross divestment proceeds when there is a

distribution of divestment proceeds to WOF Legacy Shareholders by way of pro rata redemptions. This alleviates the continuous pressure of working capital challenges experienced for the past number of years. For clarity, as this management fee and operation fee is accrued, it will be included as a liability for the purpose of the calculation of NAV per WOF Legacy Share and will be deducted from divestment proceeds. See “WOF Going Forward – Amended and Restated Management Agreement”.

- *Performance fee is consistent with provision in the current management agreement.* The current management agreement provides that on a re-organization of assets, once WOF Shareholders had received an amount equal the NAV of the Fund as at the date of the reorganization, the Manager would be entitled to a performance or success fee on the same terms and conditions as calculated under the Fund’s previously issued incentive participation shares. The performance fee payable in connection with the Transaction under the amended and restated management agreement is consistent with this term as the Manager will receive 20% of the Net Divestment Proceeds only after Net Divestment Proceeds equal to the Effective Date NAV of the WOF Legacy Shares have been disbursed to WOF Legacy Shareholders. See “WOF Going Forward – Amended and Restated Management Agreement”.

- *Consideration of Other Strategic Options Available.* For the past number of years, the Board and its Special Committee, with input from the Manager have considered a number of strategic alternatives with two key objectives: seeking cost reductions and enhancing liquidity options for WOF Shareholders. In 2020, a number of these scenarios as well as maintaining the status quo were evaluated based on certain criteria including potential for near term liquidity, potential for seeking full value over time and reputational risk with a particular focus on the potential impact on shareholders. The Board and the Special Committee also considered the significant write downs in the portfolio over the preceding 12 months as well as the ongoing significant working capital pressure for the WOF Venture Shares and the views of the Manager of limited potential liquidity events for the portfolio in the next 12 months. While some options provided potential for near term liquidity, it was at the expense of foregoing the potential for seeking full value over time. Others may provide long term potential but did not provide a way to attain necessary near term working capital. After having considered the Transaction and with the paramount consideration of the provision of choice for WOF Venture Shareholders, the Board determined the Arrangement and the entering into of the Arrangement Agreement was in the best interests of WOF Venture Shareholders at this time. The Special Committee also considered that while portfolio companies explore exit opportunities from time to time, there is no assurance that any expressions of interest will ultimately result in the sale of the portfolio company, and there is the potential for liquidity risk post-closing if the divestment includes securities in listed entities. The Special Committee negotiated the potential Additional Exit Venture Cash Payment if there is qualifying divestment activity following the Transaction. The Fund does not believe there is a superior alternative strategic option available for the WOF Venture Shares at this time especially given the ongoing liquidity pressure and the Manager’s expectation of limited potential portfolio company exits in the near term. See “Risk Factors”.
- *Process.* The unanimous recommendation by the Board that the WOF Venture Shareholders vote in favour of the Arrangement Resolution is the result of a thorough process conducted by the Special Committee and the Board in consultation with its independent legal advisors and financial advisors that included extensive negotiation of the Arrangement Agreement and related documentation and careful consideration of various factors including other strategic options and the actual and perceived conflict of the Manager as manager to WOF and as manager to PTF. Steps taken to address the conflict include: obtaining the Fairness Opinion prior to execution of the Arrangement Agreement; obtaining the NAV Confirmation prior to execution of the Arrangement Agreement and which will also be obtained prior to the Effective Date; negotiating terms in the Arrangement Agreement aimed at achieving a fair allocation of risk by allocating that risk to the party or parties that has the clear ability to control or mitigate that

risk (see “Acknowledgment of WOF”’s Manager” in the “Arrangement Agreement”); negotiating the terms of the Cash Consideration including the Additional Exit Venture Cash Payment in the case of Exiting Shareholders; receiving written assurances from the Manager that to the extent the conflict of interest limits the provision of services to WOF during the Interim Period, the Manager will reimburse WOF for the costs of retaining a third party to provide such services; having the right to terminate the Arrangement Agreement in certain circumstances; and negotiating the terms of the amended and restated management agreement to contain a number of provisions relating to governance which provisions are buttressed by the share rights to protect the rights of WOF Legacy Shareholders. See “WOF Going Forward – Description of Shares; - Amended and Restated Management Agreement”.

- *Fairness Opinion Supports Recommendation.* The Fund’s Special Committee engaged Deloitte LLP regarding the Fairness Opinion. In reaching its recommendation regarding approval of the Transaction, the Special Committee received and considered the Fairness Opinion that the Transaction is fair, from a financial point of view, to the WOF Venture Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule “C” to the Circular. WOF Shareholders are encouraged to read the Fairness Opinion carefully in its entirety. See “Fairness Opinion”.
- *Ability to Respond to Superior Proposals and Material Increase in NAV.* As a condition for the benefit of WOF, WOF has the right to terminate the Arrangement Agreement in order to enter into a “Superior Proposal” or if there is at least a 50% increase of the NAV of the WOF Venture Shares portfolio from the execution of the Arrangement Agreement and the Effective Date. To exercise this right, WOF would have to pay a \$1,500,000 break fee but would have up to 12 months to do so. See “Arrangement Agreement – Termination and Termination Payment”.
- *Customary Shareholder and Court Approvals.* The Arrangement is subject to customary approvals to protect the interests of WOF Venture Shareholders which includes: (i) WOF Venture Shareholders Approval; and (ii) the receipt of the Final Order from the Court, which will consider the fairness of the Arrangement to WOF Venture Shareholders.
- *Dissent Rights.* Registered WOF Venture Shareholders who oppose the Arrangement, may, in strict compliance with certain conditions, exercise their Dissent Rights and receive the fair value of the Dissent Shares in accordance with the Arrangement. It is a condition precedent to the completion of the Arrangement that holders of not more than 5% of the issued and outstanding WOF Shares have not exercised their right to dissent in respect of the Arrangement.
- *Closing Anticipated in a Timely Fashion.* The Special Committee believes that the Arrangement is reasonably likely to be completed in accordance with its terms and before the end of the first half of 2021. This belief is in part because all required regulatory approvals are expected to be obtained, there are limited conditions to completing the Arrangement and due to the relationship between the Manager and PTF, the parties are well-informed and additional due diligence is unnecessary, so the Arrangement is not subject to due diligence.
- *Investee Companies.* One of the stakeholders of WOF is its investee companies. The Arrangement is expected to have minimal impact on investees as portfolio companies will be able to continue to pursue their business objectives within a portfolio managed by the same manager.
- *Continued Support of BC Technology Ecosystem.* Given PTF’s business as an investment entity, upon a successful exit from the portfolio acquired on closing, PTF will be able to use its proceeds from these exits to invest in the next generation of innovative BC technology companies, continuing and building upon the important legacy of WOF.

See “Risk Factors” and “Certain Canadian Tax Considerations Regarding the Transaction”.

### Commercialization Series

- *Certainty of Value and Liquidity.* With the Cash Consideration, WOF Commercialization Shareholders will be provided with certainty of value and liquidity for their WOF 05 Commercialization Shares by receiving the greater of (i) 50% of the Effective Date NAV per WOF 05 Commercialization Share; and (ii) 75% of the subscription price of the securities issued under the BuildDirect Subscription Receipt Financing provided that the BuildDirect Subscription Receipt Financing has been completed on the Effective Date. See “Arrangement Agreement – Effective Date NAV Calculation”. The sole company remaining in portfolio attributable to the WOF 05 Commercialization Shares is BuildDirect.com Technologies Inc. ("**BuildDirect**"). BuildDirect announced a potential liquidity event on March 19, 2021 but there is no certainty this will be completed. Accordingly, the Special Committee negotiated the "greater of" cash consideration. Having certainty of liquidity for the WOF Commercialization Shareholders was considered important for the reasons below. In assessing the value of the liquidity from the Cash Consideration, the Special Committee also considered the experience of the WOF Commercialization Shareholders and the fact that when taking into account tax credits of 30%, normal course dividends of 25% and the two dividends in 2020 WOF Commercialization Shareholders have received over 100% of their net cash purchase price back prior to the Arrangement. See “Background to the Arrangement.” Immediately prior to the completion of the Arrangement, each series of WOF will distribute all available cash to shareholders, less a reserve to cover remaining commitments attributable to that series. This way, WOF Commercialization Shareholders will receive any cash assets of the WOF 05 Commercialization Shares at full value.
- *Significant Concentration Risk With Continuing Operations.* After divestments in the portfolio over the past 12 months, BuildDirect is the sole active investee company remaining in the WOF 05 Commercialization Shares portfolio. This significantly increases exposure to sector specific risk and also to specific company risk.
- *Shareholder Buyout Protects Against Erosion of Value With Continued Operations.* After the significant divestments in 2020 and payment of dividends, NAV of the WOF 05 Commercialization Shares is less than \$1.4M. Continuing operations in the normal course is expected to significantly erode shareholder value over time due to the uneconomical operating costs relative to the minimal remaining NAV of the WOF 05 Commercialization Shares. At an individual shareholder level, the disproportion of high account fees to value of WOF 05 Commercialization Shares held in the account would be expected to erode value for many as 77% of accounts hold less than \$1,000 in WOF 05 Commercialization Shares and account fees can range between \$0 to \$100 annually.
- *Consideration of Other Strategic Options Available.* As set out in detail in “Background to the Arrangement”, after considering courses of actions for the WOF 05 Commercialization Shares taking into account portfolio composition, liquidity options and such other factors as considered relevant on the advice of advisors, the Fund made the decision to close WOF 05 Commercialization Shares redemptions as of July 1, 2020 and to seek to distribute available cash from future divestments of portfolio companies equally by way of dividends. The WOF 05 Commercialization Shares paid an on aggregate of \$5.5 million dividend payments in 2020. The Special Committee considered the view of the Manager that there are limited potential liquidity events foreseen in the next 12 months given the remaining portfolio and the risks associated with realizing on the recently announced potential liquidity event for that investee company. The Special Committee negotiated a potentially greater cash amount for WOF Commercialization Shareholders if BuildDirect completes its financing before the Effective Date of the Arrangement. Considering the reasons identified in this section, the Board determined the Arrangement and the entering into of the Arrangement Agreement was in the best interests of the WOF Commercialization Shareholders

at this time. The Fund does not believe there is a superior alternative strategic option available for the WOF 05 Commercialization Shares at this time especially given the increased specific company risk, ongoing operating costs and liquidity pressure in the event that the BuildDirect potential liquidity event does not occur. See “Risk Factors”.

- *Process.* The unanimous recommendation by the Board that the WOF Commercialization Shareholders vote in favour of the Arrangement Resolution is the result of a thorough process conducted by the Special Committee and the Board in consultation with its independent legal advisors and financial advisors that included careful consideration of various factors including other strategic options and the actual and perceived conflict of the Manager as manager to WOF and as manager to PTF and extensive negotiation of the Arrangement Agreement and related documentation. See “Background to the Arrangement” and “Arrangement Agreement”. Steps taken to address the conflict included obtaining the Fairness Opinion; obtaining NAV Confirmation prior to the Effective Date; negotiating terms in the Arrangement Agreement aimed at achieving a fair allocation of risk by allocating that risk to the party or parties that has the clear ability to control or mitigate that risk (see “Acknowledgment of WOF’s Manager” in the “Arrangement Agreement”); negotiating the terms of the Cash Consideration including the “greater of” component thereof; receiving written assurances from the Manager that to the extent the conflict of interest limits the provision of services to WOF during the Interim Period, the Manager will reimburse WOF for the costs of retaining a third party to provide such services; and having the right to terminate the Arrangement Agreement in certain circumstances.
- *Fairness Opinion Supports Recommendation.* The Fund’s Special Committee engaged Deloitte LLP regarding the Fairness Opinion. In reaching its recommendation regarding approval of the Transaction, the Special Committee received and considered the Fairness Opinion that the Transaction is fair, from a financial point of view, to the WOF Commercialization Shareholders. The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule “C” to this Circular. WOF Shareholders are encouraged to read the Fairness Opinion carefully in its entirety. See “Fairness Opinion”.
- *Ability to Respond to Superior Proposals.* As a condition for the benefit of WOF has the right to terminate the Arrangement Agreement in order to enter into a “Superior Proposal”. To exercise this right, WOF would have to pay a \$1,500,000 break fee but would have up to 12 months to do so. See “Arrangement Agreement – Right to Match” and “Arrangement Agreement - Termination and Termination Payment”.
- *Customary Shareholder and Court Approvals.* The Arrangement is subject to customary approvals to protect the interests of WOF Commercialization Shareholders which includes: (i) WOF Commercialization Shareholders Approval; and (ii) the receipt of the Final Order from the Court, which will consider the fairness of the Arrangement to WOF Commercialization Shareholders. If the Transaction is not approved by WOF Commercialization Shareholders, the Transaction may still proceed for the WOF Venture Shareholders. See “Amendment of Arrangement with respect to WOF 05 Commercialization Shares”.
- *Dissent Rights.* Registered WOF Commercialization Shareholders who oppose the Arrangement, may, in strict compliance with certain conditions, exercise their Dissent Rights and receive the fair value of the Dissent Shares in accordance with the Arrangement. It is a condition precedent to the completion of the Arrangement that holders of not more than 5% of the issued and outstanding WOF Shares have not exercised their right to dissent in respect of the Arrangement.
- *Closing Anticipated in a Timely Fashion.* The Special Committee believes that the Arrangement is reasonably likely to be completed in accordance with its terms and before the end of the first half of 2021.

This belief is in part because all required regulatory approvals are expected to be obtained, there are limited conditions to completing the Arrangement and due to the relationship between the Manager and PTF, the parties are well-informed and additional due diligence is unnecessary, so the Arrangement is not subject to due diligence.

- *Investee Companies.* One of the stakeholders of the WOF 05 Commercialization Shares is its investee companies. The Arrangement is expected to have minimal impact on investees as portfolio companies will be able to continue to pursue their business objectives within a portfolio managed by the same manager.
- *Continued Support of BC Technology Ecosystem.* Given PTF's business as an investment entity, upon a successful exit from the portfolio acquired on closing, PTF will be able to use its proceeds from these exits to invest in the next generation of innovative BC technology companies, continuing and building upon the important legacy of WOF.

See "Risk Factors" and "Certain Canadian Tax Considerations Regarding the Transaction".

In addition to considering the reasons set out above, the Special Committee considered a number of risks associated with the Arrangement in reaching its recommendation that relate to the conflict of the Manager with respect to the Transaction and the Arrangement and the specific deal terms including:

- The actual and perceived conflicts of the Manager given that the Manager is the manager of the Fund and of PTF, the acquiror under the Arrangement, and the Fund relies on the Manager for day to day management of the Fund. While WOF has taken a number of steps to mitigate these conflicts, circumstances from this conflict may arise that were unforeseen and that may not adequately addressed. See "Reasons for the Arrangement", "Fairness Opinion", "Description of Shares", "Interests of Certain Persons in the Arrangement" and "WOF Going Forward".
- The valuation risk that exists for WOF Exiting Venture Shareholders, WOF Legacy Shareholders and WOF Commercialization Shareholders under the terms of the Arrangement. This risk was considered by the Special Committee during its deliberations and in addition to taking certain steps to address the risk such as having the ability to choose to exit or to remain invested, concluded that if the WOF Venture Shares was open to redemption at the time of the Election, shareholders would face the same valuation risk as described above when deciding whether or not to redeem shares.
- The risk of not proceeding with the Arrangement was considered by the Special Committee and in particular, including the belief by the Special Committee that there is not a superior alternative strategic option available at this time:
  - For WOF Venture Shares – the ongoing liquidity pressure and the Manager's expectation of limited potential portfolio company exits in the near term, results in significant uncertainty and risk to the WOF Venture Shareholders of not proceeding with the Arrangement; and
  - WOF 05 Commercialization Shares – the increased specific company risk with a portfolio of one investee company and the risks associated with realizing on the recently announced potential liquidity event for that investee company and the risk of eroding shareholder value over time due to the uneconomical operating costs relative to the minimal remaining NAV results in significant uncertainty to the WOF Commercialization Shareholders of not proceeding with the Arrangement.

See "Risk Factors".

## Fairness Opinion

Deloitte LLP was retained by the Special Committee to provide an opinion as to the fairness, from a financial point of view, of the Transaction pursuant to the Arrangement Agreement to the WOF Shareholders.

The full text of the Fairness Opinion, setting out the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached as Schedule C. WOF Shareholders are encouraged to read the Fairness Opinion carefully in its entirety. The summary of the Fairness Opinion in this Circular is qualified in its entirety by, and should be read in conjunction with the full text of the Fairness Opinion.

In considering the fairness, from a financial point of view, of the Transaction to the WOF Shareholders, Deloitte LLP considered a number of factors including, but not limited to, the following:

- The financial position of the Fund including that:
  - WOF Venture Shares divestments have taken significantly longer than anticipated by WOF, with WOF Venture Shareholders having received a single dividend payment of an aggregate \$7.5M dividend paid in December 2015 representing 5% of WOF Venture Shares NAV at the time;
  - the significant decrease in NAV of the WOF Ventures Shares and WOF 05 Commercialization Shares in the past five years;
  - continuing significant working capital pressures for the WOF Ventures Shares; and
  - returns available to the WOF Shareholders would be reduced by the current fund management fee of 1.5% and operating expenses resulting in an ongoing drag on NAV over time.
- The structure of the Transaction provides WOF Venture Shareholders an option to either exit and receive a cash payment, albeit at a discount, or to continue to participate in the legacy WOF Venture Shares portfolio for a limited period and with modified share rights.
- While the WOF Commercialization Shareholders do not have the option to continue to participate in the portfolio, the Fund has monetized the majority of the WOF 05 Commercialization Shares' investments and has only one investment remaining as at April 6, 2021.
- The range of discounts to NAV specified in the Arrangement Agreement as compared to the reference ranges implied by prices paid or offered in selected precedent transactions that Deloitte considered relevant recognizing that an analysis of the results of such a comparison necessarily involves complex considerations and judgements concerning the differences between WOF, the Fund's material assets, and the companies and transactions to which they are being compared as well as other factors that could affect transaction values and discounts to NAV.

Although not forming part of the financial analysis, Deloitte LLP considered a number of other factors in arriving at the Fairness Opinion, including the following:

- The all-in management fee of 2.5%, which will be accrued and paid from divestment proceeds, which represents an expected decrease from operating management expense ratio of the WOF Venture Shares for the financial year ended December 31, 2020 and alleviates certain of the working capital pressures.
- The WOF Exiting Venture Shareholders retain a limited and conditional right to receive an Additional Exit Venture Cash Payment.
- The performance fee contemplated pursuant to the terms of the Arrangement Agreement is at a rate equivalent to the performance fee of 20% that the Manager would have been entitled to upon a reorganization of the Fund's assets and is within the range of performance fees for comparable venture capital funds.

On April 5, 2021, Deloitte LLP verbally delivered its opinion, subsequently confirmed in writing, that as at April 6, 2021, and based upon and subject to the assumptions made, matters considered and limitations and qualifications set forth in the Fairness Opinion and such other factors as it considered relevant, that the Transaction under the Arrangement is fair, from a financial point of view, to the WOF Venture Shareholders and fair, from a financial point of view, to the WOF Commercialization Shareholders.

Under the engagement letter, Deloitte LLP has agreed to provide the fairness opinion to the Special Committee on a fixed fee plus applicable taxes and reimbursement of reasonable expenses basis, which are not contingent on the substance of the Fairness Opinion or the completion of the Transaction. The Special Committee has agreed to indemnify Deloitte LLP against certain liabilities in connection with the engagement.

**The Fairness Opinion is not a recommendation to any WOF Shareholder as to whether to vote in favour of the Arrangement Agreement or whether to take any action with respect to the Arrangement Agreement.**

**The Fairness Opinion is only one factor that was taken into consideration by the Board in making its decision to recommend that the WOF Shareholders vote in favour of the Arrangement.** See “Reasons for the Arrangement” and “Risk Factors”.

The Board urges WOF Shareholders to review the Fairness Opinion carefully and in its entirety. See Schedule “C”.

### **Recommendation of the Board**

The Board, having received the unanimous recommendation of the Special Committee and considered the opinion of Deloitte that the Arrangement is fair, from a financial point of view, to the each of WOF Venture Shareholders and the WOF Commercialization Shareholders and having reviewed and considered the Arrangement in consultation with legal counsel, has determined that at this time:

- the Arrangement is in the best interests of the WOF Venture Shareholders; and
- the Arrangement is in the best interests of the WOF Commercialization Shareholders.

Further, the Board unanimously approved the Arrangement Agreement and recommends that:

- the WOF Venture Shareholders vote their WOF Shares in favour of the Arrangement Resolution; and
- the WOF Commercialization Shareholders vote their WOF Shares in favour of the Arrangement Resolution.

### **Interest of Certain Persons in the Arrangement**

#### **The Manager**

In considering the recommendation of the WOF Board with respect to the Transaction and the Arrangement, WOF Shareholders should be aware that Manager and certain of its officers who are also officers and/or directors of WOF have interests in connection with the Arrangement that create actual or potential conflict.

Maria Pacella, the President, Chief Executive Officer and a director of the Fund is also an executive officer and employee of the Manager which also manages PTF. Gina Jones, the Chief Financial Officer of the Fund, is also the Chief Financial Officer and Chief Compliance Officer of the Manager, and Chief Financial Officer of PTF.

