



**NOTICE OF MEETING
&
MANAGEMENT INFORMATION CIRCULAR**

**FOR THE
ANNUAL AND SPECIAL MEETING**

ON JUNE 28, 2011

GROWTHWORKS COMMERCIALIZATION FUND LTD.
(the “Fund”)

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual and special meeting of the shareholders of the Fund (the “**Meeting**”) will be held at the Sheraton Centre Toronto, 123 Queen Street West, Toronto, Ontario, M5H 2M9 on Tuesday, June 28, 2011 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the Fund’s financial statements for the year ended August 31, 2010 and the auditors’ report thereon;
2. to elect directors for the ensuing year and to approve certain of the director nominees to be elected by the Class B shareholder of the Fund;
3. to appoint KPMG LLP, Chartered Accountants, as auditors for the ensuing year and to authorize the directors to determine their remuneration;
4. to consider, and if deemed appropriate, pass a special resolution approving the capitalization of sufficient amounts of the capital gains, interest and other income the Fund earns in the 2011 financial year 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 an ordinary resolution confirming an amendment to the by-laws of the Fund to require that the Fund hold an annual general meeting of shareholders during each financial year, rather than during each calendar year, as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of this notice and the Circular is being sent to each shareholder and to the directors and auditors of the Fund.

DATED this 24th day of May, 2011.

By order of the Board of Directors,

(signed) David Levi, President & CEO

If you are unable to be present at the Meeting, you may appoint a person to act as your proxy holder, and provide voting instructions to that person, using one of the methods set out in the enclosed proxy form.

GROWTHWORKS COMMERCIALIZATION FUND LTD.
(the “Fund”)

MANAGEMENT INFORMATION CIRCULAR

FORWARD LOOKING STATEMENTS

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

Solicitation of Proxies

This management information circular (the “Circular”) is being furnished in connection with the solicitation by management of the Fund of proxies for use at the annual and special meeting of shareholders of the Fund to be held at the time and place and for the purposes set forth in the attached notice of meeting (the “Meeting”) or at any adjournment thereof. The solicitation of proxies will be primarily by mail but proxies may be solicited by other means of delivery or by telephone by directors or officers of the Fund or directors, officers or employees of GrowthWorks WV Management Ltd. (the “**Manager**”), the manager of the Fund at nominal cost. The cost of the solicitation will be borne by the Fund. The information given in this Circular, unless otherwise stated, is as at May 24, 2011.

Appointment of Proxyholders

The persons named in the accompanying form of proxy are directors of the Fund. **A shareholder may appoint some other person as proxyholder (who need not be a shareholder or director) to attend and act on the shareholder’s behalf at the Meeting or at any adjournment of the Meeting either by inserting the person’s name in the blank space provided in the form of proxy or by completing another proper form of proxy.**

If you are unable to attend the Meeting in person, you may appoint a person to act as your proxy holder, using one of the methods set out below, by no later than 4:30 p.m. (Toronto time) on June 24, 2011 or, if the Meeting is adjourned, on the second business day preceding the adjourned meeting. The Chair of the Meeting may also exercise the Chair’s discretion to accept proxies delivered prior to the commencement of the Meeting or any adjournment thereof.

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 the scrutineer for purposes of the Meeting, Computershare Investor Services, Inc., 9th Floor, 100 University Avenue, Toronto, Ontario, Canada M5J 2Y1, fax toll-free 1-866-249-7775 or fax 416-263-9524, Attention: Proxy Department.

By Telephone: You may vote by dialing 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 this Circular.

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

Right of Revocation

Shareholders may revoke a proxy by depositing an instrument in writing executed by them or by their attorney authorized in writing at the registered office of the Fund at any time up to and including the last business day before the Meeting or any adjournment thereof, or with the Chair of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law. The Chair of the Meeting may also exercise the Chair’s discretion to accept such a written instrument delivered prior to the commencement of the Meeting or any adjournment thereof.

Voting of Proxies

The Chair of the Meeting may conduct a vote on any matter by a show of hands of shareholders and proxyholders present at the Meeting and entitled to vote thereat unless a ballot is demanded by a shareholder present at the Meeting or by a proxyholder entitled to vote at the Meeting or unless proxies representing not less than 5 per cent of the shares entitled to be voted at the Meeting would be voted against what would otherwise be the decision of the Meeting on such matter.

