

# SASKWORKS VENTURE FUND INC.

## MANAGEMENT PROXY CIRCULAR

For the Special Meeting of Shareholders  
to be held on  
May 31, 2017

### SOLICITATION OF PROXIES

This Management Proxy Circular ("Circular") is furnished in connection with the solicitation of proxies by or on behalf of the management of SaskWorks Venture Fund Inc. (the "Fund") for use at the special meeting of shareholders (the "Meeting") of the Fund to be held at the time and place and for the purposes set forth in the notice of special meeting accompanying this Circular. It is expected that the solicitation will be made primarily by mail. However, management of the Fund may also solicit proxies by telephone, telecopier, e-mail, other electronic or telecommunications devices, or in person. All expenses in connection with solicitation of proxies by management will be borne by the Fund. **The information contained in this Circular, unless otherwise stated, is current as of April 14, 2017.**

### APPOINTMENT OF PROXYHOLDERS

The proxy nominees named in the enclosed proxy are directors and officers of the Fund. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, OTHER THAN THE PERSONS DESIGNATED IN THE PROXY, TO REPRESENT THE SHAREHOLDER AT THE MEETING AND MAY EXERCISE SUCH RIGHT BY INSERTING THE NAME OF THE PERSON IN THE BLANK SPACE PROVIDED IN THE PROXY OR BY SUBMITTING ANOTHER APPROPRIATE PROXY.** A person appointed as proxy need not be a shareholder.

A proxy must be deposited with the Fund using one of the below voting options at least 24 hours (excluding Saturdays and holidays) prior to the Meeting or an adjournment thereof in order for the proxy to be voted. Proxies not delivered by the time specified may not be treated as valid for purposes of the Meeting.

### VOTING INSTRUCTIONS:

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| <b>VOTE BY MAIL:</b><br>To be effective, the form of proxy must be completed, signed and returned by mail to:<br><b>Data Processing Centre, P.O.<br/>Box 2800, Stn. LCD, Malton,<br/>Mississauga, ON L5T 9Z9</b>                                    | <b>VOTE BY FACSIMILE:</b><br>If you choose the fax option, dial:<br><b>905-507-7793 (English) or 514-281-8911<br/>(French)</b><br>and ensure that all pages of the proxy are returned.  |
| <b>VOTE BY TELEPHONE:</b><br>As an alternative, you may enter your vote instruction by telephone at<br><b>1-800-474-7493 (English) or 1-800-474-7501<br/>(French).</b> Your 16-digit control number is located on the reverse of the form of proxy. | <b>VOTE BY INTERNET:</b><br>To vote via the Internet visit <a href="http://www.proxyvote.com">www.proxyvote.com</a> . Your 16-digit control number to access the Internet voting system is located on the reverse of the form of proxy. You cannot use the Internet voting service to vote on the day of the Meeting. |

## **REVOCACTION OF PROXIES**

In addition to revocation in any other manner permitted by law, a proxy may be revoked by a shareholder by depositing a written notice of revocation signed by the shareholder or the shareholder's attorney authorized in writing:

- (a) at the registered office of the Fund, at 1925 Victoria Avenue (Second Floor), Regina, Saskatchewan, S4P 0R3, at any time up to and including the close of business on the last business day preceding the day of the Meeting or an adjournment thereof at which the proxy is to be used;
- (b) with the Chairperson of the Meeting on the day of the Meeting or an adjournment thereof; or
- (c) by signing another proxy bearing a later date and depositing it at the above-mentioned address within the time stated above for delivery of proxies.

## **VOTING OF PROXIES**

**The person appointed as proxy will vote the shares represented thereby in accordance with the direction of the shareholder(s) appointing such person. In the absence of such direction, such shares will be voted in favour of or for, as the case may be, the matters identified in the notice of annual meeting accompanying this Circular.**

The person appointed as proxy has discretionary authority and may vote the shares represented thereby as such person considers best with respect to amendments or variations to matters identified in the notice of meeting or other matters which may properly come before the Meeting. The management of the Fund knows of no such amendments, variations or other matters to come before the Meeting.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The directors have fixed the close of business on April 14, 2017 as the record date for the Meeting. A person who is a shareholder on the record date is entitled to vote his or her shares except to the extent that the person has transferred the ownership of any of his or her shares after the record date and the transferee of the shares produces properly endorsed share certificates or otherwise establishes that he or she owns the shares and demands, not later than ten days before the Meeting, that his or her name be included in the list of shareholders for the Meeting, in which case the transferee is entitled to vote his or her shares at the Meeting.

The authorized capital of the Fund consists of an unlimited number of Class A - Series A shares, an unlimited number of Class A - Series F shares, an unlimited number of Class R - Series A shares, an unlimited number of Class R - Series F shares, 10 Class B shares and an unlimited number of Class C shares issuable in series. Each Class A - Series A share, Class A - Series F share, Class R - Series A share, Class R - Series F share and each Class B Share carries the right to one (1) vote at all meetings of the shareholders of the Fund. As of February 28, 2017, 19,035,600 Class A Series A, 129,482 Class A Series F, 6,488,712 Class R Series A and 3,112 Class R Series F shares were issued and outstanding.

To the knowledge of the directors and senior officers of the Fund, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Fund except the SaskWorks Federation of Unions which owns both beneficially and of record 10 Class B Shares representing 100% of the issued and outstanding Class B Shares.

As of the date of this Circular, no Class C Shares were issued and outstanding.