The Manager is the manager of WOF and of PTF, the acquiror under the Arrangement, which gives rise to actual and perceived conflicts. WOF has taken a number of steps to mitigate these conflicts including: obtaining the Fairness Opinion prior to execution of the Arrangement Agreement; obtaining the NAV Confirmation prior to execution of the Arrangement Agreement and which will also be obtained prior to the Effective Date; negotiating terms in the Arrangement Agreement aimed at a fair allocation of risk by allocating that risk to the party or parties

that has the clear ability to control or mitigate that risk (see “Acknowledgment of WOF’s Manager in the “Arrangement Agreement”); negotiating the terms of the Cash Consideration including the Additional Exit Venture Cash Payment in the case of Exiting Shareholders; receiving written assurances from the Manager that to the extent the conflict of interest limits the provision of services to WOF during the Interim Period, the Manager will reimburse WOF for the costs of retaining a third party to provide such services; having the right to terminate the Arrangement Agreement in certain circumstances; and negotiating the terms of the amended and restated management agreement to contain a number of provisions relating to governance which provisions are buttressed by the share rights to protect the rights of WOF Legacy Shareholders. See “Reasons for the Arrangement” “Fairness Opinion”, “Share Rights”, “WOF Going Forward” and “Risk Factors”. Under the existing management agreement between the Manager and PTF, the Manager receives a management fee (and a potentially a performance fee) from PTF. As, assuming the Arrangement completes, PTF will be a shareholder of WOF and therefore be subject to the fees contained in the Amended and Restated Management Agreement, the Manager and PTF intend to amend their existing management agreement to ensure that PTF is not paying fees related to any WOF Shares it holds under their existing management agreement.

### **Directors and Executive Officers**

In considering the recommendation of the WOF Board with respect to the Arrangement, WOF Shareholders should be aware that certain members of the WOF Board have interests in connection with the Arrangement that may create actual or potential conflicts of interest in connection with the Arrangement. As a condition to the completion of the Arrangement, WOF will secure run-off directors’ and officers’ liability insurance effective on the Effective Date in an amount of \$10,000,000 extending for a period of at least three years after the Effective Date, which will be charged as an expense accrued against the NAV of the WOF Ventures Shares and WOF Commercialization Shares immediately prior to the Effective Date according to applicable allocation policies. Further, each of the directors of WOF has entered into a normal course indemnification agreement with WOF as permitted by the Business Corporations Act and the Articles of WOF, the terms of which will survive the completion of the Plan of Arrangement. While it is a condition of completing the Arrangement that WOF shall provide to PTF written resignations and mutual releases effective as of the Effective Date from all directors and officers of WOF (other than employees of the Manager), the release shall not release WOF from any indemnity obligations owed to a director pursuant to the Business Corporations Act or pursuant to the existing indemnification agreements.

See “Risk Factors”.

### **Arrangement Agreement**

The Arrangement will be carried out pursuant to the Arrangement Agreement and the Plan of Arrangement. The following is a summary of the principal terms of the Arrangement Agreement. This is a summary only and is qualified in its entirety by reference to the Arrangement Agreement which is incorporated by reference herein and may be found under WOF’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Effective Date and Conditions of Arrangement**

The Arrangement will become effective at the Effective Time (anticipated to be 12:01 a.m. (Vancouver time) on the Effective Date) if:

- the Arrangement Resolution is passed by the WOF Venture Shareholders and, if binding on the WOF Commercialization Shareholders, the WOF Commercialization Shareholders;
- the Final Order of the Court is obtained approving the Arrangement; and
- all other conditions to the Arrangement becoming effective are satisfied or waived.

The Effective Date will be the date the Final Order of the Court is deposited at the registered office of WOF, which will be the date agreed by WOF and PTF or the date that is the earlier of three Business Days after satisfaction or

waiver of the conditions to the Arrangement or June 12, 2021 provided that the conditions to the Arrangement have been satisfied or waived.

It is currently expected that the Effective Date will be on or before May 25, 2021.

### **Acknowledgement of WOF's Manager**

The Manager is the manager of WOF and of PTF, the acquiror under the Arrangement, which gives rise to actual and perceived conflicts. WOF has taken a number of steps to mitigate these conflicts including negotiating terms in the Arrangement Agreement aimed at achieving a fair allocation of risk. See "Reasons for the Arrangement" and "Interest of Certain Persons in the Arrangement – The Manager".

In seeking to achieve a fair allocation of risk under the Arrangement Agreement, there is an express acknowledgement and recognition of the powers and duties of the Manager as the manager of WOF and of the relationship among PTF and the Manager. This provision has the effect of limiting the representations being required of WOF and also limits the covenants that the WOF Board must uphold up to the Effective Date and that if not true or complied with, would otherwise give PTF the right to say a condition has not been satisfied. Essentially, WOF is not at risk of having PTF not completing the Arrangement because of an action the Manager takes or does not take, or that the Manager does or does not know when as manager it should unless the WOF Board specifically directed the Manager's action.

Specifically, under the Arrangement Agreement, WOF and PTF acknowledge that any breach of the Arrangement Agreement that arises as a result of:

- the action or failure to act by the Manager; or
- any representations and warranties of WOF failing to be true and correct where in making such representation and warranty WOF relied on the Manager's confirmation as to the accuracy thereof

(each a "**Manager Responsible Act**"),

will not entitle PTF to terminate the Arrangement Agreement unless the Manager Responsible Act was specifically directed by the WOF Board.

In addition, if the Manager Responsible Act resulted in the failure to satisfy certain condition precedents in the Arrangement Agreement, then unless such Manager Responsible Act was specifically directed by the WOF Board such condition precedent will be deemed to have been satisfied by WOF.

### **Representations and Warranties**

The Arrangement Agreement contains customary representations and warranties of each of PTF and WOF. Those representations and warranties were made solely for purposes of the Arrangement Agreement and may be subject to important qualifications, limitations and exceptions agreed to by the parties in connection with negotiating its terms. In particular, some of the representations and warranties are subject to a contractual standard of materiality or material adverse effect different from that generally applicable to public disclosure to WOF Shareholder, or are used for the purpose of allocating risk between the parties to the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties of WOF in the Arrangement Agreement are subject to the Manager Responsible Acts described above and relate to matters that include, among other things, incorporation and organization, authority and no violation, subsidiaries and ownership of other shares, insolvency, legal proceedings, corrupt practices, and fairness opinion and recommendation.

The representations and warranties of PTF in the Arrangement Agreement relate to matters that include, among other things, incorporation and organization, authority and no violation, legal proceedings, sufficient funds, no ownership of WOF Shares or other securities and corrupt practices.

### **Conditions to the Arrangement Becoming Effective**

In order for the Arrangement to become effective, certain conditions must have been satisfied or waived which conditions are summarized below.

#### *Mutual Conditions*

The respective obligations of WOF and PTF to complete the Arrangement are subject to the satisfaction or mutual waiver of a number of customary conditions on or before the Effective Date, including the approval of the Arrangement Resolution and WOF having obtained the Interim Order, Final Order and the EIA Approval.

#### *PTF Conditions*

Subject to the Manager Responsible Acts described above, the obligation of PTF to complete the Arrangement is subject to the satisfaction, on or before the Effective Date, of certain additional conditions precedent (each of which is for the exclusive benefit of PTF and may be waived by PTF), including that all covenants have been performed by WOF, that the representations and warranties of WOF are true and correct in all material respects, there not being a material adverse change to WOF and the resignation of certain directors of WOF.

#### *WOF Conditions*

The obligation of WOF to complete the Arrangement is subject to the satisfaction, on or before the Effective Date, of certain additional conditions precedent (each of which is for the exclusive benefit of WOF and may be waived by the WOF Board), including that all covenants have been performed by PTF, that the representations and warranties of PTF are true and correct in all material respects, the Manager and WOF having executed an amendment to the management agreement and WOF having received satisfactory confirmations from the Financial Advisor with respect to the Manager's NAV per Share calculations.

### **Non-Solicitation Covenant**

Under the Arrangement Agreement, WOF is subject to customary restrictions regarding soliciting other proposals and other types of sale transactions. However, these restrictions expressly do not apply to sales of WOF individual portfolio companies.

Specifically, WOF has agreed that it will not directly or indirectly:

- (a) initiate, solicit or otherwise facilitate any proposal or offer that constitutes an Acquisition Proposal;
- (b) participate in any discussions or negotiations regarding an Acquisition Proposal;
- (c) effect a Change of Recommendation; or
- (d) accept or enter into any agreement, arrangement or understanding related to any Acquisition Proposal (except as permitted in connection with a Superior Proposal).

Notwithstanding the above restrictions, if WOF receives an unsolicited written Acquisition Proposal from another entity, then WOF can provide information to that entity and participate in any discussions or negotiations regarding such Acquisition Proposal; provided that the WOF Board determines in good faith that such Acquisition Proposal could reasonably be expected to lead to a Superior Proposal and failure to take such action would be inconsistent with its fiduciary duties under applicable laws. If this was to occur, WOF has agreed that it will keep PTF fully

informed of the status of any such Acquisition Proposal or inquiry and would remain subject to restrictions regarding soliciting other proposals and other types of sale transactions.

### **Right to Match**

Notwithstanding the non-solicitation provisions of the Arrangement Agreement, WOF has customary rights of being able to consider and act on a Superior Proposal up until the WOF Shareholder Meeting. Similarly, as is customary, PTF has the right to match any Superior Proposal.

Specifically, WOF may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal if, among other things:

- (a) such Acquisition Proposal constitutes a Superior Proposal;
- (b) the WOF Shareholder Meeting has not occurred;
- (c) five Business Days have elapsed from the date PTF receives written notice from WOF advising of the determination of the WOF Board that the Acquisition Proposal is a Superior Proposal (the "**Match Period**"); and
- (d) WOF terminates the Arrangement Agreement and pays to PTF an amount equal to \$1,500,000 (the "**Termination Payment**") pursuant to the termination provisions of the Arrangement Agreement.

During the Match Period, PTF will have the right, but not the obligation, to offer to amend the terms of the Arrangement Agreement. The WOF Board will review any offer by PTF to amend the terms of the Arrangement Agreement in order to determine whether PTF's offer would result in such Acquisition Proposal ceasing to be a Superior Proposal. If PTF's proposed amendments would result in such Acquisition Proposal ceasing to be a Superior Proposal, PTF and WOF will amend the terms of the Arrangement Agreement and the Arrangement accordingly. If the WOF Board continues to believe that such Acquisition Proposal remains a Superior Proposal and therefore rejects PTF's amended proposal, WOF may terminate the Arrangement Agreement and will be required to pay the Termination Payment.

If, less than six Business Days before the WOF Shareholder Meeting, an Acquisition Proposal has been publicly announced and the Match Period has not elapsed, then, subject to applicable laws, at PTF's request, WOF will postpone or adjourn the WOF Shareholder Meeting to a date not be less than six Business Days and not more than 12 Business Days after the scheduled date of the WOF Shareholder Meeting.

### **Termination and Termination Payment**

The Arrangement Agreement may, at any time before or after the holding of the WOF Shareholder Meeting but not later than the Effective Date:

- (a) be terminated by the mutual agreement of WOF and PTF;
- (b) be terminated by either WOF or PTF if, among other things, the Arrangement Resolution is not approved at the WOF Shareholder Meeting, certain conditions precedent to the closing of the Arrangement are not satisfied or the Effective Time does not occur before June 15, 2021;
- (c) be terminated by PTF if, among other things, there is a Change of Recommendations, WOF breaches the non-solicitation provisions or there is a material adverse effect with respect to WOF; or
- (d) be terminated by WOF if, among other things, there is a Superior Proposal, there is a material adverse effect with respect to PTF or there is an increase in the WOF Venture Shares NAV calculation by at least 50%.

If the Arrangement Agreement is terminated under (c) above, and provided that an Acquisition Proposal actually completes, then completion WOF will be required to pay to PTF the Termination Payment. If the Arrangement Agreement is terminated under (d) above, WOF will be required to pay PTF on the earlier of WOF receiving sufficient disposition proceeds to fund such payment and 12 months after termination.

## **Principal Steps of the Plan of Arrangement**

### **Summary of Principal Steps**

The following is a summary of the principal steps that will occur on the Effective Date under the terms of the Plan of Arrangement. This is a summary only and is qualified in its entirety by reference to the disclosure below under the subheading “Arrangement Steps” and the Plan of Arrangement which is incorporated by reference herein and may be found under WOF’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Step 1: WOF will cease to be an "employee venture capital corporation" under the Employee Investment Act.

Step 2: WOF will amend its Articles to, among other things:

- change requirements regarding Board matters including that the Sponsor will no longer make any appointments to the Board, reducing the minimum number of directors to three of which the majority must be independent from management;
- amend the share rights for the WOF Balanced Shares (Series 2) and redesignate them the “WOF Legacy Shares”;
- create the rights attached to the WOF Exit Shares; and
- change its name from WOF to "Pender Private Investments Inc."

Step 3: each outstanding WOF Balanced Share (Series 1) will be exchanged for the number of WOF Legacy Shares based on the NAV per share of the Balanced Shares Series 1 relative to the NAV of Balanced Shares Series 2. This is the Exchange Ratio described below in the “Effective Date NAV Calculation”.

*Note to WOF Balanced Shares (Series 1) – while this will mean you will hold a different number of shares with a different NAV per share, the value of your investment in WOF Venture Shares will not be affected by the exchange.*

Step 4: every WOF Venture Shareholder that delivered a valid Election will continue to hold all WOF Legacy Shares registered to such WOF Venture Shareholder.

*Note: The Legacy Shares will be governed by the Amended and Restated Management Agreement after the Effective Date. See “WOF Going Forward – Amended and Restated Management Agreement”.*

Step 5: each WOF Exiting Venture Shareholder and each WOF Commercialization Shareholder will receive the Cash Consideration in respect of their WOF Shares, as applicable. See “Reasons for the Arrangement – For WOF Exiting Venture Shareholders – Certainty of Value and Liquidity” and “Reasons for the Arrangement - Commercialization Series – Certainty of Value and Liquidity”.

Immediately before the Effective Time, WOF will file an election to become a “public corporation” under the ITA. This election would only take effect upon the occurrence of WOF ceasing to be an “employee venture capital corporation” and ensures that WOF Shares remain RRSP eligible. See “Certain Canadian Tax Considerations Regarding the Transaction”.

Also immediately before the Effective Time, each series of WOF Shares will distribute all available cash to WOF Shareholders of that series, less a reserve acceptable to WOF acting reasonably to cover remaining commitments attributable to the WOF Venture Shares and WOF 05 Commercialization Shares, as applicable. This way, WOF Venture Shareholders will receive any cash assets of the WOF Ventures Shares at full value and WOF Commercialization Shareholders will receive any cash assets of the WOF 05 Commercialization Shares at full value.

### **Effective Date NAV Calculation**

There are some key calculations that need to be performed in order to affect the terms of the Arrangement. The Plan of Arrangement sets out these calculations and related requirements including that the Financial Advisor has confirmed that each NAV per Share calculated by the Manager is reasonable as of the Effective Date. These calculations will determine whether the Base Price of WOF Venture Shares being the NAV per Shares as of the date immediately before signing the Arrangement Agreement will be adjusted. See “Reasons for the Arrangement – Venture Series – For WOF Exiting Venture Shareholders – Certainty of Value and Liquidity”.

Specifically, the Plan of Arrangement provides on the date that is the third Business Day immediately before the Effective Date, the Manager will provide to the Financial Advisor its calculations of NAV per Share as at the Effective Date, and provided that the Manager will have confirmed in writing to the Financial Advisor that there has been no change to such calculations prior to the Effective Date, then upon the Financial Advisor having confirmed that each NAV per Share calculated by the Manager is reasonable:

- (a) the NAV per WOF Balanced Shares (Series 1) so calculated by the Manager will be the "**Effective Date NAV per WOF Balanced Share (Series 1)**" and 43.5% of that amount will be the "**Series 1 Threshold Amount**";
- (b) the NAV per WOF Balanced Shares (Series 2) so calculated by the Manager will be the "**Effective Date NAV per WOF Balanced Share (Series 2)**" and 43.5% of that amount will be the "**Series 2 Threshold Amount**";
- (c) the NAV per WOF 05 Commercialization Shares so calculated by the Manager will be "**Effective Date NAV per WOF 05 Commercialization Share**";
- (d) in respect of each WOF Balanced Share (Series 1) and subject to a maximum increase or decrease amount equal to the Base Price per WOF Balanced Share (Series 1) multiplied by 5%:
  - (i) if the Series 1 Threshold Amount is greater than or equal to the Base Price per WOF Balanced Share (Series 1), then the Base Price per WOF Balanced Share (Series 1) will be increased by an amount equal to the difference between the Series 1 Threshold Amount and the Base Price per WOF Balanced Share (Series 1); or
  - (ii) if Series 1 Threshold Amount is less than the Base Price per WOF Balanced Share (Series 1), then the Base Price per WOF Balanced Share (Series 1) will be decreased by an amount equal to difference between the Base Price per WOF Balanced Share (Series 1) and the Series 1 Threshold Amount;

with such adjusted price so calculated by the Manager being the "**Adjusted Price per WOF Balanced Share (Series 1)**";

- (e) in respect of each WOF Balanced Share (Series 2):
  - (i) if the Series 2 Threshold Amount is greater than or equal to the Base Price per WOF Balanced Share (Series 2), then the Base Price per WOF Balanced Share (Series 2) will be

increased by an amount equal to the difference between the Series 2 Threshold Amount and the Base Price per WOF Balanced Share (Series 2); or

- (ii) if the Series 2 Threshold Amount is less than the Base Price per WOF Balanced Share (Series 2), then the Base Price per WOF Balanced Share (Series 2) will be decreased by an amount equal to difference between the Base Price per WOF Balanced Share (Series 2) and the Series 2 Threshold Amount;

with such adjusted price so calculated by being the "**Adjusted Price per WOF Balanced Share (Series 2)**"; and

- (f) "**Exchange Ratio**" means the Adjusted Price per WOF Balanced Share (Series 1) divided by Adjusted Price per WOF Balanced Share (Series 2) as calculated by the Manager.

### **Arrangement Steps**

Under the Plan of Arrangement, commencing at the Effective Time, the following principal events will occur and will be deemed to occur in the following sequence, other than the events set out below which are deemed to occur as of the Redemption Date:

- (a) WOF will cease to be registered as an "employee venture capital corporation" under the Employee Investment Act;
- (b) the existing Employee Venture Capital Plan will be terminated and will cease to be binding on WOF;
- (c) the Articles of WOF will be amended to:
  - (i) change the legal name of the WOF to "Pender Private Investments Inc.";
  - (ii) delete in its entirety the current Part 6.4 relating to the requirement for unanimous shareholder approval to amend to certain provisions of the Articles;
  - (iii) delete in their entirety the current Part 6.5, Part 7.1 and Part 7.2 relating to certain Employee Investment Act requirements;
  - (iv) delete in its entirety the current Part 10.2 relating to quorum and replace with the following:

"Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting is two shareholders entitled to vote at the meeting whether in person or by proxy, who hold, in the aggregate, at least 5% of the issued shares entitled to be voted at the meeting."
  - (v) delete, in its entirety, the current Part 13.1 and replace with the following:

"Prior to each annual general meeting of the Company, the directors will by resolution, determine the total number of directors to be elected and appointed at the upcoming annual general meeting and how those directors positions will be filled by election or appointment, provided such number will not be less than three and provided that for so long as there are at least twenty-five holders of WOF Legacy Shares, at least a majority of directors will be independent of the Company's manager and PTF and meet the criteria for independence under Canadian securities laws."

- (vi) delete, in its entirety, the current Part 21.2.2 which sets forth the special rights and restrictions attaching to the WOF Balanced Shares (Series 2) and replace with the special rights and restrictions set forth in Exhibit 1 to the Plan of Arrangement including the re-designation of such shares as the "**WOF Legacy Shares**";
  - (vii) create a new class of shares of WOF designated as "Exit Venture Shares" without par value, with no maximum number and attaching to them the special rights and restrictions set forth in Exhibit 3 to the Plan of Arrangement; and
  - (viii) adjust the numbering of the Articles to reflect the deletions made pursuant to this clause (c);
- (d) the Notice of Articles of WOF will be amended in respect of the alterations made to the Articles of WOF in accordance with clause (c) above;
- (e) each WOF Share held by a Dissenting Shareholder in respect of which the WOF Shareholder has validly exercised his, her or its Dissent Rights will be deemed to be transferred and assigned by such Dissenting Shareholder, without any further act or formality on its part, to PTF (free and clear of any liens, charges and encumbrances of any nature whatsoever) in accordance with, and upon payment by PTF of the consideration set forth in the Plan of Arrangement and:
- (i) such Dissenting Shareholder will cease to be the registered holder of such WOF Shares and the name of such Dissenting Shareholder will be removed from the register of WOF Shareholders;
  - (ii) such Dissenting Shareholder will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to transfer and assign such WOF Shares; and
  - (iii) PTF will be the holder of all of the outstanding WOF Shares formerly held by such Dissenting Shareholder and the register of WOF Shareholders will be revised accordingly;
- (f) each outstanding WOF Balanced Share (Series 1) (other than any WOF Share held by any Dissenting Shareholder), will, without further act or formality and by or on behalf of a holder of WOF Balanced Shares (Series 1), be exchanged for that number of WOF Legacy Shares (formerly referred to a WOF Balanced Share (Series 2)) obtained by multiplying 1 by the Exchange Ratio and:
- (i) such holder of WOF Balanced Shares (Series 1) will cease to be the registered holder of such WOF Balanced Shares (Series 1) shares and the name of such holder will be removed from the register of WOF as a holder of such shares;
  - (ii) such holder of WOF Balanced Shares (Series 1) will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to transfer and assign such shares;
  - (iii) such holder of WOF Balanced Shares (Series 1) will be issued the number of WOF Legacy Shares obtained by the formula set out above and the central securities registers of WOF will be revised accordingly; and

- (iv) the capital account maintained by WOF in respect of the WOF Balanced Shares (Series 1) will be reduced to nil and the amount of such reduction will be added to the capital account maintained by WOF in respect of the WOF Legacy Shares;
- (g) each outstanding WOF Legacy Share (formerly referred to as a WOF Balanced Share (Series 2)) held by a WOF Venture Shareholder that delivered a valid Election prior to the Election Deadline will remain outstanding as a fully paid and non-assessable share in the capital of WOF and the WOF Shareholder will remain the registered holder of such WOF Legacy Shares on the register of WOF Shareholders;
- (h) each outstanding WOF Legacy Share (formerly referred to as a WOF Balanced Share (Series 2)) held by a WOF Exiting Venture Shareholder (other than any WOF Share held by any Dissenting Shareholder) will, without further act or formality and by or on behalf of a WOF Exiting Venture Shareholder, be irrevocably assigned and transferred by the holder thereof to PTF (free and clear of any liens, charges and encumbrances of any nature whatsoever) in exchange for the Adjusted Price Per WOF Balanced Share (Series 2) (payable in accordance with the Plan of Arrangement) and one WOF Exit Venture Share and:
  - (i) such holder will cease to be the registered holder of such WOF Legacy Shares and the name of such holder will be removed from the register of WOF as a holder of such shares;
  - (ii) such holder will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to transfer and assign such WOF Legacy Shares; and
  - (iii) PTF will be the holder of all of the outstanding WOF Legacy Shares formerly held by such holder and the register of WOF Shareholders will be revised accordingly;
- (i) each outstanding WOF 05 Commercialization Share (other than any WOF Share held by any Dissenting Shareholder) will, without further act or formality and by or on behalf of a WOF Commercialization Shareholder, be irrevocably assigned and transferred by the holder thereof to PTF (free and clear of any liens, charges and encumbrances of any nature whatsoever) in exchange for the applicable Cash Consideration, and:
  - (i) such holder will cease to be the registered holder of such WOF 05 Commercialization Shares and the name of such holder will be removed from the register of WOF as a holder of such shares;
  - (ii) such holder will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to transfer and assign such WOF 05 Commercialization Shares; and
  - (iii) PTF will be the holder of all of the outstanding WOF 05 Commercialization Shares formerly held by such holder and the register of WOF Shareholders will be revised accordingly;
- (j) the Articles of WOF will be amended to delete all authorized but unissued classes and series of shares of WOF and the numbering of the Articles will be amended as if such classes and series of shares did not previously exist;
- (k) the Notice of Articles of WOF will be amended in respect of the alterations made to the Articles of WOF in accordance with clause (j) above;

- (l) the transfers, assignments, alterations, exchanges, cancellations and other steps provided for in clauses (a) through (k) above will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date; and
- (m) on the Redemption Date, if PTF has provided a Confirmation Notice to WOF and the Ineligible Holders, each Ineligible Holder of WOF Legacy Shares will be deemed to have transferred such WOF Legacy Shares to PTF (free and clear of any liens, charges and encumbrances of any nature whatsoever) in exchange for Adjusted Price per WOF Balanced Share (Series 2) and the Additional Exit Venture Cash Payment (if applicable) and:
  - (i) the registered holder thereof will cease to be the registered holder of such WOF Legacy Share and the name of such registered holder will be removed from the register of WOF Shareholders as of the Redemption Date;
  - (ii) the registered holder thereof will be deemed to have executed and delivered all consents, assignments and waivers, statutory or otherwise, required to transfer and assign such WOF Legacy Share; and
  - (iii) PTF will be the holder of all of the outstanding WOF Legacy Shares formerly held by the Ineligible Holders. See “Shareholder Account Matters”.