The persons named in the accompanying form of proxy will vote on any ballot that may be called for and, where instructions are given with respect to a particular matter to be acted upon, such proxies will be voted in accordance with those instructions. If no instructions are given with respect to the particular matters to be acted upon, such proxies will be voted in favour of the motions. Unless otherwise noted on the proxy, shares represented by the proxy will be voted in accordance with such instructions or in favour of the motions, as the case may be, for all votes held in respect of a particular matter, including any applicable series votes. The accompanying form of proxy also confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the notice of meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. As at May 24, 2011, management knows of no such amendments, variations or other matters to come before the Meeting.

Unless otherwise stated, a simple majority of the votes cast either in person or by proxy is sufficient to pass the matters specified in the notice of meeting. In the case of an equality of votes, the Chair of the Meeting will not be entitled to a second or casting vote.

Voting Shares

May 26, 2011 is the record date for the Meeting (the “**Record Date**”). As at May 16, 2011, the authorized capital of the Fund consisted of an unlimited number of Class A shares issuable in series, of which approximately 1,493,618 Class A shares, Series 1 (the “**05 Series Shares**”), 289,621.41 Class A shares, 09 Series (the “**09 Series Shares**”), 298,876 Class A shares, 10 Series (the “**10 Series Shares**”) and 427,152.68 Class A shares, 11 Series (the “**11 Series Shares**”) were issued and outstanding, an unlimited number of Class B shares, of which 1,000 Class B shares were issued and outstanding, and an unlimited number of non-voting Class C shares, of which 100 Class C shares were issued and outstanding. The previously issued 06 Series, 07 Series and 08 Series were converted into 05 Series Shares in accordance with the Fund’s allocation rules in 2009, 2010 and 2011, respectively.

A holder of Class A shares or Class B shares of the Fund of record as at the close of business on the Record Date is entitled to one vote at the Meeting for each share held, except to the extent that the shareholder has transferred any shares after that date and the transferee produces properly endorsed certificates for such shares or otherwise establishes that the shareholder owns such shares and demands not later than 10 days before the Meeting that shareholder’s name be included in the list of shareholders for the Meeting, in which case the transferee is entitled to vote such transferred shares at the Meeting. A holder of a fractional Class A share is entitled to exercise voting rights to the extent of such fraction.

At the Meeting, the resolutions electing the directors and appointing auditors of the Fund as described under “Annual Meeting Business” and the resolutions approving the capitalization of capital gains, interest and other income of the Fund and confirming the amendment to the Fund’s by-laws as described under “Special Meeting Business” will be voted on by all holders of shares entitled to vote on the resolutions present or represented by proxy at the Meeting.

ANNUAL MEETING BUSINESS

Election of Directors

The number of directors to be elected for the Fund at or in connection with the Meeting is 12, four of whom will be elected by the holders of the Class A shares and eight of whom will be elected by the holder of the Class B shares, in accordance with the Articles of the Fund.

Directors will hold office until the next annual meeting of shareholders or until their successors are elected or appointed. The information on shareholdings in the tables below is as at May 12, 2011.

Nominees for Election by Holders of Class A Shares

The nominees for election as directors by the holders of the Class A shares of the Fund are listed below.

Name and Residence of Proposed Nominee	Principal Occupation	Date First Became a Director of the Fund	Number of Class A Shares Owned or Controlled
JOHN C. HARDY ^{(1) (2) (3)(4)} Toronto, ON	President, Rockslane Inc. (private investments)	December 2004	500
NANCY E. HOPKINS Q.C., (HON) C.A. ⁽¹⁾⁽³⁾⁽⁴⁾ Saskatoon, SK	Partner, McDougall Gauley (law firm)	December 2004	Nil
DAVID LEVI Vancouver, BC	President & CEO of Matrix Asset Management Inc. (diversified asset management company), the GrowthWorks group of companies, including the Manager of the Fund (venture capital management) and President & CEO of the Fund, GrowthWorks Canadian Fund Ltd. and Working Opportunity Fund (EVCC) Ltd. (venture capital funds)	May 2004	Nil
C. IAN ROSS ⁽¹⁾⁽²⁾⁽³⁾ Collingwood, ON	Corporate Director and Chair of the Board of the Fund and GrowthWorks Canadian Fund Ltd.	November 2004	500