### **ADVICE TO BENEFICIAL HOLDERS**

**The information set forth in this section is of significant importance to many holders of Class A and Class R Shares, as a substantial number of shareholders do not hold shares in their own name.** Shareholders who do not hold their Class A or Class R Shares in their own name (referred to herein as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Fund as the registered holders of Class A or Class R Shares can be recognized and acted upon at the Meeting. If Class A or Class R Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Class A or Class R Shares will not be registered in the shareholder's name on the records of the Fund. Such shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Class A or Class R Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. In Canada, without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Class A or Class R Shares are communicated to the appropriate person or that the Class A or Class R Shares are duly registered in their name.**

### **BUSINESS TO BE TRANSACTED AT THE MEETING**

#### **AMENDMENT TO THE ARTICLES OF INCORPORATION OF THE FUND:**

#### **REMOVAL OF THE EARLY REDEMPTION FEE (DEFERRED SALES CHARGE) ON CLASS A – SERIES A AND CLASS R – SERIES A SHARES (*Proxy Items #1-3*)**

Currently, a holder of shares who requests a redemption of such shares before the seventh anniversary of the date of their acquisition will, subject to certain exceptions, be subject to an obligation to pay a deferred sales charge (early redemption fee) equal to 1% of the redemption amount for each year or part year remaining before expiry of the eight year holding period in respect of the shares being redeemed.

The Fund is proposing amendments to the articles of incorporation of the Fund, as amended, to eliminate this fee. A copy of the articles of amendment for the Fund (the "**Articles of Amendment**") may be obtained upon request and without charge from the Fund at its offices at 2<sup>nd</sup> Floor, 1925 Victoria Ave, Regina, Saskatchewan, S4P 0R4. In addition, copies of the articles of amendment will be available to review at the Meeting.

The Fund receives nominal early redemption fees payable by shareholders each year. In the last semi-annual period ending February 28, 2017, the Fund received early redemption fees of \$21,042 from the Class A shareholders and \$7,735 from the Class R shareholders.

The articles of amendment require the prior written approval of the minister responsible for *The Labour-sponsored Venture Capital Corporations Act* (Saskatchewan). If such approvals are not obtained, the articles of amendment will not be filed and the deferred sales charge (early redemption fee) will not be eliminated.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

**BE IT RESOLVED:**

1. That the amendments to the articles of the Corporation to eliminate the deferred sales charge (early redemption fee), be and are hereby authorized and approved with such changes and modifications thereto as the directors of the Fund, in their discretion, may approve;
2. That any two directors, officers or a solicitor of the Corporation is hereby authorized, in the name and on behalf of the Corporation, to make, execute and deliver all such certificates, documents and other instruments, under its corporate seal or otherwise, and do all such further acts as such directors or officers or solicitor may consider to be necessary or desirable to give effect to this special resolution (including, but not limited to, signing and filing articles of amendment), the execution of any such instrument or the doing of any such other act being conclusive evidence of such determination; and
3. Notwithstanding the passage of this special resolution by shareholders voting thereon, that the directors of the Corporation are authorized if they deem it to be in the best interest of the Corporation, to revoke or abandon this special resolution without any further approval of shareholders at any time prior to the filing of the articles of amendment.

The Board has reviewed and considered the proposed amendment to eliminate the early redemption fee for the Series A Shares within Class A and Class R Shares, and recommends that shareholders vote FOR this special resolution to amend and restate the articles.

The management designates named in the enclosed proxy intend to vote FOR the proposed amendment and restatement of the articles of incorporation of the Fund, unless a shareholder has specified in his/her proxy that his/her shares are to be withheld from voting for the amendment and restatement of the articles.

In order to be effective, the foregoing special resolution requires the approval of not less than two-thirds of votes cast by shareholders who vote in respect of such special resolution. Approval of the Minister responsible for Saskatchewan's Labour Sponsored Venture Capital Corporations is also required in order to amend the articles of incorporation of the Fund, which the Fund is in the process of and does not foresee any issues in obtaining.

## **INFORMATION CONCERNING THE FUND**

### **MANAGEMENT CONTRACT**

Pursuant to an agreement between the Fund and the Manager dated April 20, 2011 (the "Management Agreement"), as amended, the Manager has agreed to manage and administer the business affairs of the Fund in connection with its day-to-day operations. For the period from September 1, 2016 to February 28, 2017, the Manager was paid management fees in the amount of \$5,016,004 (including goods and services tax).

Further details concerning management of the Fund is contained in the information circular of the Fund dated November 4, 2016. A copy of the information circular is on SEDAR at [www.sedar.com](http://www.sedar.com), or may be obtained at no cost from the head office of the Fund, located at 2<sup>nd</sup> Floor, 1925 Victoria Ave, Regina, Saskatchewan S4P 0R3 or by calling 1(306)791-4833, and is incorporated by reference herein.

### **INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

Pursuant to the Management Agreement, the Manager has been retained as manager of the Fund and will receive certain management fees and other compensation.

### **ADDITIONAL INFORMATION**

Additional information relating to the Fund is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Fund is provided in the Fund's financial statements and Management's report of fund performance for the Fund's most recently completed financial year, copies of which are on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Fund by mail, at the address set forth above, or by calling 1(306)791-4833 to request copies of any documents filed on SEDAR including copies of the Fund's financial statements and management's report of fund performance.

### **CERTIFICATE**

The contents and distribution of this Management Proxy Circular have been approved by the board of directors of SaskWorks Venture Fund Inc.

**DATED** this 14th day of April, 2017



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**Douglas Frondall**, Chairman