### **Administrative Costs and Withholding Amounts**

Under the Plan of Arrangement, certain amounts will be withheld from the Cash Consideration.

#### *Administration Costs*

50% of the Cash Consideration for WOF Exiting Venture Shareholders will be paid at the Effective Date and 50% will be paid 6 months thereafter. Administration Costs will be withheld from the second payment of the Cash Consideration. See “Additional Exit Venture Cash Payment”. Administrative Costs are approximately \$2 per month per shareholder account

#### *Withholding Amounts*

Certain WOF Shareholders have outstanding liabilities owing with respect to their WOF Shares.

Because WOF Venture Shares could not be liquidated in recent years, and WOF 05 Commercialization Shares have been off redemption since July 2020, WOF remitted certain withhold taxes in cash on behalf of shareholders who did not make arrangements to transfer their WOF Shares to a RRIF and their WOF RRSPs were de-registered.

Up until 2006, a set-up fee and annual fees were charged to shareholders who opened a WOF RRSP accounts. These fees were for the account of the Fund’s initial manager and some WOF Venture Shareholders have not paid the applicable fees.

The amount of these outstanding liabilities owing will be deducted from the Cash Consideration otherwise payable to the applicable WOF Shareholders.

See “Risk Factors”.

### **Additional Exit Venture Cash Payment**

WOF Exiting Shareholders may receive a potential extra cash payment if there is divestment activity prior to May 18, 2022. See “Reasons for the Arrangement – WOF Venture Shares – For WOF Exiting Venture Shareholders”.

Specifically, WOF Exiting Venture Shareholders shall be entitled to an additional cash payment (the "**Additional Exit Venture Cash Payment**") for each WOF Exit Venture Share held and for each disposition of a venture investment relating to the WOF Venture Shares (a "**Proposed Divestment**") as follows:

- (a) in the event that, by November 18, 2021, WOF closes a Proposed Divestment, the Additional Exit Venture Cash Payment shall be an amount equal to the quotient obtained by dividing 60% of the Net Realized Gain by the total number of WOF Exit Venture Shares outstanding;
- (b) in the event that, by February 18, 2022, WOF closes a Proposed Divestment, the Additional Exit Venture Cash Payment shall be an amount equal to the quotient obtained by dividing 45% of the Net Realized Gain by the total number of WOF Exit Venture Shares outstanding; and
- (c) in the event that WOF has entered into a letter of intent, term sheet or binding agreement to complete a Proposed Divestment by February 18, 2022 and such Proposed Divestment closes by May 18, 2022, the Additional Exit Venture Cash Payment shall be an amount equal to the quotient obtained by dividing 20% of the Net Realized Gain by the total number of WOF Exit Venture Shares outstanding,

provided, however, that, in the event the Additional Exit Venture Cash Payment is less than the Administrative Costs incurred as at the date of completion of a Proposed Divestment, no Additional Exit Venture Cash Payment shall be made. Also, any unused portion of the Administrative Costs would be reimbursed if, for example, there is no letter of intent at month nine and the accounts can be closed at nine months.

See "Risk Factors".

### **Shareholder Account Matters**

Under the Plan of Arrangement, there may be negative consequences for some WOF Shareholders if certain administrative steps are not taken and they are holding their WOF Shares in an "ineligible account":

- an election to continue to hold WOF Venture Shares will revert back to receiving the Cash Consideration which will be paid into shareholder's account; and
- WOF RRSP accounts will ultimately be deregistered and the cash in the account will be subject to withholding tax and income tax.

WOF presently acts as its own registrar, with the Manager having engaged Prometa Fund Support Services Inc. to provide shareholder record keeping and administration services being for the Fund and with electronic connectivity to WOF Shareholders being provided through Fundserv Inc. In connection with the Arrangement, WOF is expected to cease to act as its own registrar and the Manager intends to engage an external transfer agent as well as apply to make the WOF Shares eligible with the Canadian Securities Depository (the "CDS").

As a result, for those WOF Venture Shareholders who elect to continue to hold WOF Legacy Shares, you must hold your WOF Legacy Shares directly with the external transfer agent or in an account that is qualified to hold CDS eligible securities. Some accounts, which are setup to generally hold mutual fund shares are considered "ineligible accounts" under the Plan of Arrangement. For those accounts, WOF Venture Shareholders must take the required subsequent administrative steps required to transfer their WOF Venture Shares to an eligible account. If not, the election will revert back to receiving the Cash Consideration which will be paid into shareholder's account. See "Arrangement Steps" and, in particular, the definition of Ineligible Holder.

In addition, Concentra Trust currently acts as the trustee for certain WOF Shareholders who hold their WOF Shares directly in WOF RRSP accounts. In connection with the Arrangement, the Manager intends to take steps for WOF to cease providing WOF RRSP accounts and it is intended that Concentra Trust will resign as trustee.

As a result, the resignation of Concentra Trust will mean that for those WOF Venture Shareholders and WOF Commercialization Shareholders that have WOF RRSP accounts and who do not take any action, the Cash Consideration received in the WOF RRSP accounts will ultimately be deregistered. If deregistered, the cash in the account will be subject to withholding tax and income tax. Shareholders will be given at least 60 days' notice of the resignation of Concentra Trust and such resignation will not take effect until it has been determined that no Additional Exit Venture Cash Payment is potentially owed.

See subparagraph (m) in the “Principal Steps of the Arrangement - Arrangement Steps” and “Questions & Answers - *If I elect to continue to hold my WOF Venture Shares, what type of account do I need to have?*”, “Risk Factors” and “Certain Canadian Income Tax Considerations Regarding the Arrangement”.

### **Amendment of Arrangement with respect to WOF 05 Commercialization Shares**

In the event the Arrangement Resolution is not approved by holders of the WOF 05 Commercialization Shares by separate Series vote, WOF and PTF intend to amend the Plan of Arrangement to provide that Plan of Arrangement will only be binding on the WOF Balanced Shares (Series 1) and WOF Balance Shares (Series 2) and not the WOF 05 Commercialization Shares.

If this occurs, PTF will not acquire the WOF 05 Commercialization Shares and it is expected that the Board will continue to consider further strategic options for the WOF 05 Commercialization Shares. There can be no guarantee as to the outcome of that further review and/or strategic options that may be available for the WOF 05 Commercialization Shares. The Fund does not believe there is a superior alternative strategic option available for the WOF 05 Commercialization Shares at this time especially given the increased specific company risk, ongoing operating costs and liquidity pressure in the event that the BuildDirect potential liquidity event does not occur. See “Reasons for the Arrangement”.

### **Expenses**

As provided for under the Arrangement Agreement, WOF and PTF will generally pay their own costs, including legal and other advisory costs, with respect to the Arrangement subject to certain expenses and amounts that PTF has agreed to reimburse WOF for. In this regard, PTF has agreed to reimburse WOF for \$75,000 of fees and expenses incurred in connection with the Arrangement as well as certain other legal fees of WOF with respect to structuring of the Arrangement and costs related to the Fund’s annual audited financial statements. In addition, as provided for under the Arrangement Agreement, PTF’s has instructed its tax counsel, at PTF’s expense, to provide the necessary disclosure on the tax consequences of the Arrangement to WOF and WOF Shareholders for inclusion in this Circular in form satisfactory WOF, acting reasonably. Under the Arrangement Agreement, PTF is required to ensure all such information is complete and accurate in all material respects, complies in all material respects with applicable Laws and does not include any misrepresentation concerning the tax consequences of the Arrangement.

### **Procedure for the Arrangement to Become Effective**

The Arrangement will be implemented by way of a Court approved Plan of Arrangement under Division 5 of Part 9 the Business Corporations Act pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

- (a) the Arrangement must be approved by the WOF Shareholders in the manner set forth in the Interim Order; and
- (b) the Court must grant the Final Order approving the Arrangement.

In addition, the Arrangement will only become effective if all other conditions precedent to the Arrangement set out in the Arrangement Agreement have been satisfied or waived by the appropriate party. For a description of the other conditions precedent, see “Arrangement Agreement – Conditions to the Arrangement Becoming Effective”.

## **WOF Going Forward**

### **General**

After completion of the Arrangement, WOF will continue to be reporting issuer in the Province of British Columbia, under the name “Pender Private Investment Inc.” (“PPI”).

Following the Effective Date, PPI will primarily be focused on the Divestment Objective for the Legacy Shares and seeking an orderly realization of value from a venture capital portfolio of investments. To the extent PPI going forward undertakes other investments or business, those business activities will be subject to a separate management agreement.

Pender, the manager of PPI, brings an active approach to investing and one of Pender’s representatives will often hold a director seat in a portfolio company to oversee and aide in growth, governance and strategy. Pender has a successful investing history in BC and has an extensive network that assists PPI to pursue divestment opportunities.

As of the Effective Date, PPI will have venture capital investments in a mature venture portfolio of BC-based technology companies. PTF, also managed by Pender, will be the largest shareholder of PPI. See “Interests of Certain Persons in the Arrangement”.

### **Description of Shares**

After the Effective Date, PPI will continue to have two classes of shares: (i) the Class A Shares, which are issuable in series and which will have two series, the WOF Legacy Shares and the WOF 05 Commercialization Shares; and (ii) the Class B Shares, also known as the WOF Exit Venture Shares.

This is a summary only and is qualified in its entirety by reference to share rights attached as an Exhibit 1 to the Plan of Arrangement the which is incorporated by reference herein and may be found under WOF’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### *Class A Shares – WOF Legacy Shares*

WOF Legacy Shareholders, being those WOF Venture Shareholders who take the necessary steps to elect to retain their pro-rata participating interest in the venture portfolio will, pursuant to the Plan of Arrangement, have their existing WOF Venture Shares converted into a new series of Class A Common shares called “Legacy Shares”. This ensures that WOF Venture Shareholders have the option to elect to retain their pro-rata participating interest in the Venture Shares portfolio by holding WOF Legacy Shares which provides them the opportunity to remain invested and potentially realize on the longer term potential of the portfolio. PTF will also receive WOF Legacy Shares for any WOF Venture Shares that they purchased from WOF Venture Shareholders as part of the Arrangement.

The rights and restrictions of the WOF Legacy Shares entitle the WOF Legacy Shareholders to:

- receive dividends if and when the board declares them;
- receive notice of all general meetings of shareholders of WOF;
- receive one vote for every WOF Legacy Share held;
- transfer their WOF Legacy Shares without restriction; and
- upon the liquidation, dissolution or winding-up of WOF, receive an amount per WOF Legacy Share equal to the NAV per WOF Legacy Share in effect at the time (plus any declared but unpaid dividends) and net of: any amounts owed to WOF by such WOF Legacy Shareholder, owing to the initial manager in respect of such shares and any remittances required to be made under federal or provincial legislation.

Under the rights and restrictions of the WOF Legacy Share, WOF Legacy Shareholders have the potential to receive liquidity for their WOF Legacy Shares in up to three ways

- Pro Rata Redemptions from Portfolio Divestments. Upon a divestment in the venture portfolio, WOF Legacy Shareholders will receive 95% of the Net Divestment Proceeds from the venture portfolio with 5% being held in reserve to fund annual shareholder redemption requests (the “**Divestment Reserve Fund**”). Net divestment proceeds will be distributed by way of a mandatory pro rata redemption of WOF Legacy Shares by WOF at a redemption price of NAV per WOF Legacy Share then in effect. Once the aggregate net divestment proceeds received by holders of WOF Legacy Shares is equal in value to the Effective Date NAV of the WOF Legacy Shares, 80% of the Net Divestment Proceeds will be distributed to the holders of WOF Legacy Shares with the remaining 20% of the proceeds paid to the Manager as a performance fee. Of that 80%, 76% will be subject to the pro rata distributions set out in this paragraph and 4% will be deposited into the Divestment Reserve Fund to fund annual shareholder redemption requests.
- Shareholder Annual Limited Redemption Right. WOF Legacy Shareholders will have an annual limited redemption right to request redemption of WOF Legacy Shares at a redemption price equal to 40% of the NAV per WOF Legacy Share as at the immediately preceding December 31. This redemption right will only be exercisable by Legacy Shareholders during the 60 day period following publication of the audited December 31 NAV figure by WOF and will be funded by the Divestment Reserve Fund. In the event that redemption requests received in any year are in an aggregate amount greater than balance of the Divestment Reserve Fund, redemption requests will be processed on a pro rata basis and the redemption request for unredeemed shares cancelled. PTF will not have this annual redemption right.
- Pro Rata “Sunset” Redemptions. In certain circumstances, PTF will have the right to trigger the redemption by WOF of some or all of the WOF Legacy Shares at a redemption price equal to 50% of the NAV per Legacy Share at the immediately preceding December 31st. This redemption right can only be exercisable during the 60 day period following publication of the audited December 31st NAV figure by WOF. Under this redemption right, PTF can redeem any or all of the WOF Legacy Shares outstanding, on a pro rata basis, from time to time at any time following the earlier of:
  - the date on which both the following conditions being met: (a) the NAV of the Venture Series portfolio as at the immediately preceding December 31st is less than \$10,000,000; and (b) WOF having previously distributed to the WOF Legacy Shareholders (including PTF) an aggregate of an amount not less than 95% of the NAV of the venture portfolio’s top two investments as at the Effective Date; and
  - the 5<sup>th</sup> anniversary of the Effective Date.

If PTF triggers this right, PPI will distribute the balance of the Divestment Reserve Fund Legacy Shares to shareholders immediately before redeeming the Legacy Shares. Further, PTF has the option to not have its WOF Legacy Shares be redeemed pro rata which means that PTF will increase its share of future divestment proceeds disproportionately but only after the conditions for triggering the right have been met.

All payments made on the above redemptions will also include any declared but unpaid dividends and will be net of any amounts owed to WOF by such WOF Legacy Shareholder, any amounts owing to the initial manager in respect of such shares and any remittances required to be made under federal or provincial legislation.

In addition, there are certain restrictive covenants contained in the WOF Legacy Shares that require WOF to seek the approval of holders of at least 50% of such WOF Legacy Shares (excluding PTF) before taking such actions. These restrictive covenants are present to protect the rights of the WOF Legacy Shareholders, and include, among other things: protection from WOF issuing additional WOF Legacy Shares or securities convertible into such shares,

amending the WOF Legacy Shares in a way that impacts them negatively, and amendments to the Management Agreement or WOF's Articles in a manner that impacts the rights of the WOF Legacy Shareholders.

#### *Class A Shares –Commercialization Series*

The terms of the WOF 05 Commercialization Shares will remain unchanged following completion of the Arrangement. For a description of the WOF 05 Commercialization Shares, please refer to WOF's most recent Annual Information Form and other continuous disclosure documents.

#### *Class B Shares – Exit Venture Shares*

Each WOF Exiting Venture Shareholder will receive with 50% of the purchase price on the Effective Date; and 50% in six months following the Effective Date. WOF Exiting Venture Shareholders will receive one "WOF Exit Venture Share" for every WOF Venture Share held that will be redeemed after payment of all cash consideration owing to them pursuant to the Arrangement Agreement. As the remaining 50% of the purchase price is owed to the WOF Exiting Venture Shareholders by PTF and not by WOF, these WOF Exit Venture Shares will not entitle the WOF Exiting Venture Shareholders to participate in any distribution of assets on a windup of or disposition of assets by WOF. However, under the Plan of Arrangement, WOF Exiting Venture Shareholders retain a limited and conditional right to receive the Additional Exit Venture Cash Payment. See "Principal Steps of the Arrangement – Additional Exit Venture Cash Payment".

The rights and restrictions of the WOF Exit Venture Shares also entitle the Exiting Shareholders to:

- receive dividends if and when the board declares them;
- receive notice of only those shareholder meetings of WOF at which, in accordance with the Business Corporations Act, they are entitled to vote separately as a class;
- receive one vote for every WOF Exit Venture Share; and
- transfer their WOF Exit Venture Shares without restriction.

In addition, there are certain restrictive covenants contained in the WOF Exit Venture Shares that require WOF to seek the approval of holders of at least 50% of such WOF Exit Venture Shares before making any changes pertaining to the rights of holders of WOF Exit Venture Shares, the Amended and Restated Management Agreement or the Arrangement Agreement.

#### **Securities Laws Considerations**

Each WOF Shareholder is urged to consult such WOF Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in WOF Shares. The only securities which will be distributed under the Arrangement is the WOF Exit Venture Shares to WOF Exiting Venture Shareholders. This distribution will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian securities legislation and is exempt from or otherwise is not subject to the registration requirements under applicable securities legislation. Neither the Legacy Shares nor the Exit Venture Shares are subject to statutory resale restrictions under Canadian securities legislation or under the constating documents of WOF. Accordingly, both the Legacy Shares and the Exit Venture Shares may be freely traded.

#### **Amended and Restated Management Agreement**

As a step in the Arrangement, on the Effective Date PPI will enter into the Amended and Restated Management Agreement.

Under the Amended and Restated Management Agreement, Pender has the same powers and duties with respect to the WOF 05 Commercialization Shares and its portfolio (to the extent the portfolio remains after the Effective Date)

as it does with respect to the WOF Legacy Shares, but because PTF will acquire all the WOF 05 Commercialization Shares on the Effective Date, the disclosure in this summary relates to that relevant for the WOF Legacy Shareholders.

The Manager has been the manager of PPI since March 1, 2019, under the Original Management Agreement dated December 21, 2018, as amended February 19, 2019 (and ratified by shareholders on December 16, 2019). While the operating expenses of PPI have been reduced under the Original Management Agreement as compared to the management agreement with the former manager, entering into the Amended and Restated Management Agreement on the Effective Date will provide PPI certainty of lower costs through an all-in management and operating fee which will be accrued and only be paid out of cash when there is a distribution to WOF Legacy Shareholders by way of a pro rata redemption of WOF Legacy Shares. The accrued Management Fee will allow for the ceasing of working capital challenges for PPI which it has experienced for the past number of years.

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

	<b>Original Management Agreement</b>	<b>Amended and Restated Management Agreement</b>
Services	Investment Advisory and Administrative Services	Same Investment Advisory and Administrative Services with respect to the Legacy Shareholders and venture portfolio including the specific Divestment Objective of seeking an orderly realization of value.
Management Fees	1.5% of Pricing NAV. Administration costs are paid directly by the Fund.	All-in management and operating fee of 2.5% of NAV of the WOF Legacy Shares, accrued and only paid out of cash when there is a Divestment and in the case of the WOF Legacy Shares, when there is a distribution by way of redemption.
Operating Expenses	All operating expenses as set out in the annual budget approved by the Board will be paid for by the Fund.	Operating expenses paid by the Manager. The only expenses expected to be paid by PPI are the management fee, fees of the directors and applicable taxes. Other than expenses related to divestment of a series' venture portfolio, expenses of the Fund will be allocated equally between the WOF Legacy Shares and the WOF 05 Commercialization Shares.
Performance Bonus	There is no performance bonus for Pender under the Original 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 WOF's Balanced Shares Series 2 provided that no such success fee would be paid or accrued until all preferred shares issued to WOF shareholders in connection with such reorganization have been redeemed.	Consistent with provision in the Original Management Agreement. After the disbursement to WOF Shareholders of an amount equal to Effective Date NAV, the Manager will receive 20% of the Net Divestment Proceeds of the WOF Legacy Shares.