Notes:

- (1) Member of Audit and Valuation Committee (Chair – Nancy E. Hopkins).
- (2) Member of Investment Committee (Chair – Peter S. Crombie).
- (3) Member of Governance and Nomination Committee (Chair – John C. Hardy).
- (4) Member of Independent Review Committee (Chair – Nancy E. Hopkins).

Each of the proposed nominees is now a director and has served as a director since the date he or she first became a director.

Each of the above noted directors and officers of the Fund has held the principal occupation listed above for the last five years.

Class A Shareholder Approval of Class B Shareholder Nominees

The Fund is registered as a labour sponsored venture capital corporation under *The Labour Sponsored Venture Capital Corporations Act* (Manitoba) (the “**Manitoba Act**”). As is the case in other jurisdictions, the Manitoba Act contains specific rules on board composition. Under the Manitoba Act, a majority of directors of the Fund must be elected by holders of Class A shares. However, for purposes of this requirement, up to three directors elected by the Sponsor (as defined below) shall be deemed to be elected by the holders of Class A shares if they are elected by the Sponsor from a list of nominees approved by the holders of Class A shares. As such, in order to comply with the Manitoba Act, holders of Class A shares will be asked at the Meeting to approve, by ordinary resolution, the following list of nominees to be elected by the Sponsor as holder of the Class B Shares:

Name and Residence of Proposed Nominee	Principal Occupation	Date First Became a Director of the Fund	Number of Class A Shares Owned or Controlled
DERMOT A. CAIN ⁽¹⁾ Colliers, NL	Canadian Director, International Union of Operating Engineers (labour union)	December 2008	Nil
JOHN E. COLE ⁽²⁾ Keswick, NB	International Executive Council Member (retired) of the International Brotherhood of Electrical Workers (labour union)	December 2004	Nil
PETER S. CROMBIE ⁽²⁾ Toronto, ON	Senior Advisor to Emerald Technology Ventures (international private equity investment management firm), also President Four Line Corp. since 1990 (financial advisory services firm)	December 2004	500

Notes:

(1) Member of Audit and Valuation Committee (Chair – Nancy E. Hopkins).

(2) Member of Investment Committee (Chair – Peter S. Crombie)

The Board of Directors recommend that holders of Class A shares vote in favour of the ordinary resolution approving these three nominees. **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.**

Nominees for Election by Holders of Class B Shares

Eight directors will be elected at the Meeting or by separate written resolution by the Canadian Federation of Labour, the sponsor of the Fund (the “**Sponsor**”), as holder of all of the Class B shares of the Fund. The following eight persons will be nominated and elected by the Sponsor. If for some reason any of the proposed nominees is unable to serve, the Sponsor will nominate alternates. Management is not aware that any of the proposed nominees will be unable to serve.

Name and Residence of Proposed Nominee	Principal Occupation	Date First Became a Director of the Fund	Number of Class A Shares Owned or Controlled
DERMOT A. CAIN ⁽¹⁾ Colliers, NL	Canadian Director, International Union of Operating Engineers (labour union)	December 2008	Nil
ANDRÉ CHARTRAND ⁽¹⁾ Terrebonne, QC	International Vice-President for Eastern Canada (retired), Heat & Frost Insulators and Asbestos Workers (labour union)	December 2004	Nil
JOHN E. COLE ⁽²⁾ Keswick, NB	International Executive Council Member (retired) of the International Brotherhood of Electrical Workers (labour union)	December 2004	Nil
PETER S. CROMBIE ⁽²⁾ Toronto, ON	Senior Advisor to Emerald Technology Ventures (international private equity investment management firm), also President Four Line Corp. since 1990 (financial advisory services firm)	December 2004	500
E.M. JANE DAVIS ⁽¹⁾⁽²⁾ Toronto, ON	Corporate Director	December 2009	Nil

