

GROWTH WORKS CAPITAL LTD.
POLICY & PROCEDURES MANUAL
PROXY VOTING POLICY

Background

Growth Works Capital Ltd. (“GWC”) is the manager or investment manager of venture capital funds, including labour-sponsored investment funds, across Canada (the “Managed Funds”). In these roles, GWC provides day to day management of investments holdings and has an obligation to act in the best interests of the Managed Funds. GWC’s duties include acting on behalf of the Managed Funds to exercise the voting rights attached to securities held by the Managed Funds.

Procedures for Proxy Voting

The investment manager for a particular investee company of a Managed Fund is authorized to complete a proxy or vote in person at a meeting of that particular investee company on behalf of the Managed Fund. If the investment manager is unavailable for any reason, another member of the investment team (the “authorized voting representative”) of which the investment manager is a member will be authorized to complete a proxy or vote in person at a meeting of that particular investee company of the Managed Fund.

Any proxy must be executed by an authorized signatory of the Managed Fund. A list of authorized signatories is available from the Assistant Compliance Officer.

Where an investee company requires evidence of the authorization of a particular individual to vote by proxy or in person on behalf of a Managed Fund, the investment manager, or the authorized voting representative, should obtain and complete the correct authorization documents which have been reviewed by, or on behalf of, the Assistant Compliance Officer.

Recording of Proxy Voting

Every investment manager or authorized voting representative must keep a record of the votes cast at a meeting of shareholders of an investee company, whether in person or by proxy. These records may be kept by either:

- (a) keeping a copy of any proxy duly filed with the particular investee company of a Managed Fund in the investment file for that investee company; or
- (b) recording, in legible form, the votes cast in person at any meeting of shareholders of the particular investee company in a written document and placing that document in the investment file for that investee company;

provided that the records regarding investee companies that are reporting issuers shall include the following information:

- (a) the name of the investee company;
- (b) the exchange ticker symbol of the securities held by the Managed Fund unless this information is not readily available to the Managed Fund;
- (c) the CUSIP number of the securities held by the Managed Fund;

- (d) the meeting date;
- (e) a brief identification of the matter or matters to be voted on at the meeting;
- (f) whether the matter or matters voted on were proposed by the investee company, its management or another person or company;
- (g) whether the Managed Fund voted on the matter or matters;
- (h) if applicable, how the investment fund voted on the matter or matters; and
- (i) whether votes cast by the Managed Fund were for or against the recommendations of the management of the investee company.

These records must be kept for a minimum period of seven (7) years.

Disclosure of Proxy Voting Records

GWC shall prepare an annual voting proxy record for the Managed Fund for the period ending on June 30 of each year. GWC shall on behalf of the Managed Fund post such annual voting record on the Managed Fund's website on or before August 31 of each year and promptly send such annual voting record and voting proxy policies, without charge, to any securityholder of the Managed Fund upon a request after August 31.

Proxy Voting Policies

If a Managed Fund has issued proxy voting guidelines, GWC will exercise the voting rights attached to securities held by the Managed Funds in accordance with such guidelines, as applicable.

If a Managed Fund has not issued proxy voting guidelines or the guidelines do not cover a particular situation, the guiding principle and policy of GWC will be to exercise the voting rights of the Managed Fund in a manner which it believes to be in the best interests of that Managed Fund in accordance with the guidelines set forth below.

A decision to invest in an investee company is based in part on an assessment of the management of an investee company. Since a decision to invest is *generally* an endorsement of management of the investee company, GWC will generally have the Managed Fund vote with management on **routine** matters. However, since GWC must be focused on the best interests of the Managed Fund on an ongoing basis, GWC must be aware of the potential investment implications of any issue on which shareholders are asked to vote.

Routine Matters

Investee company proxies most frequently contain proposals to elect corporate directors and to appoint external auditors and set their compensation. Set out below are GWC's Managed Fund "Proxy Voting Guidelines" for these routine matters:

- (1) Boards of Directors

In the case of private investee companies, Managed Funds generally have in place shareholders' agreements under which the majority shareholders have agreed to the composition of the Board of Directors in advance of a meeting of shareholders. As a result, GWC will recommend voting in

favour of the election of directors as contemplated by any shareholders' agreement entered into with that investee company.

In the case of public investee companies, shares will generally be voted in favour of the election of directors for slates which have met the corporate governance requirements applicable to the particular investee company.

(2) **Auditors and Auditors Compensation**

In the case of private investee companies, GWC will generally recommend voting in favour of the appointment of auditors and the approval of their compensation if the composition of the audit committee and any other requirements contained in the shareholders' agreement with the investee company have been satisfied.

In the case of public investee companies, GWC generally recommends voting in favour of the appointment of auditors and the approval of their compensation if the corporate governance requirements applicable to the particular investee company have been met.

Other Matters

Other issues, including those business issues specific to the investee company or those raised by shareholders of the investee company, will be voted on or not voted on, on a case by case basis, in a manner which the investment manager or authorized voting representative believes is in the best interests of the Managed Fund having regard to the information available to them.

Conflicts of Interest

GWC is aware that from time to time, apparent conflicts of interest may arise with respect to the exercise of voting rights of a Managed Fund. These conflicts may include where the investment manager or authorized voting representative is also a director of the particular investee company. Another possible conflict of interest may also arise where a Managed Fund owns securities of an entity affiliated, connected or otherwise related to GWC (although at present, this situation does not exist).

Investment managers and authorized voting representatives must only exercise voting rights of Managed Fund uninfluenced by considerations other than the best interests of the Managed Fund. Voting is to be done solely in the capacity as a representative of the Managed Fund not in any other legal capacity.