The summary of the terms of the Amended and Restated Management Agreement in this Circular is qualified in its entirety by reference to the complete text of the Amended and Restated Management Agreement Management Agreement, the form of which is attached as Exhibit C to the Arrangement Agreement and filed on SEDAR under the Fund's profile and is incorporated by reference herein.

The scope of the services provided by Pender under the Amended and Restated Management Agreement are intended to represent the full scope of services to manage the WOF Legacy Shares and the WOF Legacy Shares' venture portfolio. Without limiting the generality of duties, the Manager will have the specific duty to carry out the Divestment Objective, which means seeking an orderly realization of value to achieve returns for the holders of WOF Legacy Shares and WOF 05 Commercialization Shares, as the case may be, through the divestment of Series Investments. PPI and the Manager shall ensure that the PPI has a board of directors comprised of not less than three directors, the majority of which shall be independent of each of the Manager and PTF.

The Amended and Restated Management Agreement has an initial term ending on the later of five years from the Effective Date and the date on which there is less than 10 Legacy Shareholders and shall be renewed automatically for a further term of five years, unless the Shareholders of PPI resolve to terminate the engagement of the Manager.

PPI may terminate the Amended and Restated Management Agreement if (i) the Manager is in material default of the provisions thereof and such default has not been cured within 60 business days' notice; (ii) the Manager becomes bankrupt or insolvent or has entered into liquidation or is winding up, whether compulsory or voluntary; (iii) the Manager makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; (iv) PTF is not in compliance with the terms of the Arrangement Agreement; or (v) the assets of the Manager have become subject to seizure or confiscation by any public or government authority.

The Manager may terminate the Amended and Restated Management Agreement if (i) PPI is in material default of the provisions thereof and such default has not been cured within 60 business days' notice; (ii) PPI Manager becomes bankrupt or insolvent; (iii) PPI makes a general assignment for the benefit of creditors or otherwise acknowledges its insolvency; (iv) PTF is not in compliance with the terms of the Arrangement Agreement; or (v) the assets of the Manager have become subject to seizure or confiscation by any public or government authority.

The all-in management and operating fee of 2.5% under the Amended and Restated Management Agreement which is estimated to result in lower management expense ratio than currently experienced and takes away the uncertainty of increased expenses. The Management Fee will be accrued and only be paid out of cash when there is a distribution to WOF Legacy Shareholders by way of pro rata redemption of WOF Legacy Shares in connection with a divestment from the venture assets portfolio. This alleviates the continuous pressure of working capital challenges experienced for the past number of years and was a consideration of the Special Committee in recommending the Arrangement. See "Reasons for the Arrangement".

The Amended and Restated Management Agreement includes provisions relating governance matters such as independence of directors, requirements for changing the Divestment Objectives of the Fund. A number of these protective measures are buttressed as restrictive covenants in the special rights and restrictions attached to the WOF Legacy Shares referred to above. In addition, the Amended and Restated Management Agreement includes a provision with respect to certain shareholder account matters affecting holders of WOF Legacy Shares and the Manager's proposal to take steps to cease back office support for RRSP accounts and ultimately terminate the Fund's client name accounts with Concentra. See "Principal Steps of the Plan of Arrangement – Summary of Principal Steps". Also, the Amended and Restated Management Agreement provides that to the extent PPI and other funds managed by the Manager including PTF, divestments will be made pro rata among all funds managed by the Manager. The Manager will also use reasonable commercial efforts to ensure that the Fund collects outstanding shareholder liabilities in connection with withholding taxes previously remitted by the Fund and account fees owing to the Fund's initial manager.

Under the Original Management Agreement, PPI and the Manager agreed to use reasonable commercial efforts to affect a potential reorganization of the assets of the PPI to a listed entity with the goal of providing enhanced liquidity and cost savings. While there is no performance bonus for the Manager under the Original Management Agreement, there was a provision that, on completion of a possible future reorganization of PPI assets, the Manager would be entitled to a performance fee on the same terms and conditions as previously provided for on WOF Balanced Shares (Series 2) under the management agreement with the former manager, 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. Under the Amended and Restated Management Agreement, after the disbursement to Shareholders of an amount equal to Effective Date NAV, the Manager will receive 20% of the Net Divestment Proceeds.

### **Frequency and Form of Financial Reporting**

Prior to the Effective Date, as an EVCC, PPI was an investment fund as defined under National Instrument 81-106 — *Investment Fund Continuous Disclosure* (“NI 81-106”) and has been providing continuous disclosure pursuant to NI 81-106. Upon completion of the Arrangement Agreement, PPI will cease to be registered as an EVCC and as a result, will no longer be subject to the reporting required under NI 81-106 and will instead provide continuous disclosure pursuant to the provisions under National Instrument 51-102 — *Continuous Disclosure Obligations* (“NI 51-102”).

The continuous disclosure obligations for PPI under NI 81-106 and under NI 51-102 both require periodic disclosure to investors on an annual and interim basis; however, there are a number of specific key differences as set out below. The Manager has reviewed these differences and believes the following discussion highlights the material differences as it relates to PPI.

One of the key distinctions between NI 81-106 and NI 51-102 is the frequency of financial reporting. PPI will release its financial statements and commentary on a quarterly basis rather than semi-annually.

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

In addition, the Manager expects that the MD&A will include the following additional items that address the broader financial condition requirements under NI 51-102:

- *Non-IFRS Measures*: an explanation of the definitions of non-IFRS (as defined below) terms used throughout the MD&A that would be considered typical for an investment fund (i.e., Assets Under Management, Net Asset Value, Net Asset Value Per Share, Management Expense Ratio, Trading Expense Ratio);
- *Transition to Corporate Issuer*: for the first fiscal year ended December 31, 2021, the MD&A would include an explanation on the transition to NI 51-102 describing why PPI switched reporting regimes and the impact on reporting;
- *Quarterly Analysis*: in addition to the performance analysis and commentary currently included in the MRFP, the discussion would be expanded to incorporate quarterly performance;
- *Financial Review*: an analysis of significant financial statement captions with explanations for their variances between periods;
- *Quarterly Results*: further financial review that focuses on income or loss accounts on a quarterly basis;
- *Critical Accounting Estimates*: the Manager’s review of critical accounting estimates;

- *Future Changes in Accounting Policies*: a discussion on future accounting pronouncements and their potential impact to the Fund;
- *Financial Instruments*: an explanation of PPI’s financial instruments and their classification under International Financial Reporting Standards (“IFRS”); and
- *Risks*: disclosure that the risks associated with investing in the Fund remain as set out in the annual information form.

With regard to the appearance of the financial statements, the Manager does not expect any material changes in presentation or disclosure other than the change in frequency of reporting to quarterly from semi-annually. PPI currently reports under IFRS and the change to NI 51-102 does not impact the measurement, recognition or accounting policies currently presented in the PPI’s annual and semi-annual financial statements.

### **Directors of PPI**

The following table sets forth the name, municipality of residence, office and principal occupation of each of the proposed directors and PPI as at the Effective Date.

<i>Name, Place of Residence and Positions Held with PPI</i>	<i>Principal Occupation or Employment During the Past Five Years</i>	<i>Director/Officer Since</i>	<i>Number of Voting Shares Beneficially Owned or Controlled as at Effective Date</i>
Natalie Dakers Vancouver, BC Director	Director, STEMCELL Technologies, Chair of Augurex Life Sciences, Adjunct Professor, Faculty of Pharmaceutical Sciences, The University of British Columbia	The Effective Date	Nil
Robert Napoli Vancouver, BC Director	Principal, Promerita Capital Partners (private equity investment firm)	The Effective Date	556
Maria Pacella, Vancouver, BC Director	Senior VP, Private Equity and Portfolio Manager, PenderFund Capital Management Ltd.; President & CEO of PPI	The Effective Date	267

### **Approvals**

There are a number of approvals required prior to completion of the Arrangement. WOF Shareholders should be aware that WOF cannot provide any assurances that such approvals will be obtained.

## **WOF Shareholder Approval**

At the Meeting, WOF Shareholders will be asked to consider and, if deemed advisable, pass a special resolution approving the Arrangement Resolution as set forth in Schedule “A” to the Circular. Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by a resolution passed by not less than 75% of the votes cast by the WOF Shareholders in person or by proxy at the Meeting on the basis of one vote per share held, and by not less than 66<sup>2/3</sup>% of the votes cast by holders of WOF Balanced Shares (Series 1), WOF Balance Shares (Series 2) and WOF Commercialization Shares (Series 2) by separate Series vote, in person or by proxy at the Meeting on the basis of one vote per share held.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the WOF Shareholders, subject to the terms of the Arrangement Agreement, to amend the Arrangement Agreement or the Plan of Arrangement or to decide not to proceed with the transactions contemplated by the Arrangement Agreement at any time prior to the Effective Time. In the event the Arrangement Resolution is not approved by holders of the WOF Commercialization Shares (Series 2) by separate Series vote, WOF and PTF intend to amend the Plan of Arrangement to provide that it will only be binding on the WOF Balanced Shares (Series 1) and WOF Balance Shares (Series 2) and the WOF Commercialization Shares (Series 2) will not be acquired by PTF.

If more than 5% of the WOF Shares become the subject of Dissent Rights, the Arrangement may be terminated or should the WOF Balanced Shares (Series 1) and WOF Balance Shares (Series 2) Shareholders fail to approve the Arrangement by the requisite special resolution, the Arrangement will be terminated.

## **Court Approval**

On April 19, 2021, WOF obtained the Interim Order, a copy of which is attached as Appendix “D” to this Circular. Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution is approved at the Meeting, WOF will apply to the Court for the Final Order at the Court House, 800 Smithe Street, Vancouver, British Columbia on or about May 25, 2021, at 9:45 a.m. (Vancouver time) or as soon thereafter as counsel may be heard. Please see the Notice of Petition, attached as Appendix “E” to this Circular, with respect to the hearing of the application for the Final Order for further information on participating or presenting evidence at the hearing for the Final Order.

If the Arrangement Resolution is approved by the requisite majorities, then final approval of the Court must be obtained before the Arrangement may proceed.

## **EIA Administrator**

Prior to Effective Date, WOF will obtain a letter from the administrator under the Employee Investment Act confirming that, effective as of 10:00 a.m. on the Effective Date, WOF will cease to be an "employee venture capital corporation" pursuant to the Employee Investment Act and all of the existing agreements that have been entered into by WOF with the Province of British Columbia and the Sponsor, together with the WOF's Employee Venture Capital Plan will be terminated.

## **Regulatory Approvals**

The WOF Class A Shares are not listed or quoted on any stock exchange and WOF is a reporting issuer in the Province of British Columbia.

The PTF Shares are currently listed for trading on the TSX Venture Exchange (“TSX-V”) and PTF is a reporting issuer in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. PTF must obtain all necessary approvals of the TSX-V to the Arrangement prior to competition of the Arrangement.

## **Risk Factors**

### **Risks Associated with the Arrangement and WOF Going Forward**

WOF Shareholders should carefully consider all of the information disclosed or referred to in this Circular prior to voting on the matters being put before them at the Meeting. In addition to the other information presented in this Circular, the risk factors set out below should be given special consideration. Furthermore, details of the risk factors associated with an investment in WOF can be found in the Fund's last filed annual information form dated March 31, 2021 and the Management Report of Fund Performance for the financial year ended December 31, 2020 which are incorporated by reference and can be found under the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Conflict of the Manager*

The Manager is the manager of WOF and of PTF, the acquiror under the Arrangement, which gives rise to actual and perceived conflicts. While WOF has taken a number of steps to mitigate these conflicts, circumstances from these conflicts may arise that were unforeseen and that may not adequately addressed. See "Arrangement Agreement – Acknowledgement of WOF's Manager", "Reasons for the Arrangement", "Fairness Opinion", "Description of Shares", "Interests of Certain Persons in the Arrangement" and "WOF Going Forward".

#### *Valuation Risk*

A number of the terms of the Arrangement are based on NAV per Share. NAV per Share is based on estimates of the fair value of the portfolio assets for which there is no published market. This valuation process is subjective to a degree and investments are based on inherent uncertainties. The resulting valuations can differ significantly from the divestment proceeds received when the investments are actually sold.

- For WOF Exiting Venture Shareholders, the valuation risk is that the valuations, and therefore NAV per share, at the Effective Date are lower than the fair value or what WOF will ultimately receive on divestments of the underlying portfolio, and WOF Exiting Venture Shareholders receive too low a price.
- For WOF Legacy Holders, the valuation risk arises arising the same way for as it does for WOF Exiting Venture Holders with respect to the NAV per share paid on redemption from shareholder requests for annual redemption and the PTF triggered redemption right. With respect to electing to remain a WOF Legacy Shareholder, the valuation risk is that divestment proceeds received by WOF Legacy Shareholders may be less than the Cash Consideration and therefore, WOF Legacy Shareholders may ultimately receive less than they would have received as an WOF Exiting Venture Shareholder.
- For WOF Commercialization Shareholders the valuation risk is that the valuations, and therefore NAV per share, at the Effective Date are lower than the fair value or what WOF will ultimately receive on divestments of the underlying portfolio, and WOF Commercialization Shareholders receive too a low a price.

Valuation risk was considered by the Special Committee during its deliberations and in addition to taking certain steps to address the risk, the Special Committee is of the view that at the time of making the Election, shareholders would face the same valuation risk as described above when deciding whether or not to redeem share if the Venture Series Shares was open to redemption in the normal course. See "Reasons for the Arrangement".

*WOF Commercialization Shareholders and WOF Exiting Venture Shareholders will no longer participate in the performance of the underlying portfolio*

After the Effective Date, WOF Commercialization Shareholders and WOF Exiting Venture Shareholders will forego any future increase in value that might result from future growth in the underlying portfolio and in the case of Exiting Shareholder, the potential for the Additional Extra Venture Cash Payment that may be paid should there

be divestment activity in venture portfolio prior to May 18, 2022. See “Reasons for the Arrangement” and “Arrangement Agreement – Additional Exit Venture Cash Payment”.

*The Arrangement Agreement may be terminated in certain circumstances.*

PTF has the right to terminate the Arrangement Agreement in certain circumstances, including in circumstances outside the control of WOF such as the WOF Shareholder Approval of the Arrangement Resolution not being obtained or there being a Material Adverse Change for WOF. Accordingly, there is no certainty, nor can WOF provide any assurance, that the Arrangement Agreement will not be terminated by PTF before the completion of the Arrangement. See “Arrangement Agreement - Termination and Termination Payment”.

*There can be no certainty that all conditions precedent to the Arrangement will be satisfied.*

The completion of the Arrangement is subject to a number of conditions precedents, certain of which are outside the control of WOF, including receipt of the Final Order, EIA Approval, TSX-V Approval and any other required regulatory approval. There can be no certainty, nor can WOF provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. See “Arrangement Agreement - Conditions to the Arrangement Becoming Effective”.

*The requisite WOF Shareholder Approval of the Arrangement Resolution may not be obtained.*

To be effective, the Arrangement Resolution must be approved by a resolution passed by not less than 75% of the votes cast by the WOF Shareholders in person or by proxy at the Meeting on the basis of one vote per WOF Share held as a class and for each series of WOF Shares. There can be no certainty, nor can WOF provide any assurance, that the requisite WOF Shareholder Approval of the Arrangement Resolution will be obtained. In the event the approval of the WOF Commercialization Shareholders is not obtained, the Arrangement will still proceed but the WOF 05 Commercialization Shares will not be acquired by PTF. In the event the approval of the WOF Venture Shareholders is not obtained, the Arrangement will not proceed.

*For WOF Exiting Venture Shareholders Divestments in the Venture Portfolio Could Occur After May 18, 2022*

There are no assurances that conditions to trigger the Additional Exit Venture Cash Payment to WOF Exiting Venture Shareholders will be met. Further, there is a risk that a divestment occurs soon after the expiration of the applicable window for triggering the Additional Exit Venture Cash Payment, and if that occurs, WOF Exiting Venture Shareholders will receive less of a, and possible no, Additional Exit Venture Cash Payment. See “Reasons for the Arrangement”.

*For WOF Exiting Venture Shareholders the Administrative Costs Could Exceed the Additional Exit Cash Payment*

WOF Exiting Shareholders will responsible for the Administrative Costs for period from November 18, 2021 until the period the WOF Exit Venture Shares are redeemed (which may not be later than May 18, 2022). In the event the Administrative Costs incurred by PTF exceeded the amount of the Additional Exit Cash Payment, no Additional Exit Cash Payment would be made even if a divestment occurred within the agreed timeframes. See "Additional Exit Venture Cash Payment."

*For WOF Exiting Venture Shareholders and WOF 05 Commercialization Shareholders, Withholding Amounts Could Exceed the Cash Consideration*

WOF Exiting Venture Shareholders and WOF 05 Commercialization Shareholders may have outstanding liabilities owing with respect to their WOF Shares and these amounts will be deducted from the Cash Consideration the holder would otherwise receive and could exceed the total amount of the Cash Consideration.

### *Certain Accounts are Ineligible to Hold WOF Legacy Shares and/or Cash Consideration*

Under the Plan of Arrangement, there may be negative consequences for some WOF Shareholders if certain administrative steps are not taken and they are holding their WOF Shares in an “ineligible account”:

- an election to continue to hold WOF Venture Shares will revert back to receiving the Cash Consideration which will be paid into shareholder’s account; and
- WOF RRSP accounts will ultimately be deregistered and the cash in the account will be subject to withholding tax and income tax.

See “Shareholder Account Matters”.

### *Liquidity Risk for WOF Legacy Shareholders*

There can be no guarantee that divestments in the WOF Legacy Share portfolio will be realized at current carry values or at all. Accordingly, there is no guarantee as to the timing or the amount of funds WOF Legacy Shareholders will receive on pro rata redemptions of WOF Legacy Shares. In addition, in the event that annual redemption requests by WOF Legacy Shareholders received in any year are in an aggregate amount greater than balance of the Divestment Reserve Fund, redemption requests will be processed on a pro rata basis and all redemption requests for unredeemed shares cancelled. See “Description of Shares – Class A Shares – WOF Legacy Shares”

### *For WOF Legacy Shareholders Forced Redemption at a Discount to NAV May Occur*

PTF can trigger the redemption of WOF Legacy Shares at 50% of NAV per share in effect at the time even though there may be remaining assets in the WOF Legacy Share portfolio. If that occurs, WOF Legacy Shareholders will forego any realization of value including any future increase in value that might result from future divestments in the underlying portfolio.

### *Dissent Rights*

The Arrangement provides dissent rights for WOF Venture Shareholders and WOF Commercialization Shareholders in accordance with the provisions of the Business Corporations Act and given current liquidity, WOF Venture Shares would likely be unable to satisfy validly exercised dissent rights which would mean the Arrangement may not be completed. It is a condition precedent to the completion of the Arrangement that not more than 5% of the registered holders of WOF Shares exercise their right to dissent. See “Dissent Rights”.

### *Restrictions on WOF's ability to solicit Acquisition Proposals from other potential purchasers*

While the terms of the Arrangement Agreement permit WOF to consider unsolicited Acquisition Proposals upon the satisfaction of certain conditions, the Arrangement Agreement restricts WOF from actively soliciting Acquisition Proposals from third parties. See “Arrangement Agreement – Non-Solicitation Covenant”.

### *WOF will incur costs and may have to pay the Termination Payment*

If the Arrangement Agreement is terminated, or the Arrangement is not completed for any reason, WOF will still have incurred significant costs for pursuing the Arrangement, including costs related to legal, accounting, fairness opinion provider and certain financial advisor fees and the diversion of management's attention away from the conduct of WOF’s business. As well, if the Arrangement Agreement is terminated by WOF in certain circumstances, WOF may be obligated to pay the Termination Payment. See “Arrangement Agreement – Right to Match” and “The Arrangement Agreement - Termination and Termination Payment”.

### *Reliance on Manager and Board*

In entering into the Arrangement Agreement and during the Interim Period, WOF Shareholders and after the Effective Date, WOF Legacy Shareholders, will be relying upon the business judgement, expertise and integrity of the Board, its committees and the Manager. The ability of the Manager to continue to successfully manage the Fund and its divestment policy going forward is dependent on its ability to attract and retain skilled employees. The services of the directors and officers of the Manager are not exclusive to the Fund, and such persons may provide similar services to other parties. See “WOF Going Forward – PPI Board of Directors”.

### *Forward-Looking Statements May Prove to be Inaccurate*

WOF Shareholders are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statement or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See “Management Information Circular - Forward-looking Statements”.

### *Tax Consequences of the Arrangement to WOF Shareholders with Registered Accounts – Eligibility for Investment*

WOF is currently a "prescribed labour-sponsored venture capital corporation" ("PLSVCC") for the purposes of the Tax Act and, as such, WOF Shares are "qualified investments" for trusts governed by Registered Plans (as defined below under the heading "Registered Plans and Eligibility for Investment"). As part of the Arrangement, WOF will cease to qualify as a PLSVCC on the Effective Date. Pursuant to the Arrangement Agreement, WOF will, prior to the Effective Date, file an election to become a "public corporation" for the purposes of the Tax Act, with such election intended to be effective as of the Effective Date. WOF has been advised that this election should cause WOF to be a public corporation immediately upon ceasing to be a PLSVCC, with the result that a WOF Share held by a Registered Plan pursuant to the Arrangement will be a "qualified investment" for the purposes of the Tax Act at the time of acquisition (see discussion under the heading "Registered Plans and Eligibility for Investment"). However, some technical uncertainty exists as to the manner in which a corporation that is currently a PLSVCC can elect to be a public corporation and, if effective, the moment at which such election becomes effective. The Canada Revenue Agency has provided no guidance in this regard. In the event that WOF's election to become a public corporation does not take effect at the moment that WOF ceases to be a PLSVCC (or is not effective at all), a WOF Share held pursuant to the Arrangement would be a "non-qualified investment" for a Registered Plan and the controlling individual of the Registered Plan would be subject to a penalty tax equal to 50% of the fair market value of the non-qualified investment held. This penalty tax may be refundable where the Registered Plan disposes of the non-qualified investment before the end of the calendar year following the calendar year in which the penalty tax arose or any later time that the Minister of National Revenue considers reasonable in the circumstances. The Manager is of the view that this risk is a not a material consideration for WOF Venture Shareholders when assessing whether or not to continue to hold WOF Legacy Shares or transfer such WOF Legacy Shares to PTF (and therefore become a WOF Exiting Venture Shareholder). **Controlling individuals whose Registered Plans hold WOF Shares should consult their own tax advisors to understand the risks and benefits under the Arrangement.**

### *Other Tax Consequences of the Arrangement to WOF and WOF Shareholders*

There will be certain tax considerations as a result of the Arrangement. See “Certain Canadian Income Tax Considerations Regarding the Arrangement”.