Name and Residence of Proposed Nominee	Principal Occupation	Date First Became a Director of the Fund	Number of Class A Shares Owned or Controlled
MICHEL A. GRENIER ⁽²⁾⁽³⁾⁽⁴⁾ Pontiac, QC	International Vice-President and Director of Canadian Affairs (retired), United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada (labour union)	December 2004	Nil
JOSEPH MALONEY ⁽¹⁾ Markham, ON	International Vice President, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers representing Western Canada (labour union)	December 2006	Nil
EDWARD W. POWER ⁽²⁾⁽³⁾⁽⁴⁾ Mississauga, ON	International Vice President, Eastern Canada, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers and Chair of the Executive Council, Canadian Federation of Labour (labour union)	December 2006	Nil

Notes:

- (1) Member of Audit and Valuation Committee (Chair – Nancy E. Hopkins).
- (2) Member of Investment Committee (Chair – Peter S. Crombie).
- (3) Member of Governance and Nomination Committee (Chair – John C. Hardy).
- (4) Member of Independent Review Committee (Chair – Nancy E. Hopkins).

Each of the proposed nominees who is now a director has served as a director since the date he or she first became a director.

Each of the above-noted directors of the Fund has held the principal occupation listed above for the last five years except as follows: prior to being appointed Canadian Director, International Union of Operating Engineers (IUOE), Mr. Cain served as President of IUOE (Local 904) for 23 years; from April 1, 2005 to March 31, 2009, Mr. Crombie was a Partner of Emerald Technology Ventures and from April 1, 2001 to March 31, 2005, Mr. Crombie was President and Chief Executive Officer of OPG Ventures Inc. (energy technology venture capital company); from April 2005 to August 2007, Ms. Davis was Executive Director of the Canadian Capital Markets Association; from January 2000 to October 2005, Mr. Maloney was International Secretary Treasurer of the Building and Construction Trades Department, American Federation of Labor - Congress of Industrial Organizations (AFL-CIO); from July 1, 2003 to January 31, 2006, Mr. Power was the International Representative and General Organizer, Eastern Canada, International Brotherhood of Boilermakers, Iron Ship Builders, Blacksmiths, Forgers and Helpers.

Appointment of Auditors

Management of the Fund proposes that KPMG LLP, Chartered Accountants, be appointed as auditors of the Fund until the next annual meeting of shareholders and that the directors be authorized to set the remuneration of the auditors. KPMG LLP was first appointed as auditors of the Fund on December 8, 2004.

At the Meeting, shareholders of the Fund will be asked to pass an ordinary resolution appointing KPMG LLP, Chartered Accountants as auditors of the Fund for the ensuing year to hold office until the close of the next annual meeting of the Fund and authorizing the directors of the Fund to set the remuneration of the auditors. **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.**

SPECIAL MEETING BUSINESS

Capitalization of Earnings

At the Meeting, shareholders will be asked to approve, by special resolution, the capitalization of sufficient amounts of the capital gains, interest and other income that the Fund earns in the 2011 financial year so as to minimize the income taxes payable by the Fund.

The capitalization of such earnings will be effected by increasing the paid-up capital of the series of the Fund's Class A shares to which such earnings are attributable. As a result of an election made by the Fund, any increase in the paid-up capital of any series of Class A shares will, under tax law, generate a "deemed" dividend on the affected shares equal to the amount of the paid-up capital increase. Normally, the deemed dividend would be subject to the tax treatment generally applicable to dividends and the adjusted cost base of the affected shares would be increased by the amount of the deemed dividend. However, the Fund intends to designate the 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) and the amount of the deemed capital gains dividend will be included in the holder's income as a taxable capital gain.

A holder of Class A shares which is an RRSP, RRIF or TFSA is generally exempt from tax on the amount of any deemed dividend or deemed capital gains dividend, including those resulting from the capitalization of the Fund's earnings. A holder of Class A shares will not receive any cash distribution in respect of a deemed capital gains dividend. Accordingly, a shareholder who does not hold Class A shares in an RRSP, RRIF or TFSA may be liable to pay tax in respect of the deemed capital gains dividend even though the shareholder will not have received a cash distribution from the Fund. Such deemed dividends will entitle the Fund to a refund of tax otherwise payable and thereby minimize taxes paid at the Fund level.

The text of the special resolution approving the capitalization of Fund earnings is set out below. In order for the resolution to pass, two-thirds of the votes cast at the Meeting must vote in favour. **The Board recommends that shareholders vote in favour of this resolution. The persons named in the accompanying form of proxy intend to vote in favour of this special resolution, unless the shareholder giving the proxy indicates otherwise.**

RESOLVED AS A SPECIAL RESOLUTION, WITH OR WITHOUT AMENDMENT OR VARIATION, OF THE SHAREHOLDERS OF GROWTHWORKS COMMERCIALIZATION FUND LTD. (THE "FUND") that:

1. if required, the Fund add on or before the end of the 2011 financial year to the stated or paid-up capital account maintained by the Fund in respect of each series of its Class A shares an amount of the Fund's capital gains, interest and other income earned in respect of such series for the 2011 financial year as the directors of the Fund, in their discretion, determine shall be added to such series of Class A shares; and
2. any director or officer of the Fund is hereby authorized to sign all documents and do all things necessary or desirable to give effect to this resolution.

Amendment to By-laws

Prior to November 17, 2010, the by-laws of the Fund required that the Fund hold an annual general meeting of shareholders during each calendar year. The Board concluded that the Fund's financial year end is a more appropriate point of reference for the timing of the Fund's annual general meeting. Accordingly, on November 17, 2010, the Board approved an amendment to the by-laws of the Fund to require that the Fund hold an annual general meeting of shareholders during each financial year, rather than during each calendar year. At the Meeting, shareholders will be asked to approve an ordinary resolution confirming this amendment to the Fund's by-laws. **The Board recommends that shareholders vote in favour of this resolution. The persons named in the accompanying form of proxy intend to vote in favour of this ordinary resolution, unless the shareholder giving the proxy indicates otherwise.**

OTHER INFORMATION ABOUT THE FUND

Valuation of Shares

As of August 31, 2010, the net asset value per share of each of the series of Class A Shares previously offered by the Fund and currently issued and outstanding was as follows:

<u>Series of Class A Shares</u>	<u>Net Asset Value per Class A Share by Series</u>
05 Series Shares	\$ 10.19
08 Series Shares	\$ 12.95
09 Series Shares	\$ 12.91
10 Series Shares	\$ 12.68

Further audited information is available in the annual financial statements for the Fund which are available at the Meeting and at www.growthworks.ca and www.sedar.com. The Fund began offering the 11 Series Shares on September 4, 2010 and as such no financial information as at August 31, 2010 is available for the Series.

Principal Owners of Shares

The Sponsor owns, beneficially and of record, 1,000 Class B shares of the Fund, representing all of the issued and outstanding Class B shares of the Fund. The Manager of the Fund owns, beneficially and of record, 100 Class C shares of the Fund, representing all of the issued and outstanding Class C shares of the Fund. To the knowledge of the directors and officers of the Fund, no other person beneficially owns or exercises control or direction over shares carrying more than 10 per cent of the votes attached to a class of shares of the Fund.

Executive Compensation

The Manager manages the Fund under an amended and restated management agreement dated June 28, 2005 (the “**Management Agreement**”). The Manager pays all salaries and other compensation paid to executive officers of the Fund from the management fee paid by the Fund to the Manager. As a result, the Fund does not incur any liability for salaries or bonuses or otherwise pay for any benefits, perquisites or other compensation received by the executive officers of the Fund.

As the Manager is responsible for paying the expenses of the Fund over a cap of 0.75% of average net assets (see below *Management Agreement*), the Manager must reimburse the Fund for any amounts paid by the Fund that are to be paid by the Manager under the Management Agreement. During the year ended August 31, 2010, the Manager did not owe the Fund for reimbursement of expenses paid by the Fund directly.

The Fund does not have a stock option plan or any other 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.