### **Risks Related to WOF If Arrangement Not Completed**

If the Arrangement is not completed, WOF will continue to face many of the risks that it currently faces with respect to its business and affairs. In addition to the other information presented in this Circular, the risk factors set out below should be given special consideration. Further, details of the risk factors associated with an investment in WOF can be found in the Fund's last filed annual information form dated March 31, 2021 and the Management

Report of Fund Performance for the financial year ended December 31, 2020 which are incorporated by reference and can be found on the Fund's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### *Continuing Working Capital Challenges for WOF Venture Shares*

If the Arrangement does not close, the WOF Venture Shares will continue to face working capital challenges in order to continue its business and operations in the ordinary course. There can be no assurances that the Fund will be able to raise funds through the divestment of an investment in the venture portfolio in a timely manner to meeting ongoing working capital requirements.

#### *Amendment of Plan of Arrangement if WOF Commercialization Shareholders Do Not Approve Arrangement Resolution*

In the event the Arrangement Resolution is not approved by holders of the WOF 05 Commercialization Shares (Series 2) by separate Series vote, WOF and PTF intend to amend the Plan of Arrangement to provide that it will only be binding on the WOF Balanced Shares (Series 1) and WOF Balance Shares (Series 2) and the WOF 05 Commercialization Shares will not be acquired by PTF. If this occurs, it is expected that the Board will continue to consider further strategic options for the WOF 05 Commercialization Shares. There can be no guarantee as to the outcome of that further review and/or strategic options that may be available for the WOF 05 Commercialization Shares.

#### *Significant Concentration Risk and Costs of Continuing Operations for WOF 05 Commercialization Shares*

If the Arrangement does not close and/or given the risks associated with realizing on the recently announced potential liquidity event for that investee company, the WOF 05 Commercialization Shares has significant concentration and liquidity risk with having a very small venture portfolio remaining in the portfolio after divestments completed during the year and continued operations expected to significantly erode shareholder value over time due to the uneconomical operating costs relative to the minimal remaining NAV of the WOF 05 Commercialization Shares. See "Reasons for the Arrangement".

#### *Alternative Strategic Options Unlikely*

If the Arrangement does not close, it is expected that the Board will continue to review options to further reduce the operating costs of the Fund, pursue maximizing value and generating liquidity from the remaining investments in the Fund and to consider further strategic options for the WOF Venture Shares and WOF 05 Commercialization Shares. There can be no guarantee as to the outcome of that further review and/or strategic options that may be available for the WOF Venture Shares or WOF 05 Commercialization Shares especially given the ongoing liquidity pressure and with Manager's expectation of limited potential portfolio company exits in the near term. See "Reasons for the Arrangement".

### **Dissent Rights**

The following is a summary of the provisions of the Business Corporations Act, as modified by the Plan of Arrangement and the Interim Order, relating to a WOF Shareholder's dissent rights in respect of the Arrangement Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Dissenting Holder who seeks payment of the fair value of the WOF Shares and is qualified in its entirety by reference to the full text of Sections 237 to 247 of the Business Corporations Act, which is attached to this Circular as Appendix "F", as modified by the Plan of Arrangement and the Interim Order.

**The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Holder should seek independent legal advice, as failure to comply strictly with the provisions of Sections 237 to 247 of the Business Corporations Act, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of all Dissent Rights.**

The Interim Order expressly provides registered holders of WOF Shares with the right to dissent with respect to the Arrangement Resolution. WOF acts as its own register and so the WOF Shareholders are the registered holders of WOF Shares. Each Dissenting Holder is entitled to be paid the fair value (determined as of the close of business on the day before the Arrangement Resolution was adopted at the WOF Shareholder Meeting) of all, but not less than all, of the holder's WOF Shares, provided that the holder duly dissents to the Arrangement Resolution and the Arrangement becomes effective. In accordance with the Interim Order, any such payment of fair value will be satisfied in cash. It is a condition to completion of the Arrangement in favour of PTF, that Dissent Rights have not been exercised (or, if exercised, remain unwithdrawn) with respect to more than 5% of the issued and outstanding WOF Shares.

With respect to WOF Shares in connection to the Arrangement, pursuant to the Interim Order, a registered WOF Shareholder may exercise rights of dissent under Section 237 to Section 247 of the Business Corporations Act, as modified by the Plan of Arrangement and the Interim Order; provided that, notwithstanding Section 242(1)(a) of the Business Corporations Act, the written objection to the Arrangement Resolution must be received from WOF Shareholders who wish to dissent by WOF not later than 5:00 p.m. (Vancouver time) two Business Days immediately preceding the date of the WOF Shareholder Meeting. WOF's address for such purpose is Working Opportunity Fund (EVCC) Ltd. at 2400 - 1500 West Georgia Street, Vancouver, British Columbia, V6E 3P3, Attention: Cindy Oliver. To exercise Dissent Rights, a WOF Shareholder must dissent with respect to all WOF Shares of which it is the registered and beneficial owner and must not vote in favour of the Arrangement Resolution. A registered WOF Shareholder who wishes to dissent must deliver written notice of dissent to WOF as set forth above and such notice of dissent must strictly comply with the requirements of Section 242 of the Business Corporations Act. Any failure by a WOF Shareholder to fully comply with the provisions of the Business Corporations Act, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of that holder's Dissent Rights.

### **Certain Canadian Income Tax Considerations Regarding the Transaction**

The following is a summary of the principal Canadian federal income tax considerations generally applicable under the Tax Act to a beneficial owner of a WOF Balanced Share (Series 1), WOF Balanced Share (Series 2), Legacy Share, or a WOF 05 Commercialization Share (each a "**WOF Share**" and collectively the "**WOF Shares**") who acquires, holds, or disposes of a WOF Share pursuant to the Arrangement and who, for purposes of the Tax Act and at all relevant times, (a) is resident in Canada, (b) deals at arm's length with and is not affiliated with WOF and PTF and (c) holds all WOF Shares, and will hold all WOF Shares held pursuant to the Arrangement, as capital property (each, a "**Holder**").

A WOF Share will generally be considered to be capital property to a holder thereof for purposes of the Tax Act provided that the holder does not use or hold such share in the course of carrying on a business of trading or dealing in securities and has not acquired such share in one or more transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (a) that is not or is deemed not to be resident in Canada for the purposes of the Tax Act; (b) that is exempt from tax under Part I of the Tax Act; (c) that is a "financial institution" for purposes of the mark-to-market rules; (d) that is a "specified financial institution"; (e) that is a partnership; (f) an interest in which is a "tax shelter" or a "tax shelter investment"; (g) that has elected to determine its Canadian tax results in a foreign currency pursuant to the functional currency reporting rules; (h) that has entered or will enter into, in respect of the WOF Shares a "synthetic disposition arrangement" or a "derivative forward agreement"; or (i) that will receive dividends on the WOF Shares under or as part of a "dividend rental arrangement", each within the meaning of the Tax Act. **Any such Holders should consult their own tax advisors to determine the particular Canadian federal income tax consequences to them of the Arrangement.**

This summary is based on the facts set out in this Circular, the assumptions set out herein, the current provisions of the Tax Act and the regulations thereto in force as at the date of this Circular, and WOF's understanding of the current administrative and assessing practices and policies of the CRA published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed

Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative or assessing practice whether by legislative, regulatory, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may be different from those discussed herein.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to the Arrangement. The income and other tax consequences of acquiring, holding or disposing of WOF Shares will vary depending on a Holder's particular status and circumstances, including the country, province or territory in which the Holder resides or carries on business. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. No representations are made with respect to the income or other tax consequences to any particular Holder. No advance income tax ruling or legal opinion has been obtained to confirm the tax consequences of the Arrangement or with respect to any of the assumptions made throughout this summary and this summary is qualified accordingly. **Shareholders should consult their own tax advisors for advice with respect to the income and other tax consequences of the Arrangement in their particular circumstances, including the application and effect of the income and other tax laws of any applicable country, province, state or local tax authority.**

This summary does not discuss any non-Canadian income or other tax consequences of the Arrangement. Holders resident or subject to taxation in a jurisdiction other than Canada should be aware that the Arrangement may have tax consequences both in Canada and in such other jurisdiction. Tax consequences, in jurisdictions other than Canada, are not described herein. Holders should consult with their own tax advisors with respect to their particular circumstances and the tax considerations applicable to them.

### **Change in WOF's tax characterization**

Pursuant to the Arrangement, WOF will cease to be registered as an "employee venture capital corporation" under Part 2 of the *Employee Investment Act* (British Columbia). As a consequence, WOF will cease, at that time, to be a "prescribed labour-sponsored venture capital corporation" and a "mutual fund corporation" for the purposes of the Tax Act. The completion of the transactions contemplated by the Arrangement Agreement are subject to the condition precedent that WOF make an election under the Tax Act to become a "public corporation" for purposes of the Tax Act. This summary assumes that such election will be made such that WOF will become a "public corporation" immediately upon ceasing to be a "prescribed labour-sponsored venture capital corporation". For further information on this election, see the discussion above under the heading "Risk Factors – Eligibility for Investment".

Numerous tax consequences may result from WOF's loss of status as a "prescribed labour-sponsored venture capital corporation" and a "mutual fund corporation" and WOF becoming a "public corporation" for purposes of the Tax Act, including, but not limited to:

- WOF will no longer be eligible for "capital gains refunds" or be able to designate dividends (deemed or otherwise) paid to shareholders as "capital gains dividends", each within the meaning of the Tax Act;
- WOF will no longer be subject to the refundable tax regime in the Tax Act on its interest and other investment income (other than dividends from taxable Canadian corporations);
- section 84 of the Tax Act may deem a dividend to be payable by WOF to its shareholders in certain circumstances, including where WOF increases its paid-up capital (other than in specifically enumerated circumstances) or redeems, acquires or cancels its shares for proceeds in excess of paid-up capital;
- WOF's election under subsection 39(4) of the Tax Act to deem all Canadian securities to be capital property will be inapplicable in respect of a disposition of any such securities at a particular time if at that time WOF is (a) a trader or dealer in securities, (b) a "financial institution" for the purposes of the mark-to-market rules in the Tax Act, or (c) a corporation whose principal business is the lending of money or the purchasing of debt obligations or a combination thereof;

- WOF may be subject to the rules in the Tax Act relevant to "financial institutions", including the mark-to-market rules, if it meets certain requirements;
- WOF may be subject to Part IV.1 tax on any dividends (deemed or otherwise) received on "taxable preferred shares" held by WOF;
- corporate shareholders of WOF may be subject to Part IV.1 tax on any dividends (deemed or otherwise) paid on "taxable preferred shares" of WOF; and
- WOF may be subject to Part VI.1 tax on any dividends (deemed or otherwise) paid on WOF's shares that are "taxable preferred shares" within the meaning of the Tax Act.

**Holders should consult their own tax advisors with respect to the tax consequences to them of WOF ceasing to be a "prescribed labour-sponsored venture capital corporation" and a "mutual fund corporation" and becoming a "public corporation" for purposes of the Tax Act.**

### **Holders Other than Registered Plans**

#### *Amendment and Re-designation of WOF Balanced Shares (Series 2) as Legacy Shares*

Pursuant to the Arrangement, the rights and restrictions attaching to the WOF Balanced Shares (Series 2) will be replaced and amended and such shares will be re-designated as Legacy Shares (the "**Amendment and Re-Designation**"). This summary assumes that (i) the Amendment and Re-Designation constitutes a "disposition" for the purposes of the Tax Act of the WOF Balanced Shares (Series 2), on the basis that the amendments materially alter the rights of such shares, and (ii) such disposition will be considered to occur "in the course of a reorganization of capital" of WOF such that section 86 of the Tax Act will apply in respect of such disposition. Accordingly, a Holder whose WOF Balanced Shares (Series 2) are amended and re-designated as Legacy Shares under the Arrangement will be considered to have disposed of the WOF Balanced Shares (Series 2) for proceeds of disposition equal to the Holder's adjusted cost base of such shares immediately before the effective time of the Amendment and Re-Designation such that such Holder should not realize a capital gain or a capital loss on the Amendment and Re-Designation. The aggregate cost to a Holder of the Legacy Shares held on the Amendment and Re-Designation will be equal to the Holder's adjusted cost base of the WOF Balanced Shares (Series 2) immediately before the effective time of the Amendment and Re-Designation.

#### *Dissenting Holders*

A Holder who is a Dissenting Shareholder who has validly exercised his, her or its Dissent Rights (a "**Dissenting Holder**") will be deemed under the Arrangement to have transferred such Dissenting Holder's WOF Shares to PTF for a payment by PTF equal to the fair value of such shares. A Dissenting Holder will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such shares and net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition. The general tax treatment of capital gains or capital losses is discussed below under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses".

Any interest awarded to a Dissenting Holder will be included in such Holder's income for the purposes of and in accordance with the Tax Act.

**Holders should consult their own tax advisors with respect to the tax consequences to them of exercising Dissent Rights. Failure to perfect such Dissent Rights may also give rise to tax considerations not described herein.**

#### *Exchange of WOF Balanced Shares (Series 1) for Legacy Shares*

Pursuant to the Arrangement, the WOF Balanced Shares (Series 1) held by Holders other than Dissenting Holders (as defined above under the heading *Certain Canadian Federal Income Tax Considerations – Dissenting Holders*)

will be exchanged for Legacy Shares (the "**Share Exchange**"). This summary assumes that the Share Exchange will be considered to occur "in the course of a reorganization of capital" of WOF such that section 86 of the Tax Act will apply in respect of such disposition. Accordingly, a Holder whose WOF Balanced Shares (Series 1) are exchanged for Legacy Shares under the Arrangement will be considered to have disposed of the WOF Balanced Shares (Series 1) for proceeds of disposition equal to the Holder's adjusted cost base of such shares immediately before the effective time of the Share Exchange such that such Holder should not realize a capital gain or a capital loss on the Share Exchange. The aggregate cost to a Holder of the Legacy Shares acquired on the Share Exchange will be equal to the Holder's adjusted cost base of the WOF Balanced Shares (Series 1) immediately before the effective time of the Share Exchange. The cost of the Legacy Shares acquired must be averaged with the adjusted cost base of all other Legacy Shares held by the Holder as capital property, whether acquired pursuant to this Step of the Arrangement or otherwise, to determine the adjusted cost base of Legacy Shares to such Holder on a per share basis.

*Transfer of Legacy Shares to PTF under the Arrangement by WOF Exiting Venture Shareholders*

Pursuant to the Arrangement, each Legacy Share held by a WOF Exiting Venture Shareholder will be transferred to PTF in exchange for the Adjusted Price per WOF Balanced Share (Series 2) (which consists of the applicable Cash Consideration (payable in two instalments) including the Additional Exit Venture Cash Payment (if any)) and one WOF Exit Venture Share.

Each WOF Exiting Venture Shareholder will recognize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition of the Legacy Shares exceeds (or is less than) the adjusted cost base to the WOF Exiting Venture Shareholder of such Legacy Shares determined immediately before the disposition, and any reasonable costs of disposition. The proceeds of disposition will be equal to the applicable Cash Consideration, the Additional Exit Venture Cash Payment (if the "cost recovery method" is applicable which is discussed further below), plus the fair market value of the WOF Exit Venture Share. WOF is of the opinion that, as the WOF Exit Venture Shares will have no economic entitlements, such shares will have a nil or nominal fair market value at the time of issuance. Such view on value is not binding on any particular Holder or on the CRA. For a description of the tax treatment of capital gains and capital losses, see "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses" below.

The tax treatment of the Additional Exit Venture Cash Payment (if any) is not free from doubt. Such payment may, in certain circumstances, be treated as income in the hands of a WOF Exit Venture Shareholder. In certain circumstances, however, the CRA will, as a matter of administrative policy, apply the "cost recovery method" and treat payments that are instalments of a sale price for shares, but are based on the use of or production of property (*i.e.*, "earnouts") as additional proceeds of disposition, giving rise to an additional capital gain or a reduction of a capital loss. This CRA policy applies only to earnouts on share purchases where, among other things, the earnout feature ends no later than five (5) years after the sale, the earnout feature relates to the underlying goodwill that the parties cannot reasonably determine and the seller is resident in Canada. **WOF Exiting Venture Shareholders should consult their own tax advisors to confirm whether the "cost recovery method" applies to them in respect of the Additional Exit Venture Cash Payment (if any) and the impact of such application.**

If any part of the applicable Cash Consideration or the Additional Exit Venture Cash Payment (if the "cost recovery method" applies) becomes determinable in, but is not payable until after the end of, the taxation year of a WOF Exiting Venture Shareholder in which the disposition of the Legacy Shares to PTF occurred, such WOF Exiting Venture Shareholder may be entitled to claim a capital gains reserve in respect of such portion which is not yet payable. **WOF Exiting Venture Shareholders should consult their own tax advisors regarding the potential applicability of a capital gains reserve in their particular circumstances.**

*Transfer of WOF 05 Commercialization Shares to PTF under the Arrangement*

Pursuant to the Arrangement, each WOF 05 Commercialization Share held by WOF Commercialization Holders other than Dissenting Holders will be transferred to PTF in exchange for the applicable Cash Consideration. Each WOF Commercialization Shareholder will recognize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition of the WOF 05 Commercialization Shares (being the applicable Cash

Consideration) exceeds (or is less than) the adjusted cost base to the WOF Commercialization Shareholder of such WOF 05 Commercialization Shares determined immediately before the disposition, and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses" below.

#### *Transfer of Legacy Shares to PTF under the Arrangement by Ineligible Holders*

Pursuant to the Arrangement, on the Redemption Date, each Legacy Share held by an Ineligible Holder may, if the appropriate confirmation notice is provided by PTF, be transferred to PTF in exchange for the Adjusted Price per WOF Balanced Share (Series 2) (which consists of the applicable Cash Consideration (payable in two instalments) including the Additional Exit Venture Cash Payment (if any)) and one WOF Exit Venture Share.

Each Ineligible Holder will recognize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition of the Legacy Shares exceeds (or is less than) the adjusted cost base to the Ineligible Holder of such Legacy Shares determined immediately before the disposition, and any reasonable costs of disposition. The proceeds of disposition will be equal to the applicable Cash Consideration, the Additional Exit Venture Cash Payment (if the "cost recovery method" is applicable which is discussed further below), plus the fair market value of the WOF Exit Venture Share. WOF is of the opinion that, as the WOF Exit Venture Shares will have no economic entitlements, such shares will have a nil or nominal fair market value at the time of issuance. Such view on value is not binding on any particular Holder or on the CRA. For a description of the tax treatment of capital gains and capital losses, see "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses" below.

The tax treatment of the Additional Exit Venture Cash Payment (if any) is not free from doubt. Such payment may, in certain circumstances, be treated as income in the hands of the Ineligible Holder. In certain circumstances, however, the CRA will, as a matter of administrative policy, apply the "cost recovery method" and treat payments that are instalments of a sale price for shares, but are based on the use of or production of property (*i.e.*, "earnouts") as additional proceeds of disposition, giving rise to an additional capital gain or a reduction of a capital loss. This CRA policy applies only to earnouts on share purchases where, among other things, the earnout feature ends no later than five (5) years after the sale, the earnout feature relates to the underlying goodwill that the parties cannot reasonably determine and the seller is resident in Canada. **Ineligible Holders should consult their own tax advisors to confirm whether the "cost recovery method" applies to them in respect of the Additional Exit Venture Cash Payment (if any) and the impact of such application.**

If any part of the Adjusted Price per WOF Balanced Share (Series 2) or the Additional Exit Venture Cash Payment (if the "cost recovery method" applies) becomes determinable in, but is not payable until after the end of, the taxation year of an Ineligible Holder in which the disposition of the Legacy Shares to PTF occurred, such Ineligible Holder may be entitled to claim a capital gains reserve in respect of such portion which is not yet payable. **Ineligible Holders should consult their own tax advisors regarding the potential applicability of a capital gains reserve in their particular circumstances.**

#### *Dividends on Legacy Shares (Post-Arrangement)*

A Holder who is an individual (other than certain trusts) will be required to include in income any dividends received or deemed to be received on the Legacy Shares and will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit rules that apply to any dividends designated by WOF as "eligible dividends" as defined in the Tax Act. There is no assurance that any dividends paid by WOF will be designated as "eligible dividends".

Dividends received or deemed to be received by an individual and certain trusts may give rise to a liability for minimum tax under the Tax Act. Holders should consult their own tax advisors with respect to the minimum tax provisions.

The Legacy Shares will be "short-term preferred shares" and "taxable preferred shares", each as defined in the Tax Act, and as a result, Holders that are corporations will generally not be subject to tax under Part IV.1 of the Tax Act on any dividend received on the Legacy Shares.

A Holder that is a corporation will be required to include in income any dividend received or deemed to be received on its Legacy Shares and generally will be entitled to deduct an equivalent amount in computing its taxable income, subject to certain limitations in the Tax Act. A Holder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may also be liable under Part IV of the Tax Act to pay a tax (refundable in certain circumstances) on any dividend that it receives or is deemed to receive on its Legacy Shares to the extent that the dividend is deductible in computing the corporation's taxable income. A Holder that is, throughout the year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be subject to an additional refundable tax on its "aggregate investment income" which is defined to include dividends that are not deductible in computing taxable income. Subsection 55(2) of the Tax Act provides that, where certain corporate holders of shares receive a dividend or deemed dividend in specified circumstances, all or part of such dividend may be treated as proceeds of disposition or a capital gain from the disposition of capital property and not as a dividend. Corporate Holders should consult their own advisors as to the potential applicability of subsection 55(2) of the Tax Act in their circumstances. For a description of the tax treatment of capital gains and capital losses, see "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses" below.