Directors’ Compensation

Currently, each director of the Fund, other than the President, is entitled to receive a fee of \$800 for each Board or Board committee meeting attended in person and \$400 for each meeting attended by teleconference. Directors of the Fund, other than the President, also receive an annual fee of \$12,000. In recognition of additional responsibilities associated with serving as Chair of the Board or Board committees, the Chair of the Board, C. Ian Ross, receives an additional annual fee of \$50,000, the Chair of the Investment Committee receives an additional annual fee of \$20,000 and the Chair of each other Board committee receives an additional annual fee of \$10,000. During the year ended August 31, 2010, all of the directors of the Fund were also directors of GrowthWorks Canadian Fund Ltd., and as a result, the standard fees paid to the directors were paid pro rata by each fund based on its net asset value.

The following table details the total compensation paid or payable to directors by the Fund for the fiscal year ended August 31, 2010.

Name	Fees earned ⁽¹⁾ (\$)	Total(\$)
Dermot A. Cain	\$ 1,325	\$ 1,325
Andre Chartrand	\$ 1,149	\$ 1,149
John E. Cole	\$ 1,602	\$ 1,602
Peter S. Crombie	\$ 3,427	\$ 3,427
E. M. Jane Davis ⁽²⁾	\$ 1,502	\$ 1,502
Michel A. Grenier	\$ 1,738	\$ 1,738
John C. Hardy	\$ 3,517	\$ 3,517
Nancy E. Hopkins	\$ 3,770	\$ 3,770
David Levi	Nil	Nil
Joseph Maloney	\$ 1,149	\$ 1,149
Edward Power	\$ 1,502	\$ 1,502
C. Ian Ross	\$ 5,921	\$ 5,921
Peter Tanaka ⁽²⁾	\$ 221	\$ 221
Total	\$26,824	\$26,824

Notes:

(1) For the fiscal year ended August 31, 2010, the aggregate total compensation paid directly by both the Fund and GrowthWorks Canadian Fund to all directors was \$366,248.56. The Fund has established an Independent Review Committee (“IRC”) in accordance with National

Instrument 81-107 *Independent Review Committee*. Certain members of the Board are also members of the IRC whose fees are paid by the Fund. These fees are included in this table.

(2) Ms. Davis was elected at the Fund's 2009 annual general meeting of shareholders held on December 2, 2009 replacing Mr. Tanaka.

Directors' and Officers' Liability Insurance

Under the Management Agreement, the Manager arranges and pays for insurance for the benefit of the Fund's directors and officers against liability incurred by them in their capacities as directors and officers under a policy which covers all of the GrowthWorks group of companies and managed funds. The annual policy limit is \$10,000,000 in the aggregate for all directors and officers of the Fund. Protection is provided to directors and officers for wrongful acts or omissions done or committed during the course of their duties. The insurance excludes from coverage illegal, criminal or fraudulent acts and acts which result in personal profits. Under the insurance coverage, the Fund is reimbursed for payments for which it is required to indemnify its directors and officers, subject to a deductible of \$500,000 per loss, and individual directors and officers are directly reimbursed, without the imposition of any deductible, for losses incurred in their capacities as directors and officers. The annual premium for this insurance that is attributable to the Fund (based on its net assets relative to other GrowthWorks managed funds that are covered by the insurance) is approximately \$66,921 (including tax) which is paid by the Manager, not the Fund.

Interest of Manager and Informed Persons in Material Transactions

The Manager has an office located at Suite 2200, Exchange Tower, 130 King Street West, Toronto, Ontario M5X 1E3. The Manager operates within the venture capital division of Matrix Asset Management Inc., a TSX listed company which has a place of business at Suite 2200, Exchange Tower, 130 King Street West, Toronto, Ontario M5X 1E3 and as of May 24, 2011, the following persons hold more than 10% of the outstanding securities thereof: David Levi and Working Enterprises Ltd. Two of the senior officers of the Fund are also senior officers and, in the case of Mr. Levi, the director of the Manager.

The names, municipality of residence and principal positions of each of the directors and senior officers of the Manager are:

<u><i>Name and Municipality of Residence</i></u>	<u><i>Office</i></u>
David Balsdon, Mississauga, ON	Chief Operating Officer and Chief Compliance Officer
Pat Brady, Vancouver, BC	Vice-President, Investments
Jim Charlton, Saltspring Island, BC	Senior Vice-President, Investments
Carol Crow, Vancouver, BC	Vice-President, Human Resources
Rolf Dekleer, Vancouver, BC	Vice-President, Investments
Thomas J. Hayes, Halifax, NS	Vice-President, Atlantic Canada
Harold Heide, Winnipeg, MB	Vice-President, Investments
Alex Irwin, West Vancouver, BC	Director and Chief Strategy Officer
Darren Kosack, Oakville ON	Acting Senior Vice-President, National Sales and Marketing
Timothy Lee, Mississauga, ON	Chief Investment Officer, Venture Capital
David Levi, Vancouver, BC	Director and President
Clint Matthews, Coquitlam, BC	Chief Financial Officer and Vice-President, Finance
Murray Munro, Vancouver, BC	Director and Senior Vice-President, National Sales, Marketing and Government Relations
Maria Pacella, Vancouver BC	Vice-President, Investments
Scott Pelton, Toronto, ON	Vice-President, Investments
Andrew Pinkerton, Toronto, ON	Vice-President, Investments
Joseph Regan, Mississauga, ON	Vice-President, Investments
Mark Stirling, Hamilton, ON	Vice-President, Investments
Joseph Timlin, Vancouver, BC	Vice-President, Investments

Management Agreement

Under the Management Agreement, the Manager receives a management fee of 2% per annum of the net assets of the Fund, plus applicable taxes and a base annual administration fee on a declining basis as follows:

- 1.91% of net assets up to \$300 million in net assets
- 1.74% of the next \$200 million in net assets
- 1.55% of net assets over \$500 million in net assets

These management and base administration fees are calculated and paid monthly on the average net assets of the Fund. For ease of presentation, the base annual administration fee has been rounded to two decimal places.

In addition, under the Management Agreement, the Fund pays the Manager an annual capital retention administration fee based on 0.75% of the original purchase price of series of Class A shares which remain issued and unredeemed. The annual capital retention administration fee is calculated and paid monthly and ceases for any Class A shares that are held more than eight years.

Under the Management Agreement, the Fund pays all of its operating expenses, including legal, audit, valuation, custodial, marketing, shareholder reporting and directors' fees and expenses, up to a cap of 0.75% of average net assets. The cap excludes any taxes, fees payable to the Manager and extraordinary expenses. The Fund has also agreed to reimburse the Manager for interest costs the Manager (or any affiliate of the Manager) incurs in connection with borrowings made in the course of fulfilling its obligations under the Management Agreement and which have been pre-approved by the Fund.

Under the Management Agreement, the Manager may engage others to provide some or all of the services and may delegate any part of its duties and powers to them. As permitted under the Management Agreement, the Manager has engaged GrowthWorks Capital Ltd., a company within the venture capital division of Matrix Asset Management Inc, at its own cost, to provide investment advice and principal distributor services to the Fund.

For the fiscal year ended August 31, 2010, the Fund paid the Manager a total of \$872,663 (including GST and HST, as applicable) in fees and reimbursed interest costs. The management and base administration fees, the annual capital retention administration fee and the interest cost reimbursement represent all the payments that have been paid or is payable by the Fund to the Manager under the Management Agreement.

The Management Agreement can be terminated by agreement of the parties. Either party may terminate the agreement if the other party is bankrupt, insolvent, wound-up or dissolved or if the other party does not remedy a material breach within 60 days of written notice of the breach. In addition, the Fund may terminate the Management Agreement if the Manager fails to maintain all necessary securities registrations or by resolution of the Fund's board if this resolution is ratified by special resolution of the Fund's shareholders. Given the long term nature of venture investment management, such termination will be effective five years after the passing of such a shareholders' resolution. In such circumstances, the Fund will be responsible for paying the reasonable transfer, wind-down and transition costs incurred by the Manager as a result of having to transition operations to a new manager. The Manager also may terminate the agreement if the Fund changes its fundamental investment objectives and policies. If the Management Agreement is terminated for any reason, the succeeding manager will be required to assume all indebtedness incurred by the Manager with the approval of the Fund in performing its obligations under the Management Agreement.