#### *Disposition of Legacy Shares (Post-Arrangement)*

A Holder whose Legacy Shares are redeemed, acquired or cancelled by WOF (other than a disposition to WOF that is a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will generally be deemed to have received a dividend equal to the amount by which any payment by WOF on such redemption, acquisition or cancellation exceeds the paid-up capital of such shares, and such deemed dividend will generally not be included in computing the proceeds of disposition to such holder for purposes of computing any capital gain or capital loss on the disposition of such shares. However, if such Holder is a corporation, the full amount of the deemed dividend may be treated as proceeds of disposition or a capital gain under subsection 55(2) of the Tax Act and not as a dividend. The general tax treatment of the receipt of dividends is discussed above under the heading "Certain Canadian Federal Income Tax Considerations – Dividends on Legacy Shares (Post-Arrangement)".

A Holder will also realize a capital gain (or a capital loss) to the extent that the proceeds of disposition of such Legacy Shares that were redeemed, acquired, or cancelled by WOF, (which, as noted above, generally will not include the amount of any deemed dividend) and net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such shares immediately before the disposition. The general tax treatment of capital gains or capital losses is discussed below under the heading "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses".

A Holder that disposes or is deemed to dispose of a Legacy Share after the Arrangement (other than a disposition to WOF that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will recognize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition of the Legacy Share exceeds (or is less than) the adjusted cost base to the Holder of such Legacy Share determined immediately before the disposition, and any reasonable costs of disposition. For a description of the tax treatment of capital gains and capital losses, see "Certain Canadian Federal Income Tax Considerations – Taxation of Capital Gains and Capital Losses" below.

#### *Taxation of Capital Gains and Capital Losses*

Generally, one-half of any capital gain realized by a Holder in a taxation year will be included in computing the Holder's income in that taxation year as a taxable capital gain and, generally, one-half of any capital loss realized in a taxation year (an "**allowable capital loss**") must be deducted from the taxable capital gains realized by the Holder in the same taxation year, in accordance with the rules contained in the Tax Act. Allowable capital losses in excess of taxable capital gains realized by a Holder in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against

net taxable capital gains realized by the Holder in such taxation year, subject to and in accordance with the rules contained in the Tax Act.

Capital gains realized by an individual and certain trusts may give rise to a liability for minimum tax under the Tax Act. Holders should consult their own tax advisors with respect to the minimum tax provisions.

A Holder that is, throughout the year, a "Canadian-controlled private corporation", as defined in the Tax Act, may be subject to an additional refundable tax on its "aggregate investment income" which is defined to include taxable capital gains.

The amount of any capital loss realized by a Holder that is a corporation on the disposition of a WOF Share may be reduced by the amount of dividends received or deemed to be received by it on such share (or on a share for which the share has been substituted) to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns shares, directly or indirectly through a partnership or a trust. **Holders to whom these rules may apply should consult their own tax advisors.**

### **Registered Plans and Eligibility for Investment**

Based on the current provisions of the Tax Act and subject to the provision of any particular plan, any WOF Shares will constitute qualified investments under the Tax Act at a particular time for a trust governed by a registered retirement savings plan ("RRSP"), a registered retirement income fund ("RRIF"), a registered disability savings plan ("RDSP"), a registered education savings plan ("RESP"), a tax-free savings account ("TFSA") or a deferred profit sharing plan (collectively, "**Registered Plans**"), providing WOF is a "public corporation" (other than a "mortgage investment corporation") for the purposes of the Tax Act at such time.

WOF will file an election prior to the Effective Date to become a "public corporation" for the purposes of the Tax Act, with such election intended to be effective on the Effective Date. WOF has been advised that such election should cause WOF to be a "public corporation" for the purposes of the Tax Act such that a WOF Share held by a Registered Plan pursuant to the Arrangement will be a "qualified investment" for such Registered Plan at the time of acquisition. For further details on this election and any associated risks, see the discussion above under the heading "Risk Factors – Eligibility for Investment".

A Registered Plan that holds a WOF Share and the annuitant, holder or subscriber of that Registered Plan, as the case may be, will generally not be subject to tax on any distributions received by the Registered Plan on such WOF Share or a gain realized by the Registered Plan on the disposition of such WOF Share, provided such WOF Share is a "qualified investment" under the Tax Act for the Registered Plan, is not a "prohibited investment" for the Registered Plan, and the distributions do not constitute an "advantage" under the Tax Act.

If the WOF Shares are "prohibited investments", within the meaning of the Tax Act, for a particular Registered Plan, the annuitant, holder or subscriber, as the case may be, of the Registered Plan will be subject to a penalty tax under the Tax Act. Such shares will generally not be a "prohibited investment" for these purposes unless the annuitant, holder or subscriber, as the case may be, of the Registered Plan, (a) does not deal at arm's length with WOF for purposes of the Tax Act, or (b) has a "significant interest", as defined in the Tax Act, in WOF. In addition, such shares will generally not be a "prohibited investment" if such shares are "excluded property" for purposes of the prohibited investment rules for a Registered Plan.

**Annuitants, holders, or subscribers, as the case may be, whose Registered Plans will hold WOF Shares pursuant to the Arrangement should consult their own tax advisors having regard to their own particular circumstances.**

#### *WOF RRSP Holders*

Certain WOF Shareholders hold their WOF Shares in WOF RRSP accounts for which Concentra Trust acts as trustee (the "**WOF RRSP Accounts**"). Following the Effective Date, it is anticipated that WOF will cease to

provide WOF RRSP Accounts and Concentra Trust will cease to act as trustee with the result that the WOF RRSP Accounts will cease to qualify as RRSPs for tax purposes and will be de-registered. When an RRSP is deregistered, the fair market value of any property remaining in the RRSP at the time of deregistration will generally be included in the income of the annuitant (or in certain circumstances their spouse or common-law partner) of such RRSP for the taxation year that includes the deregistration and amounts will have to be withheld and remitted to the Canada Revenue Agency from the remaining property of such account. **In order to avoid this result, steps must be taken to transfer, on a tax-deferred basis, the contents of a WOF RRSP Account to another RRSP account of the annuitant before deregistration occurs.** WOF Shareholders who hold WOF RRSP Accounts will be notified at least 60 days prior to the deregistration of the WOF RRSP Accounts and the deregistration will not occur until it has been determined that no Additional Exit Venture Cash Payment is potentially owing to the WOF Exit Venture Shareholders. **Annuitants of WOF RRSP Accounts should consult their own financial and tax advisors having regard to their own particular circumstances. See Questions & Answers - *If I elect to continue to hold my WOF Venture Shares, what type of account do I need to have?*, “Shareholder Account Matters” and “Risk Factors”.**

### ADDITIONAL INFORMATION

Additional information relating to WOF may be found on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Manager’s website at [www.penderfund.com](http://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, 2020, which is incorporated by reference and can be accessed on SEDAR. See “Documents Incorporated By Reference”. 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](http://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 2021 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 2021 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 2021 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.

### Arrangement Resolution

**BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS OF WORKING OPPORTUNITY FUND (EVCC) THAT:**

1. The arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (as the Arrangement may be modified or amended), as more particularly described and set forth in the information circular (the “**Circular**”) of Working Opportunity Fund (EVCC) Ltd. (“**WOF**”) dated April 14, 2021, is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”), the full text of which is set out as Exhibit A to the arrangement agreement dated April 6, 2021 between WOF and Pender Growth Fund Inc. (the “**Arrangement Agreement**”) and all transactions contemplated thereby, is hereby approved and adopted.
3. The Arrangement Agreement, the actions of the directors of WOF in approving the Arrangement Agreement and the actions of the directors and officers of WOF in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of WOF or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of WOF are hereby authorized and empowered (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).

5. Any officer or director of WOF is hereby authorized and directed for and on behalf of WOF to execute or cause to be executed, under the seal of WOF or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

**RESOLVED AS A SEPARATE SPECIAL RESOLUTION OF THE HOLDERS OF CLASS A, BALANCED SHARES (SERIES 1) OF WORKING OPPORTUNITY FUND (EVCC) LTD. THAT** the above special resolution be passed.

**RESOLVED AS A SEPARATE SPECIAL RESOLUTION OF THE HOLDERS OF CLASS A, BALANCED SHARES (SERIES 2) OF WORKING OPPORTUNITY FUND (EVCC) LTD. THAT** the above special resolution be passed.

**RESOLVED AS A SEPARATE SPECIAL RESOLUTION OF THE HOLDERS OF CLASS A, COMMERCIALIZATION SHARES (SERIES 2) OF WORKING OPPORTUNITY FUND (EVCC) LTD. THAT** the above special resolution be passed.

## SCHEDULE B – GLOSSARY OF TERMS

In this Circular and the accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms will have the respective meanings set out below, words importing the singular number will include the plural and vice versa and words importing any gender will include all genders.

- (a) **“Acquisition Proposal”** means any proposal, offer, expression of interest or inquiry made by any Person or any group of Persons acting jointly or in concert, whether written or oral, other than PTF (or any affiliate of PTF or any Person acting in concert with PTF or any affiliate of PTF) with respect to:
- (i) any joint venture, royalty, acquisition, sale, transfer or other arrangement having a similar economic effect, direct or indirect, in a single transaction or a series of related transactions, of
  - (ii) any shares or other voting securities, or securities convertible into or exercisable or exchangeable for any shares or other voting securities of WOF or any of its affiliates representing 10% or more of the outstanding voting securities of WOF or such affiliate, on a fully diluted basis;
  - (iii) any assets of WOF and/or one or more of its affiliates which assets individually or in the aggregate contribute 10% or more of the consolidated revenue or represent 10% or more of the total asset value of WOF and its affiliates taken as a whole (in each case based on the most recent consolidated financial statements of WOF);
  - (iv) a merger, recapitalization, restructuring, reorganization, amalgamation, arrangement, joint venture or other business combination involving WOF or any of its affiliates that if consummated, would result in any Person or group of Persons beneficially owning, directly or indirectly, 10% or more of the voting or equity securities of WOF or any of its affiliates or of the surviving entity or the resulting direct or indirect parent of WOF or the surviving entity;
  - (v) any take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in such person beneficially owning, directly or indirectly, 10% or more of any class of the issued and outstanding voting or equity securities (and/or securities convertible into, or exchangeable or exercisable for voting or equity securities) of WOF or any of its affiliates;
  - (vi) any other extraordinary business transaction involving or otherwise relating to WOF or any of its affiliates (including pursuant to bankruptcy or insolvency proceedings); or
  - (vii) any public announcement of an intention to do any of the foregoing,
  - (viii) provided, however, one or more individual and separate dispositions of an investment within the Portfolio shall not constitute an Acquisition Proposal;
- (b) **“Additional Exit Venture Cash Payment”** has the meaning ascribed to it under “Principal Steps of the Plan of Arrangement – Additional Exit Venture Cash Payment”;
- (c) **“Adjusted Price per WOF Balanced Share (Series 1)”** has the meaning ascribed to it under “Principal Steps of the Plan of Arrangement - Effective Date NAV Calculations”;
- (d) **“Adjusted Price per WOF Balanced Share (Series 2)”** has the meaning ascribed to it under “Principal Steps of the Plan of Arrangement - Effective Date NAV Calculations”;
- (e) **“Administrative Costs”** means the anticipated reasonable out of pocket costs of maintaining shareholder accounts for the WOF Exit Venture Shares from November 18, 2021 until May 18, 2022 (for greater certainty this shall not include any expenses incurred by the Manager in relations to its own operations including with respect to the provision of services to WOF);

- (f) "**Arrangement**" means an arrangement under the provisions of Division 5 of Part 9 of the Business Corporations Act, on the terms set forth in the Plan of Arrangement, subject to any amendment or supplement thereto in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order;
- (g) "**Arrangement Agreement**" means the arrangement agreement dated April 6, 2021 between PTF and WOF;
- (h) "**Arrangement Resolution**" means the special separate resolution approving the Arrangement, to be substantially in the form and content in Schedule A to this Circular, to be considered, and if deemed advisable, passed with or without variation, by the WOF Shareholders at the WOF Shareholder Meeting;
- (i) "**Base Price per WOF Balanced Share (Series 1)**" means for each WOF Balanced Share (Series 1), \$1.8306, being 43.5% of the NAV per Share of the WOF Balanced Share (Series 1) as at the Business Day immediately prior to the date of the Arrangement Agreement;
- (j) "**Base Price per WOF Balanced Share (Series 2)**" means for each WOF Balanced Share (Series 2), \$1.5525, being 43.5% of the NAV per Share of the WOF Balanced Share (Series 2) as at the Business Day immediately prior to the date of the Arrangement Agreement;
- (k) "**Board**" means the Board of Directors of WOF;
- (l) "**BuildDirect Subscription Receipt Financing**" means a proposed subscription receipt financing to be completed by BuildDirect.com Technologies Inc. (being a company in the investment portfolio of the WOF 05 Commercialization Shares) in connection with a proposed transaction between BuildDirect.com Technologies Inc. and VLCTY Capital Inc.;
- (m) "**Business Corporations Act**" means the *Business Corporations Act* (British Columbia);
- (n) "**Business Day**" means any day other than Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia or in Toronto, Ontario;
- (o) "**Cash Consideration**" means:
  - (i) in respect of each WOF Balanced Share (Series 2), the Adjusted Price per WOF Balanced Share (Series 2) and the Additional Exit Venture Cash Payment, if applicable; and
  - (ii) in respect of each WOF 05 Commercialization Share, the greater of (A) 50% of the Effective Date NAV per WOF 05 Commercialization Share; and (B) 75% of the subscription price of the subscription receipts issued pursuant to the Build Direct Subscription Receipt Financing, provided the BuildDirect Subscription Receipt Financing has been completed on the Effective Date;
- (p) "**Change of Recommendation**" means:
  - (i) the WOF Board fails to publicly recommend or has withdrawn, qualified or modified or shall have changed its approval or recommendation of the Arrangement in a manner materially adverse to PTF;
  - (ii) the WOF Board fails to publicly reaffirm its recommendation of the Arrangement within five Business Days after a public announcement of any Acquisition Proposal;
  - (iii) the WOF Board, or any committee thereof, accepts, approves, endorses or recommends any Acquisition Proposal;

- (iv) WOF accepts or enters into a letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding in respect of an Acquisition Proposal; or
- (v) WOF, the WOF Board, or any committee thereof, publicly proposes or announces its intention to do any of the foregoing; and

it being understood that publicly taking no position or a neutral position by the WOF Board with respect to an Acquisition Proposal for a period exceeding five Business Days after an Acquisition Proposal has been publicly announced shall be deemed to constitute such a withdrawal, qualification, modification or change;

- (q) "**Confirmation Notice**" means a notice delivered by PTF to WOF that it is electing to acquire all WOF Legacy Shares held by Illegible Holders and delivered to Illegible Holders which delivery obligation may be satisfied by WOF issuing a press release;
- (r) "**Court**" means the British Columbia Supreme Court;
- (s) "**Dissent Procedures**" has the meaning ascribed to it under "Dissent Rights";
- (t) "**Dissent Rights**" means the rights of Registered WOF Shareholders to dissent from the Arrangement and receive fair value for their WOF Shares granted to Registered WOF Shareholders in the Interim Order and the Plan of Arrangement, as set out in Sections 237 to 247 of the Business Corporations Act, as may be modified by the Interim Order, the Final Order and the Plan of Arrangement, as more particularly described under "Dissent Rights";
- (u) "**Dissenting Shareholder**" means a registered holder of WOF Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures;
- (v) "**Effective Date**" means the date the Arrangement completes, as determined in accordance with the Arrangement Agreement;
- (w) "**Effective Date NAV per WOF Balanced Share (Series 1)**" has the meaning ascribed to it under "Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation";
- (x) "**Effective Date NAV per WOF Balanced Share (Series 2)**" has the meaning ascribed to it under "Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation";
- (y) "**Effective Date NAV per WOF 05 Commercialization Share**" has the meaning ascribed to it under "Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation";
- (z) "**Effective Time**" means the time when the transactions contemplated herein are deemed to have been completed, which shall be 10:00 a.m. (Vancouver time) on the Effective Date;
- (aa) "**EIA Approval**" means a letter provided of the administrator under the Employee Investment Act confirming that, effective as of 10:00 a.m. on the Effective Date, WOF will cease to be an "employee venture capital corporation" pursuant to the Employee Investment Act and all existing agreements entered into by WOF with the Province of British Columbia and the Sponsor together with WOF's Employee Venture Capital Plan will be terminated;
- (bb) "**Election**" means an election, duly executed by a WOF Venture Shareholder, electing not to take the Cash Consideration for the WOF Venture Shares and instead to continue to hold WOF Venture Shares, substantially in the form attached as Exhibit D to the Arrangement Agreement;
- (cc) "**Election Deadline**" means two Business Days prior to the WOF Shareholder Meeting;
- (dd) "**Employee Investment Act**" means the *Employee Investment Act* (British Columbia);

- (ee) "**Exchange Ratio**" has the meaning ascribed to it under "Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation";
- (ff) "**Fairness Opinion**" means the fairness opinion dated April 6, 2021 as prepared for the Special Committee of the Fund by Deloitte LLP, a copy of which is available under WOF's profile on SEDAR;
- (gg) "**Final Order**" means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then, unless such appeal is abandoned or denied, as affirmed;
- (hh) "**Financial Advisor**" means an independent qualified firm engaged by the Special Committee to perform a limited review of NAV and NAV per Share with respect to matters as more particularly set out in the Plan of Arrangement;
- (ii) "**Ineligible Holder**" means a holder of WOF Legacy Shares who holds such WOF Legacy Shares in a MFDA account or an RRSP account held with WOF;
- (jj) "**Interim Order**" means the interim order of the Court made in connection with the process for obtaining shareholder approval of the Arrangement and related matters, as such order may be amended, supplemented or varied by the Court;
- (kk) "**Interim Period**" means the period from and including the date of the Arrangement Agreement and including the earlier of the Effective Time and the date of termination of the Arrangement Agreement in accordance with its terms;
- (ll) "**ITA**" means the Income Tax Act (Canada);
- (mm) "**Manager**" or "**Pender**" means Penderfund Capital Management Ltd., the fund manager of WOF;
- (nn) "**Meeting Date**" means the date of the WOF Shareholder Meeting;
- (oo) "**NAV**" at any given time means the total net asset value of all WOF Shares, or if referred to in relation to a particular series of shares, then the total NAV of those WOF Shares only;
- (pp) "**NAV per Share**" at any given time means the NAV per Share of a particular series of WOF Shares;
- (qq) "**Net Divestment Proceeds**" means the gross cash proceeds received in respect of a divestment less (A) reasonable expenses of WOF incurred in connection with that divestment which is expected to be limited to legal fees and transaction costs of WOF; (B) any accrued and unpaid management fees and expenses under the Amended and Restated Management Agreement; and (C) any tax payable by WOF in connection with such divestment;
- (rr) "**Net Realized Gains**" means PTF's pro rata entitlement as a holder of Legacy Shares of the difference between Net Divestment Proceeds resulting from a Proposed Divestment and the Legacy NAV as at the Effective Date attributable to the Legacy Shares' investment that is the subject of the Proposed Divestment;
- (ss) "**Person**" includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, company, unincorporated association or organization, governmental entity, syndicate or other entity, whether or not having legal status;
- (tt) "**Plan of Arrangement**" means the plan of arrangement in the form attached as Exhibit A to the Arrangement Agreement which is available under WOF's profile on SEDAR, and any amendments or variations thereto made in accordance with its terms;

- (uu) **“Portfolio”** means the portfolio consisting of the companies or other entities in which WOF has made venture investments or other non-venture investments as permitted by the Employee Investment Act;
- (vv) **“PPI”** means Pender Private Investments Inc., the new name of WOF going forward as at the Effective Time;
- (ww) **“PTF”** means Pender Growth Fund Inc., a company existing under the laws of British Columbia and which shares are listed for trading on the TSX Venture Exchange under the trading symbol “PTF”;
- (xx) **“Redemption Date”** means the date of redemption of the WOF Exit Venture Shares;
- (yy) **“Series 1 Threshold Amount”** has the meaning ascribed to it under “Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation”;
- (zz) **“Series 2 Threshold Amount”** has the meaning ascribed to it under “Principal Steps of the Plan of Arrangement - Effective Date NAV Calculation”;
- (aaa) **“Special Committee”** means a special committee of directors of WOF independent of the Manager;
- (bbb) **“Sponsor”** means Working Enterprises Ltd.;
- (ccc) **“Superior Proposal”** means an unsolicited bona fide written Acquisition Proposal (provided, however, that for the purposes of this definition, all references to “10%” shall be changed to “100%”) made by a third party or parties acting jointly (other than PTF and its affiliates) that complies with Securities Laws and did not result from a breach under the Arrangement Agreement and which:
  - (i) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been obtained or demonstrated to the satisfaction of the WOF Board acting in good faith (after receipt of advice from its financial advisors and outside legal counsel) to be reasonably likely to be obtained without undue delay;
  - (ii) is made available to all WOF Shareholders on the same terms and conditions mutandis mutandi; and
  - (iii) in the good faith determination of the WOF Board, after consultation with its financial advisors and outside legal counsel:
    - A. is reasonably capable of being completed in accordance with its terms and without undue delay, taking into account all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal;
    - B. would, if the WOF Board failed to recommend such Acquisition Proposal to the WOF Shareholders, be inconsistent with its fiduciary duties under applicable Law; and
    - C. would, if consummated and taking into account all of the terms and conditions of such Acquisition Proposal (but not assuming away the risk of non-completion), result in a transaction more favourable to the WOF Shareholders from a financial point of view than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by PTF in accordance with the Arrangement Agreement);
- (ddd) **“Termination Payment”** has the meaning ascribed to it under “The Arrangement Agreement – Right to Match”;
- (eee) **“Withholding Amounts”** means outstanding liabilities owing from a WOF Shareholder in relation to withholding taxes previously remitted by WOF on behalf of the WOF Shareholder and/or outstanding fees

owing to WOF's initial manager in relation to a WOF registered savings plan account of the WOF Shareholder;

- (fff) "**WOF**" means Working Opportunity Fund (EVCC) Ltd., a company existing under the laws of British Columbia;
- (ggg) "**WOF 05 Commercialization Shares**" means the series of Class A shares in the authorized share structure of WOF which have been identified and authorized as "Commercialization Shares (series 2)";
- (hhh) "**WOF Balanced Shares (Series 1)**" means the series of Class A shares in the authorized share structure of WOF which have been identified and authorized as "Balanced Shares (series 1)";
- (iii) "**WOF Balanced Shares (Series 2)**" means the series of Class A shares in the authorized share structure of WOF which have been identified and authorized as "Balanced Shares (series 2)";
- (jjj) "**WOF Commercialization Shareholder**" means a holder of WOF 05 Commercialization Shares;
- (kkk) "**WOF Exit Venture Share**" means a share issued to WOF Exiting Venture Shareholders in exchange for a WOF Venture Share on the Effective Date;
- (lll) "**WOF Exiting Venture Shareholder**" means a WOF Venture Shareholder that did not deliver, or was deemed to have not delivered, a valid Election prior to the Election Deadline;
- (mmm) "**WOF Legacy Shares**" means the WOF Balanced Shares (Series 2), as amended pursuant to the terms of this Plan of Arrangement;
- (nnn) "**WOF Shareholder**" means a holder of one or more WOF Shares;
- (ooo) "**WOF Shares**" refers to any, some or all of the WOF 05 Commercialization Shares and the WOF Ventures Shares, as the context requires, and "WOF Share" means any one of them;
- (ppp) "**WOF Shareholder Meeting**" means the special meeting of WOF Shareholders including any adjournment or adjournments thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution;
- (qqq) "**WOF Venture Shares**" means the WOF Balanced Shares (Series 1) and/or the WOF Balanced Shares (Series 2), as the context requires; and
- (rrr) "**WOF Venture Shareholder**" means a holder of WOF Venture Shares.

## SCHEDULE C – FAIRNESS OPINION



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April 6, 2021

The Special Committee of the Board of Directors  
Working Opportunity Fund (EVCC) Ltd.  
2400-1055 West Georgia Street  
Vancouver, British Columbia V6E 3P3  
Canada

To the Special Committee of the Board of Directors:

Deloitte LLP ("**Deloitte**" or "**we**" or "**us**") understands that Working Opportunity Fund (EVCC) Ltd. ("**WOF**" or the "**Fund**") and Pender Growth Fund Inc. ("**PTF**") intend to enter into an arrangement agreement (the "**Arrangement Agreement**") to effect a plan of arrangement (the "**Arrangement**") under the *Business Corporations Act* (British Columbia), pursuant to which PTF may acquire all or some shares of WOF (the "**Transaction**").

We further understand that pursuant to the Arrangement:

- (a) each holder of the Commercialization Series shares ("**WOF 05 Commercialization Shares**") will be entitled to receive, in exchange for each WOF 05 Commercialization Share held, payment in cash on the date the Arrangement completes ("**Effective Date**") at a price equivalent to the greater of (i) 50% of net asset value ("**NAV**") per share of the Commercialization Series as at the Effective Date, calculated post distribution of all cash, subject to a reserve to cover remaining commitments, in the Commercialization Series; and (ii) 75% of the subscription price of the subscription receipts issued pursuant to the proposed subscription receipt financing to be completed by BuildDirect.com Technologies Inc. in connection with a proposed transaction between BuildDirect.com Technologies Inc. and VLCTY Capital Inc. ("**Build Direct Subscription Receipt Financing**"), provided the BuildDirect Subscription Receipt Financing has been completed on or before the Effective Date; and
- (b) each holder of the Venture Series shares ("**WOF Venture Shares**") can choose to either:
  - a. exit ("**WOF Exiting Venture Shareholders**") and receive (i) a cash payment equal to 43.5% of NAV per share of the Venture Series as determined one day prior to the definitive agreement date of April 6, 2021 ("**Definitive Agreement Date**") ("**Base Price**"), subject to a +/-5% adjustment if the NAV changes between Definitive Agreement Date and the Effective Date ("**Adjusted Price**"), and (ii) one Class B share in the share capital of WOF ("**WOF Exit Venture Share**") for each WOF Venture Share held; or
  - b. continue to participate in the legacy WOF Venture Series portfolio for a period of time and with revised share rights as defined in the Arrangement Agreement (the "**WOF Legacy Shares**"). The WOF Legacy Shares will be entitled to receive 95% of the net divestment proceeds from the Venture Series asset portfolio (net of all applicable deductions from the gross proceeds, including payment of the accrued fee to PenderFund Capital Management Ltd. (the "**Manager**"), including applicable taxes), with 5% being withheld in reserve for future shareholder requested redemptions;

- (c) the default option for any holder of WOF Venture Shares whose election has not been received by the election deadline will be the exit option;
- (d) the WOF Exiting Venture Shareholders will receive 50% of their cash payment as soon as reasonably practicable after the Effective Date, and the remaining 50% of their cash payment as soon as reasonably practicable after the six-month anniversary of the Effective Date, subject to certain holdbacks;
- (e) subject to certain conditions, the WOF Exiting Venture Shareholders will receive an additional cash payment ("**Additional Exit Venture Cash Payment**") for each disposition of a venture investment relating to the WOF Venture Shares (a "**Proposed Divestment**") equivalent to the following:
  - a. 60% of their pro rata net realized gain from a Proposed Divestment prior to November 18, 2021;
  - b. 45% of their pro rata net realized gain from a Proposed Divestment prior to February 18, 2022; or
  - c. 20% of their pro rata net realized gain should (i) WOF enter into a letter of intent, term sheet or binding agreement to complete a Proposed Divestment by February 18, 2022, and (ii) such Proposed Divestment closes by May 18, 2022;

Where the net realized gain is the difference between net divestment proceeds and the NAV as at the Effective Date attributable to the Venture Series' investment that is the subject of the Proposed Divestment;

- (f) holders of WOF Legacy Shares will have an ongoing annual limited redemption right to have their WOF Legacy Shares acquired at 40% of the NAV per share of the Venture Series as at the immediately preceding December 31<sup>st</sup>, exercisable during the 60-day period following the publication of the audited December 31<sup>st</sup> NAV figure by WOF;
- (g) PTF, through WOF, will have the right to redeem the WOF Legacy Shares at 50% of NAV at anytime following the earlier of:
  - a. The 5th anniversary of the closing of the Transaction; or
  - b. both of the following conditions being met: i) NAV is less than \$10 million as at the immediately preceding December 31, and ii) WOF has distributed at least 95% of the NAV of the top two Venture Series portfolio investments at closing of the Transaction;
- (h) a revised all-in management and administrative operating fee of 2.5% will be payable, but which will be accrued and only paid from future divestment proceeds ("**Management Fee**"); and
- (i) a performance fee equal to 20% of net divestment proceeds will be payable once the total disbursement to the holders of the WOF Legacy Shares is greater than the NAV of the WOF Legacy Shares as at the Effective Date ("**Performance Fee**").

The terms and conditions of the Arrangement will be more fully described in a management information circular (the "**Shareholder Circular**") to be delivered to the Commercialization Series shareholders ("**WOF Commercialization Shareholders**") and Venture Series shareholders ("**WOF Venture Shareholders**") (collectively, the "**WOF Shareholders**") in connection with the Arrangement.

Deloitte also understands that a special committee (the "**Special Committee**") of the board of directors of WOF (the "**Board of Directors**" or the "**Board**") has been constituted to consider the Arrangement and to make recommendations thereon to the Board. The Special Committee has retained Deloitte to,

among other things, prepare and deliver to the Special Committee an opinion (the "**Fairness Opinion**") as to the fairness of the Transaction, from a financial point of view, to the WOF Shareholders.

### **Engagement of Deloitte**

The Special Committee formally retained Deloitte by way of an engagement agreement dated January 18, 2021 (the "**Engagement Agreement**"). The terms of the Engagement Agreement provide that Deloitte is to be paid a fixed fee for such services. Such fee does not depend in whole or in part on the conclusions reached in the Fairness Opinion or the successful completion of the Arrangement. In addition, Deloitte is to be reimbursed for reasonable legal and out-of-pocket expenses and indemnified by WOF in certain circumstances which may arise in connection with the provision of our services thereunder. Deloitte consents to the inclusion of the Fairness Opinion in its entirety and a summary thereof in the Shareholder Circular and to the filing thereof, as necessary, by WOF with the securities commissions or similar regulatory authorities in each province of Canada.

### **Credentials of Deloitte**

Deloitte is one of the world's largest and most reputable professional services organizations with approximately 300,000 employees in over 150 countries. In Canada, Deloitte is one of the country's leading professional services firms with professionals experienced in providing financial advisory services for various purposes including fairness opinions, mergers and acquisitions, corporate finance, business valuations, litigation matters, and corporate income tax, amongst others.

The Fairness Opinion expressed herein represents the opinion of Deloitte and the form and content hereof have been approved for release by a group of professionals of Deloitte, each of whom is experienced in merger, acquisition, divestiture, restructuring, valuation and fairness opinion matters.

### **Independence of Deloitte**

None of Deloitte, its affiliates or associates, is an insider, an associate or affiliate (as such terms are defined in the *Securities Act* (British Columbia) or the rules made thereunder) of WOF, PTF, the Manager, or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Deloitte is not acting as an advisor to any of the Interested Parties, in connection with any matter, other than as financial advisor to the Special Committee pursuant to the Engagement Agreement as outlined above.

Other than as set forth above, there are no understandings, agreements or commitments between Deloitte and any of the Interested Parties with respect to any future business dealings. However, in the future, Deloitte may, in the normal course of its businesses, provide financial advisory or other services to any of the Interested Parties from time to time. The Fairness Opinion has been prepared in conformity with the Practice Standards of The Canadian Institute of Chartered Business Valuators ("**CICBV**") and the principal preparer and other staff involved in the preparation of the Fairness Opinion acted independently and objectively in completing this engagement.

### **Scope of review**

In connection with rendering the Fairness Opinion, we reviewed and relied upon, or carried out, among other things, the following:

1. Letter of intent, as amended, including the accompanying Term Sheet, dated December 15, 2020 from PTF to the Board of Directors;
2. Memorandums from the Special Committee to the Board of Directors dated (i) December 15, 2020 titled Report of the Special Committee Regarding Strategic Alternatives, and (ii) April 5, 2021 titled Report of the Special Committee Regarding Arrangement Agreement (together, the "**Special Committee Reports**");
3. Draft of the Arrangement Agreement between PTF and WOF, dated April 4, 2021, including the Plan of Arrangement attached as Exhibit A thereto;

4. Certain internal financial, operating, corporate and other information prepared or provided by or on behalf of WOF, PTF, the Manager, and/or the Special Committee, relating to the business, operations and financial condition of WOF and PTF;
5. Certain internal financial, operating, corporate and other information prepared or provided by or on behalf of WOF, relating to the valuation, business, operations and financial condition of the portfolio companies of the Venture Series and Commercialization Series (individually, "**Portfolio Company**" and collectively, the "**Portfolio Companies**");
6. The Manager's calculation of the NAV of the WOF Venture Shares and WOF 05 Commercialization Shares as at April 5, 2021;
7. Discussions and correspondence with the Manager in respect of the Manager's calculation of the Fund NAV and valuation of the various Portfolio Companies;
8. Discussions with management and/or members of the boards of directors of certain Portfolio Companies relating to the current business plan, prospects, financial condition, valuation and liquidity opportunities of such Portfolio Companies;
9. Discussions and correspondence with WOF's auditor;
10. Discussions with WOF's legal counsel;
11. Certain public information related to the business, operations, and financial performance of WOF, and other selected entities considered by us to be relevant, including press releases, investor presentations, court filings, short-form prospectus and financial statements;
12. Memorandum from Bennett Jones LLP dated March 17, 2021 regarding proposed acquisition structure for the Transaction ("**Bennett Jones Memorandum**");
13. Draft annual information form for the year ended December 31, 2020 ("**Annual Information Form**");
14. Draft of the management report of fund performance for the year ended December 31, 2020 for the Venture Series ("**Venture Series MRFP**");
15. Letter of representation from the Manager, addressed to Deloitte and dated the date hereof, as to matters of fact related to the Transaction and as to the completeness and accuracy of the Information (as defined below) upon which this Fairness Opinion is based; and
16. Such other corporate, industry, financial market information, investigations, and analyses as we considered necessary or appropriate in the circumstances.

Deloitte has not, to the best of its knowledge, been denied access by WOF or the Manager or any of their respective affiliates or associates to any information requested.

#### **Prior valuations**

WOF have represented to Deloitte that, to the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to WOF or any of its subsidiaries or any of their respective securities, material assets or liabilities that have been prepared in the two years preceding the date hereof, and in the possession or control of WOF other than those provided to Deloitte or, in the case of valuations known to WOF which it does not have possession or control, notice of which has been given to Deloitte.

#### **Assumptions and limitations**

Our Fairness Opinion is subject to the assumptions, qualifications and limitations set forth below.

Deloitte has not prepared a valuation of WOF or any of its assets or liabilities, and the Fairness Opinion should not be construed as such.

With the Special Committee's approval and as provided for in the Engagement Agreement, Deloitte has relied upon and has assumed the completeness, accuracy and fair representation of all financial and other information, data, advice, opinions, materials, information, representations, reports and

discussion obtained by Deloitte from public sources, including information relating to WOF, or provided to Deloitte by WOF, the Special Committee or the Manager, and its affiliates or advisors or otherwise pursuant to our engagement (collectively, the "Information"). The Fairness Opinion is conditional upon such completeness, accuracy and fairness. Subject to the exercise of professional judgment and except as expressly described herein, Deloitte has not attempted to verify independently the accuracy or completeness of any such Information.

The Manager has represented to Deloitte, in a letter of representation delivered as at the date hereof, among other things, that the Information, including any verbal or written Information, provided to Deloitte on behalf of WOF, and relating to WOF is complete, true and correct in all material respects and does not omit to state a material fact in respect of WOF, its Portfolio Companies or the Transaction necessary to make the Information or statement contained therein not misleading as at the date the Information was provided to Deloitte and that, since the date of the Information, there has been no material change, financial or otherwise, in the position of such WOF and/or its Portfolio Companies, or in its assets, liabilities (contingent or otherwise), business, operations or prospects and there has been no change in any material fact or no new material fact which is of a nature as to render the Information or any part of the Information untrue or misleading in any material respect or which could reasonably be expected to have a material effect on the Fairness Opinion.

Deloitte was not engaged to review any legal, tax or accounting aspects of the Transaction and accordingly expresses no view thereon. Further, Deloitte has assumed there would be no adverse tax consequences from the Arrangement to the WOF Shareholders. The Transaction is subject to a number of conditions outside the control of WOF, and Deloitte has assumed any and all conditions precedent, contractual or otherwise, to the completion of the Transaction can be satisfied in due course and all consents, permissions, exemptions or orders of relevant regulatory authorities will be obtained, without adverse conditions or qualification. In rendering the Fairness Opinion, Deloitte expresses no view as to the likelihood that any conditions respecting the Transaction will be satisfied or waived or that the Transaction will be completed on a timely basis.

In preparing the Fairness Opinion we have assumed that the executed Arrangement Agreement would not differ in any material respects from the drafts that we reviewed, and that the Arrangement would be consummated in accordance with the terms of the Arrangement Agreement and plan of arrangement attached thereto without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Fairness Opinion is rendered as of the date hereof on the basis of securities markets, economic, financial and general business conditions prevailing as at that date, and the condition and prospects, financial and otherwise, of WOF as they were reflected in the Information and as they were represented to Deloitte in discussions with WOF and the Manager. In rendering the Fairness Opinion, Deloitte has assumed that there are no undisclosed material facts relating to WOF, or its business, operations, capital or future prospects. Any changes therein may affect the Fairness Opinion and Deloitte disclaims any obligation to advise any person of any change in any fact or matter that may come or be brought to our attention or to update the Fairness Opinion after the date hereof. Without limiting the generality of the foregoing, in the event that there is a material change in any fact or matter affecting the Fairness Opinion after the date hereof, Deloitte reserves the right to change, modify or withdraw the Fairness Opinion. Any reference to the Fairness Opinion or the engagement of Deloitte by the Special Committee is expressly prohibited without the express written consent of Deloitte. No filing documents containing the Fairness Opinion nor our Fairness Opinion itself will be included in, or incorporated by reference into, any prospectus, take-over bid circular or issuer bid circular, or any registration statement or tender offer statement under the U.S. Securities Act of 1933 or the U.S. Securities Exchange Act of 1934.

Deloitte believes that the analyses and factors considered in arriving at the Fairness Opinion must be considered as a whole and is not amenable to partial analyses or summary description and that selecting portions of the analyses and the factors considered, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. In arriving at the Fairness Opinion, Deloitte has not attributed any particular weight to any specific analyses or factor but rather based the Fairness Opinion on a number of qualitative and quantitative factors deemed appropriate by Deloitte based on Deloitte's experience in rendering such opinions.

In our analyses and in connection with the preparation of the Fairness Opinion, Deloitte has made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction. While in the opinion of Deloitte, the assumptions used in preparing the Fairness Opinion are reasonable in the current circumstances, some or all of these assumptions may prove to be incorrect.

This Fairness Opinion has been provided for the exclusive use of the Special Committee and the Board in considering the Transaction, and may not be relied upon by any other person or for any other purpose without the prior written consent of Deloitte. The Fairness Opinion does not constitute and should not be construed as a recommendation to the Board as to whether they should approve the Arrangement Agreement, nor as a recommendation to any WOF Shareholder as to whether to vote in favour of the Arrangement Agreement or whether to take any action with respect to the Arrangement Agreement.

This Fairness Opinion does not address the relative merits of the Transaction as compared to other transactions, strategic alternatives or business strategies that might be available to WOF, nor does it address the underlying business decision to enter into the Arrangement. Deloitte was not requested to, and has not attempted to, identify, solicit, consider or develop any potential alternatives to the Arrangement.

### Approach to fairness

In considering the fairness, from a financial point of view, of the Transaction to the WOF Shareholders, Deloitte considered a number of factors including, but not limited to, the following:

#### The financial position and performance of the Fund

Since 2014, we are advised that Venture Series divestments have taken significantly longer than anticipated by WOF, with WOF Venture Shareholders having received a single dividend payment of an aggregate \$7.5M dividend paid in December 2015 representing 5% of Venture Series NAV at the time.

In addition, the NAV of the Venture Series and Commercialization Series have decreased significantly in the past five years. The change in NAV over the past five years is summarized in the two tables below:

Venture Series	2016	2017	2018	2019	2020
NAV (in millions)	\$129.65	\$91.55	\$86.22	\$62.85	\$57.22
<i>Annual percentage change</i>	-6.4%	-29.4%	-5.8%	-27.1%	-9.0%
<i>(Depreciation) - unrealized and realized</i>	-1.9%	-22.1%	-7.4%	-20.3%	-4.8%
<i>Operating loss from management fees and operating expenses</i>	-3.7%	-3.4%	-4.5%	-3.3%	-3.1%
<i>Other<sup>1</sup></i>	-0.8%	-3.9%	6.1%	-3.5%	-1.1%

Commercialization Series	2016	2017	2018	2019	2020
NAV (in millions)	\$28.91	\$23.60	\$16.86	\$9.52	\$1.36
<i>Annual percentage change</i>	-10.6%	-18.4%	-28.6%	-43.5%	-85.7%
<i>Redemptions and dividends</i>	-9.7%	-10.6%	-14.9%	-21.9%	-89.0%
<i>Appreciation / (depreciation) - unrealized and realized</i>	-1.2%	-6.1%	-14.3%	-17.7%	5.6%
<i>Other<sup>1</sup></i>	0.3%	-1.7%	0.6%	-3.9%	-2.3%

<sup>1</sup> Other changes in the Venture Series NAVs over the past five years relate primarily to foreign exchange changes and other changes in the WOF 05 Commercialization Series over the past five years relate primarily to foreign exchange changes and operating losses.

Furthermore, we are advised that working capital pressures have continued to be significant such that the Venture Series has had to seek partial sales of key holdings in order to meet short-term liabilities. As at the date hereof, we understand that the Venture Series has raised sufficient cash to meet its working capital requirement until the end of May 2021 through partial sale of its interest in two Portfolio Companies.

Deloitte also notes that returns available to the WOF Shareholders would be reduced by the current fund management fee of 1.5% and operating expenses resulting in an ongoing drag on NAV over time.

Individual choice provided to WOF Venture Shareholders

The structure of the Transaction provides WOF Venture Shareholders an option to either exit and receive a cash payment, albeit at a discount, or to continue to participate in the legacy Venture Series portfolio for a limited period and with modified share rights.

While the WOF Commercialization Shareholders do not have the option to continue to participate in the portfolio, we note that the Fund has monetized the majority of its investments in the Portfolio Companies and had only a small value of investment remaining as at the date hereof.

Discount to NAV

Deloitte considered the range of discounts to NAV specified in the Arrangement Agreement as compared to the reference ranges implied by prices paid or offered in selected precedent transactions that Deloitte considered relevant. Deloitte also considered information concerning secondary market transactions and other data and analyses as summarized herein, among other factors.

1. The precedent transaction / offer analysis indicated the approximate reference ranges summarized in the table below.

	# of transactions	Discount to NAV			
		Low	Average	Median	High
<b>Completed transactions</b>	3	25.0%	47.3%	58.0%	58.8%
<b>Offer</b>	1	60%	N/A	N/A	90%
<b>Other disclosures</b>	1	25.0%	N/A	N/A	50.0%

*N/A = not applicable*

2. Deloitte analyzed information from two venture capital funds undergoing CCAA proceedings and receivership to determine the recovery of investment to date relative to NAV. The recovery to date, calculated before any restructuring cost, CCAA related fees and fund management costs, for these two funds was approximately 30.2% and 65.0%, which took a significant number of years to recover.
3. Deloitte's review of published information on discounts to NAV for secondary market transactions involving tail end private equity and venture capital funds indicated the approximate reference ranges summarized in the table below.