IPA Dividends

It is common in the venture capital industry in North America to provide the manager of a venture capital fund with a "participating" or "carried" interest in realized gains on the fund's venture portfolio. In the case of the Fund, this is provided through dividends ("**IPA Dividends**") payable on Class C shares of the Fund owned by the Manager. The Manager, as the sole owner of the IPA Shares, is entitled to receive IPA Dividends up to 20% of the realized gains and income from each venture investment, excluding interest income received or accrued that is used for paying dividends in accordance with a Class A share series' dividend policy. Before any IPA Dividends can be paid in respect of a venture investment, each of the following conditions must be met:

- total net realized and unrealized gains and income on the Fund's portfolio of venture investments must have generated a return greater than a cumulative annualized rate of return on a 5 year GIC plus 2%;
- the venture investment must have generated a compounded annual internal rate of return of at least 12%; and
- the Fund must have received a cash amount at least equal to the principal invested in the venture investment.

For the fiscal year ended August 31, 2010, no IPA Dividends were paid on the IPA Shares; however, IPA Dividends of \$1,924,799 were accrued and allocated as at August 31, 2010.

Reserves Policy

In accordance with the Manitoba Act, the Fund has adopted a policy respecting the maintenance of financial reserves for meeting the Fund's cash requirements (the "**Reserves Policy**"). The purpose of the Reserves Policy is to document the basis on which the Fund's financial reserves and cash requirements are measured and monitored and to establish a procedure whereby the Manager reports the Fund's financial reserves and cash requirements to the Board. The Manager measures financial reserves and cash requirements over the course of each "**Sales Year**", being the 12-month period beginning April 1 and ending March 31. The end date of the Sales Year was selected due to its proximity to the end of the annual RSP sales season during which the vast majority of sales and redemptions occurs.

The Fund's financial reserves ("**Reserves**") consist of non-venture assets, including cash, non-venture investments that are easily liquidated and approved borrowings, and readily saleable venture assets (e.g. publicly traded securities not subject to trading restrictions) of the Fund available to meet the Fund's cash requirements. "**Projected Reserves**" on a given date is the amount of Reserves existing on that date plus the projected amount of Reserves that will be generated from fund raising and divestment activity over the remainder of the Sales Year. The Fund's "**Cash Requirements**" is the amount of cash required over the remainder of the Sales Year to meet the Fund's projected financial obligations. The Manager monitors the level of the Fund's Projected Reserves relative to its Cash Requirements and reports to the Board at regularly scheduled meetings throughout the Sales Year.

Shareholder Proposals

A shareholder intending to submit a proposal at an annual general meeting of shareholders of the Fund must comply with the applicable provisions of the *Canada Business Corporations Act* (the "**CBCA**"). The Fund will include a shareholder proposal in management's information circular prepared for the 2011 annual general meeting of shareholders provided such proposal is received by the Fund at the Manager's Toronto office noted above on or before at least 90 days before the anniversary date of the notice of meeting that accompanies this Circular and provided such proposal is required by the CBCA to be included in the Fund's information circular.

Other Matters

As at May 24, 2011, management knows of no matters to come before the Meeting other than the matters referred to in the notice of meeting. **If any other matters which are not known to management should properly come before the Meeting, the persons named on the enclosed form of proxy are authorized to vote in accordance with their discretion on such matters.**

Additional Information

Additional information relating to the Fund, including the Fund's financial statements and management reports of fund performance ("**MRFPs**") and current prospectus, is available on SEDAR at www.sedar.com. Financial information is provided in the Fund's comparative financial statements and MRFPs for the year ended August 31, 2010. Copies of the financial statements and MRFPs will be made available at the Meeting and are available at www.growthworks.ca prior to the Meeting. Copies of the financial statements, MRFPs and current prospectus may also be obtained by contacting the Manager at Suite 2200, Exchange Tower, 130 King Street West, Toronto, Ontario, M5X 1E3 or 1-800-268-8244. The Fund's current prospectus constitutes the Fund's business plan for the current year and describes the risks associated with making an investment in the Fund and the process for determining the value of Class A Shares of the Fund.

Directors' Approval

The contents and sending of the notice of meeting and this management information circular have been approved by the Board of the Fund.

DATED this 24th day of May, 2011.

By Order of the Board

(signed) DAVID LEVI
President & CEO