	# of sources	Low	High
Private equity funds - tail end fund	4	8.0%	34.0%
Venture capital funds - tail end fund	2	10.4%	28.8%

Furthermore, information in the studies indicated that the discount to NAV increases with (i) the age of the fund, (ii) a decline in liquidity rating of the fund, and (iii) a decrease in the size of the fund.

4. Deloitte's review of early redemption fees for shares of venture capital funds that went through a merger indicated the approximate reference ranges summarized in the table below.

	# of transactions	Low	Average	Median	High
Mergers	11	0.0%	10.7%	6.0%	41.0%

No company or transaction utilized in the precedent transactions analysis or other analyses is identical to WOF or any of the Fund's material assets. Accordingly, an analysis of the results of the foregoing necessarily involves complex considerations and judgements concerning the differences between WOF, the Fund's material assets, and the companies and transactions to which they are being compared as well as other factors that could affect transaction values and discounts to NAV.

#### Other considerations

Although not forming part of our financial analysis, Deloitte considered a number of other factors in arriving at the Fairness Opinion, including the following:

1. The all-in Management Fee of 2.5%, which will be accrued and paid from divestment proceeds, which (i) represents an expected decrease of 0.6% from operating management expense ratio of 3.1% for the Venture Series for the financial year ended December 31, 2020, as described in the Venture Series MRFP and (ii) alleviate certain of the working capital pressures of the Fund.
2. The WOF Exiting Venture Shareholders retain a limited and conditional right to receive an Additional Exit Venture Cash Payment.
3. The Performance Fee contemplated pursuant to the terms of the Arrangement Agreement is at a rate equivalent to the performance fee of 20% that the Manager would have been entitled to upon a reorganization of the Fund's assets, as described in the Annual Information Form. Further, we note that the Performance Fee is within the range of performance fees for comparable venture capital funds.

#### **Fairness Opinion conclusion**

Based upon our analysis and subject to all of the foregoing assumptions and limitations and such other matters as we considered relevant, Deloitte is of the opinion that, as of the date hereof, the Transaction is fair, from a financial point of view, to the WOF Venture Shareholders and fair, from a financial point of view, to the WOF Commercialization Shareholders.

Yours truly,

*Deloitte LLP*

Deloitte LLP

**SCHEDULE D – INTERIM ORDER**



S-213807

No. \_\_\_\_\_  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS*  
*CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
WORKING OPPORTUNITY FUND (EVCC) LTD., ITS SHAREHOLDERS AND  
PENDER GROWTH FUND INC.

**WORKING OPPORTUNITY FUND (EVCC) LTD.**

PETITIONER

**ORDER MADE AFTER APPLICATION**

BEFORE

MASTER

19 April 2021

ON THE APPLICATION of the Petitioner Working Opportunity Fund (EVCC) Ltd. ("**WOF**") for an Interim Order under section 291 of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended (the "**BCBCA**") with an arrangement under section 288 of the BCBCA without notice coming on for hearing by videoconference on 19 April 2021 and on hearing Chilwin Cheng, counsel for the Petitioner and upon reading the Affidavit No. 1 of Cindy Oliver *sworn or affirmed* on 15 April 2021 (the "**Oliver Affidavit**");

THIS COURT ORDERS that:

1. The Petitioner, WOF, be permitted to convene, hold and conduct the annual and special meeting (the "**Meeting**") of the holders (the "**WOF Shareholders**") of:
  - i. the Balanced Shares (series 1) (the "**WOF Balanced Shares (Series 1)**");
  - ii. the Balanced Shares (series 2) (the "**WOF Balanced Shares (Series 2)**");

(the WOF Balanced Shares (Series 1) and the WOF Balanced Shares (Series 2) are collectively called the "WOF Venture Shares")

- iii. the Commercialization Shares (series 2) (the "WOF 05 Commercialization Shares")

(collectively, the "WOF Shares")

to pass with or without variation, a special resolution (the "Arrangement Resolution") authorizing, approving and adopting, with or without amendment, an arrangement (the "Arrangement") and the plan of arrangement implementing the Arrangement (the "Plan of Arrangement") substantially in the form attached as Exhibit "I" to the Oliver Affidavit.

2. The Meeting shall be called, held and conducted in virtual form on 18 May 2021 at 11:00 a.m. GMT through the web facility having the uniform resource locator (URL) <https://web.lumiagm.com/416472061> or a similar online platform, or on such other date as may result from postponement or adjournment under paragraph 4 of this Interim Order, under the BCBCA, the notice of articles and articles of WOF, and subject to this Interim Order and any further order of this Court, and the rulings and directions of the Chair of the Meeting, such rulings and directions not to be inconsistent with this Interim Order, and for any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating or governing or collateral to the WOF Shares or to which such shares are collateral, or the articles of WOF, this Interim Order shall govern.

#### AMENDMENTS

3. Until the Meeting is held, the Petitioner may make, in the manner contemplated by and subject to the arrangement agreement of WOF dated 6 April 2021 (the "Arrangement Agreement") and Plan of Arrangement, such amendments, revisions or supplements to the Arrangement Agreement, Arrangement, Plan of Arrangement, a notice of special meeting for the Meeting or the Circular as it may determine without further Order. The Arrangement Agreement, Arrangement and Plan of Arrangement as so amended, revised, or supplemented shall be the Arrangement Agreement, Arrangement and Plan of Arrangement that is the subject of the Arrangement Resolution.

#### ADJOURNMENTS AND POSTPONEMENTS

4. The board of directors of WOF (the "Board") by resolution may adjourn or postpone the Meeting on one or more occasions without the necessity of first

convening the Meeting or first obtaining any vote of the WOF Shareholders regarding the adjournment or postponement, and with no approval of the Court, subject to the Arrangement Agreement. Notice of any such adjournment shall be given by press release, newspaper advertisement, or by notice sent to the WOF Shareholders by one method specified in paragraph 6 of this Interim Order, as determined by the Board to be the most appropriate method of communication.

#### RECORD DATE

5. The record date (the "**Record Date**") for determining WOF Shareholders entitled to receive notice of and attend the Meeting is the close of business on 12 April 2021.

#### NOTICE OF THE MEETING

6. The following:
  - (a) notice of annual and special meeting for the Meeting;
  - (b) the Circular;
  - (c) a form of Notice of Hearing of Petition; and
  - (d) the form of proxy or voting instruction form for use by the WOF Shareholders;

(collectively, the "**Meeting Materials**"), in substantially the same form as Exhibits to the Oliver Affidavit, with such amendments and inclusions to it as the directors of WOF and counsel for the Petitioners may deem necessary or desirable if such amendments and inclusions are not inconsistent with this Interim Order. This Interim Order (collectively with the Meeting Materials, the "**Mailed Materials**") shall be sent to:

- (l) the WOF Shareholders as they appear on the central securities register of WOF on the Record Date, such Mailed Materials to be sent at least ten days before the date of the Meeting, by one of these methods:
  - (i) by email or facsimile transmission to any WOF Shareholder who identifies himself, herself, or itself to the satisfaction of WOF, acting

through its representatives, who has provided WOF with his, her or its email or address or facsimile number;

- (ii) by recognized overnight courier addressed to the WOF Shareholders at his, her, or its address as it appears on the central securities register of WOF as at the Record Date; or
  - (ii) by delivery in person or by delivery to the addresses specified in paragraph (ii) above; and
- (II) the directors and auditors of WOF by mailing the Mailed Materials by ordinary prepaid mail, or by email or facsimile transmission, to such persons at least ten days before the date of the Meeting;

and that sending of the Notice of Hearing of Petition as herein described, shall constitute sufficient service of such the Petition and the Oliver Affidavit upon all recipients of the Notice of Hearing of Petition and that the Notice of Hearing of Petition shall constitute sufficient service upon all who may wish to appear in these proceedings, and no other service need be made.

7. Delivery of the Mailed Materials as ordered herein shall constitute compliance with the requirements of section 290(1)(a) of the BCBCA.
8. The accidental failure or omission to give notice of the Meeting or Notice of Hearing of Petition to, or the non-receipt of such notices by, or any failure or omission to give such notice because of events beyond the reasonable control of WOF (including, without limitation, any inability to use postal services) to any one or more persons specified shall not breach this Interim Order, or concerning notice to the WOF Shareholders, a defect in the calling of the Meeting, and shall invalidate no resolution passed or proceeding taken at the Meeting. However, if any such failure or omission is brought to the attention of WOF, then it shall use reasonable efforts to rectify it by the method and in the time most reasonably practical in the circumstances.
9. WOF be free to give notice of this application to persons outside the jurisdiction of this Court in the manner specified.
10. The full text of the Plan of Arrangement shall be posted on SEDAR (System for Electronic Document Analysis and Retrieval), the mandatory filing system used by

reporting issuers in Canada for electronically filing most securities related information with the Canadian securities regulatory authorities. The website is located at <http://www.sedar.com>.

#### DEEMED RECEIPT OF NOTICE

11. The Mailed Materials shall be deemed, for this Interim Order, to have been received:
  - (a) With mailing, the day, Saturdays, and holidays excepted, following the date of mailing;
  - (b) With delivery in person, upon receipt of the Mailed Materials at the intended recipient's address or with delivery by courier, one (1) business day after receipt by the courier;
  - (c) With transmission by email or facsimile, upon the transmission of the Mailed Materials thereof; and
  - (d) With advertisement, at the time of publication of the advertisement.

#### UPDATING MEETING MATERIALS

12. Notice of any amendments, updates or supplements to the information provided in the Mailed Materials may be communicated to the WOF Shareholders by notice sent to the WOF Shareholders by the means in paragraph 6 herein, as determined to be the most appropriate method of communication by the Board.

#### QUORUM AND VOTING

13. WOF may meet virtually through a digital or virtual platform and allow WOF Shareholders to be present at the Meeting through the digital platform.
14. A Meeting will not be invalidated by holding the Meeting exclusively through virtual and not physical means.
15. The quorum for the Meeting will be twenty-five shareholders, represented in person or by proxy.

16. WOF Shareholders who participate in, attend at, or vote at the Meeting through the virtual platform will be deemed present in person at the Meeting.
17. Each WOF Shareholder may have one vote for each WOF Share held by such WOF Shareholder.
18. To be effective, the Arrangement Resolution must be approved by:
  - a. not less than 75% of the votes cast by the holders of, collectively, WOF Venture Shares and WOF 05 Commercialization Shares present in person or represented by proxy at the Meeting as a class;
  - b. not less than 66 $\frac{2}{3}$ % of the votes cast by the holders of the WOF Balanced Shares (Series 1) present in person or represented by proxy at the Meeting as a series of Class A shares;
  - c. not less than 66 $\frac{2}{3}$ % of the votes cast by the holders of the WOF Balanced Shares (Series 2) present in person or represented by proxy at the Meeting as a series of Class A shares; and
  - d. if the Arrangement binds the WOF 05 Commercialization Shareholders, not less than 66 $\frac{2}{3}$ % of the votes cast by the holders of the WOF 05 Commercialization Shares present in person or represented by proxy at the Meeting as a series of Class A shares.
19. If the Arrangement Resolution is not approved by holders of the WOF 05 Commercialization Shares by separate series vote, WOF and PTF intend to amend the Plan of Arrangement to provide that Plan of Arrangement will only bind on the WOF Venture Shares and not the WOF 05 Commercialization Shares. If this occurs, PTF will not acquire the WOF Commercialization Shares, and the Board will continue to consider further strategic options for the WOF 05 Commercialization Shares.
20. The only persons entitled to vote at the Meeting or any adjournment of the Meeting either in person or by proxy shall be the registered holders of WOF Shares as at the close of business in British Columbia on 12 April 2021.

21. Except for the virtual meeting procedures, the terms, restrictions, and conditions of the articles of WOF, including quorum requirements and other matters, will apply regarding the Meeting.
22. The persons entitled to attend the Meeting will be WOF Shareholders and their duly appointed proxyholders, the officers, directors, and legal counsel of WOF, and such other persons who receive the consent of the chairperson of the Meeting.
23. As per the articles of WOF, proxies may be granted only to other WOF Shareholders or the attorney or corporate representatives of a WOF Shareholder.

#### SCRUTINEER

24. Computershare Limited be appointed as a scrutineer of the Meeting.

#### SOLICITATION OF PROXIES

25. WOF may use the form of proxy for with the Meeting, in substantially the same form in Exhibit "C" to the Oliver Affidavit, and WOF may generally waive the time limits for deposit of proxies by WOF Shareholders if WOF deems it reasonable to do so. WOF may solicit proxies, directly and through their officers, directors, and employees, and through such agents or representatives as either of them may retain for that purpose, and by mail or such other forms of personal or electronic communication as either of them may determine.
26. The procedure for proxies at the Meeting shall be as set out in the Meeting Materials.

#### APPLICATION FOR THE FINAL ORDER

27. Unless the directors of WOF by resolution determine to terminate the Arrangement Agreement under its terms, upon the approval, with or without variation by the WOF Shareholders of the Arrangement Resolution, in the manner in this Interim Order, the Petitioners may apply to this Court for an order (the "**Final Order**"):
  - (a) Under section 291(4)(c) of the BCBCA, declaring that the Arrangement, including the terms thereof and the issuances, exchanges, or adjustments of securities contemplated, is fair and reasonable to the WOF Shareholders; and

- (b) Under section 291(4)(a) of the BCBCA, approving the Arrangement, including the terms thereof and the issuances, exchanges, or adjustments of securities contemplated,

and that the application for the Final Order (the "**Final Application**") be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on or about **25 May 2021** at 9:45 a.m., or as soon after that as the Court may direct or counsel for WOF may be heard, and that WOF be free to proceed with the Final Application on that date.

- 28. Any WOF Shareholder, any director or auditor of WOF, or any other interested party with leave of the Court desiring to support or oppose the application may appear and submit at the Final Application only if such person:

- (a) files a Response to Petition, in the form prescribed by the Supreme Court Civil Rules, with any evidence or material to be presented to the Court at the hearing of the Final Application; and
- (b) delivers the filed Response to Petition with a copy of any evidence or material to be presented to the Court at the hearing of the Final Application, to the Petitioners' counsel at:

**Ascendion Law  
Suite 720  
789 Pender Street West  
Vancouver, British Columbia  
Canada  
V6H 1C2**

**Attention: Chilwin Cheng**

by or before 1600 hours (4 p.m.) (Vancouver time) on 20 May 2021.

- 29. The only persons entitled to notice of any further proceedings herein, including any hearing to sanction and approve the Arrangement, and to appear and be heard thereon, shall be the solicitors for WOF and persons who have filed and delivered a Response to Petition under this Interim Order.
- 30. Subject to other provisions in this Interim Order, no material other than that contained in the Circular need be served on any persons regarding these proceedings.

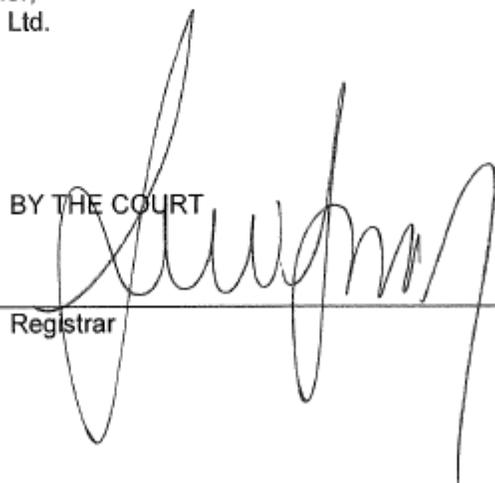
31. If the Final Application is adjourned, only those who have filed and delivered a Response to Petition under this Order need to be served and provided with notice of the adjourned date.
32. The Petitioners may apply to vary this Order.
33. Rules 8-1 and 16-1(8)–(12) will not apply to any further applications regarding this proceeding, including the Final Application and any application to vary this Interim Order.
34. The Petitioners shall, and do, have the liberty to apply for such further orders as may be appropriate.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Lawyer for the Petitioner,  
Working Opportunity Fund (EVCC) Ltd.  
Lawyer: **Chilwin Cheng**

BY THE COURT



Registrar

9



No. \_\_\_\_\_

VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA  
*BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
WORKING OPPORTUNITY FUND (EVCC) LTD., ITS SHAREHOLDERS AND  
PENDER GROWTH FUND INC.

**WORKING OPPORTUNITY FUND (EVCC) LTD.**

PETITIONER

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**INTERIM ORDER**

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Chilwin Cheng  
Ascendion Law  
2300-1066 W Hasting St  
Vancouver, BC V6E 3C2  
Telephone: (604) 639-2565



WO# 9216649-8

## SCHEDULE E – NOTICE OF PETITION

S-213807  
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN THE MATTER OF SECTION 288 OF THE *BUSINESS CORPORATIONS ACT*, S.B.C.  
2002, C.57, AS AMENDED

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING  
WORKING OPPORTUNITY FUND (EVCC) LTD., ITS SHAREHOLDERS AND  
PENDER GROWTH FUND INC.

**WORKING OPPORTUNITY FUND (EVCC) LTD.**

PETITIONER

### NOTICE OF HEARING OF PETITION

TO: The holders of Working Opportunity Fund (EVCC) Ltd. ("WOF") Class A shares (the "WOF Shareholders")

1. WOF notifies the WOF Shareholders that it has filed a Petition to the Court in the Supreme Court of British Columbia for approval, under section 291 of the *Business Corporations Act*, S.B.C. 2002 c. 57 and amendments thereto (the "BCBCA"), of an arrangement contemplated in an Arrangement Agreement dated 6 April 2021 (the "Arrangement").
2. By an Interim Order made after Application pronounced by of the Supreme Court of British Columbia on 19 April 2021 (the "Interim Order"), the Court has given directions as to the calling of a meeting (the "Meeting") of the registered WOF Shareholders for, among other things, considering and voting upon the special resolution to approve the Arrangement.
3. If the Arrangement is approved at the Meeting, the Petitioner intends to apply to the Supreme Court of British Columbia for a final order (the "Final Order") approving the Arrangement, declaring it to be fair and reasonable to the WOF Shareholders, which application will be heard at the courthouse at 800 Smithe Street, in the City of Vancouver, in the Province of British Columbia on or around **25 May 2021 at 9:45 a.m.** (Vancouver time) or as soon thereafter as the Court may direct or counsel for WOF may be heard.
4. IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR THE FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE OF YOUR INTENTION by filing a form entitled "Response to Petition" with any evidence or materials which you intend to present to

the Court at the Vancouver Registry of the Supreme Court of British Columbia and YOU MUST ALSO DELIVER a copy of the Response to Petition and any other evidence or materials to the Petitioner's address for delivery, which is set out below, no later than **20 May 2021, 4:00 p.m. (Vancouver Time)**. You or your solicitor may file the Response to Petition. You may obtain a form of Response to Petition at the Registry. The address of the Registry is 800 Smithe Street, Vancouver, British Columbia, V6Z 2E1.

5. You may also obtain a copy of the Response to Petition, which is referred to by the Supreme Court of British Columbia as "Form 33" by visiting the website at: [https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/168\\_2009\\_04/Form67](https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/168_2009_04/Form67)
6. If you do not file a Response to Petition and attend either in person or by counsel at the time of the application for the Final Order, the Court may approve the Arrangement, as presented, or may approve it subject to such terms as the Court deems fit, all without further notice to you. If the Arrangement is approved, it will affect the rights of the WOF Shareholders.
7. A copy of the Petition to the Court and the other documents filed in support of the Interim Order and will be filed in support of the Final Order will be furnished to any WOF Shareholder upon request in writing addressed to the solicitors of the Petitioner at the address for delivery set out below.

The Petitioner's address for delivery for this proceeding is:

Ascension Law  
Suite 720  
789 Pender Street West  
Vancouver, BC V6C 1H1

Attention: Chilwin Cheng

Alternatively, materials may be delivered by electronic mail to [service@ascensionlaw.com](mailto:service@ascensionlaw.com) and will be deemed to be properly served if Ascension Law replies to the email acknowledging receipt of the materials and will be deemed to have been received on the day that the email is received



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Solicitor for the Petitioner

April 19, 2021

## SCHEDULE F – DISSENT RIGHTS

### Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

### Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
  - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on,
  - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91, or
  - (iii) without limiting subparagraph (i), in the case of a benefit company, to alter the company's benefit provision;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

(1.1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent under section 51.995 (5) in respect of a resolution to alter its notice of articles to include or to delete the benefit statement.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
  - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
  - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
  - (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
    - (a) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

### **Waiver of right to dissent**

- 239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
- (a) provide to the company a separate waiver for
    - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
    - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
  - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
  - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

### **Notice of resolution**

- 240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
  - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
  - (b) a statement advising of the right to send a notice of dissent, and
  - (c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

#### **Notice of court orders**

**241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

#### **Notice of dissent**

**242** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) or (1.1) must,

- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
  - (i) the date on which the shareholder learns that the resolution was passed, and
  - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

- (i) the name and address of the beneficial owner, and
- (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

#### **Notice of intention to proceed**

**243** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

- (i) the date on which the company forms the intention to proceed, and
- (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
  - (a) be dated not earlier than the date on which the notice is sent,
  - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
  - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

- 244** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (2) a written statement that the dissenter requires the company to purchase all of the notice shares,
    - (a) the certificates, if any, representing the notice shares, and
    - (b) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
  - (3) The written statement referred to in subsection (1) (c) must
    - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
    - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
      - (i) the names of the registered owners of those other shares,
      - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
      - (iii) that dissent is being exercised in respect of all of those other shares.
  - (4) After the dissenter has complied with subsection (1),
    - (a) the dissenter is deemed to have sold to the company the notice shares, and
    - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
  - (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
  - (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
  - (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

### **Payment for notice shares**

- 245** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
  - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
  - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

- (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
  - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
  - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
  - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
  - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
  - (a) the company is insolvent, or
  - (b) the payment would render the company insolvent.

#### **Loss of right to dissent**

**246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

#### **Shareholders entitled to return of shares and rights**

**247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.